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SOCIAL AND INSTITUTIONAL PROFILES

FOR

ST. LUCIA

DOMINICA

ANTIGUA AND BARBUDA

ST. KITTS-NEVIS

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LIST OF ACRONYMS AND ABBREVIATIONS

St. Lucia

AMB	Agricultural Marketing Board
BGA	Banana Grower's Association
CAMDU	Curriculum Development Unit
CAWG	Community Action Working Group
COC	Chamber of Commerce
CPU	Central Planning Unit
GSL	Government of St. Lucia
MOA	Ministry of Agriculture
NAFCO	National Association of Fishermen's Coops
NCB	National Commercial Bank
NDC	National Development Corporation
NFE	Non-formal Education
PDA ⁿ	Private Development Assistance Project
PPA	St. Lucia Planned Parenthood Association
SBA	Small Business Association
SDB	St. Lucia Development Bank
SMA	St. Lucia Manufacturer's Association
STAFCO	St. Lucia Agriculturists Federated Coops

Dominica

AIDBank	Agricultural and Industrial Development Bank
CAO	Chief Agricultural Officer
DAIC	Dominica Association of Industry and Commerce
DBGA	Dominica Banana Grower's Association
DPPA	Dominica Planned Parenthood Association
DPO	Disaster Preparedness Officer
DTB	Dominica Tourist Board
EAD	Employers' Association of Dominica
GOD	Government of Dominica
IDC	Industrial Development Corporation
LGCD	Division of Local Government and Community Development
MOA	Ministry of Agriculture, Lands, Fisheries and Cooperatives
NDFD	National Development Foundation of Dominica
PCN	Primary Care Nurses
PHCU	Primary Health Care Units

LIST OF ACRONYMS AND ABBREVIATIONS (cont'd.)

Antigua and Barbuda

ABDB	Antigua and Barbuda Development Bank
ACB	Antigua Commercial Bank
AHTA	Antigua Hotel and Tourist Association
ALP	Antigua Labor Party
AMA	Antigua Manufacturers Association
APA	Antigua Port Authority
APUA	Antigua Public Utilities Authority
CEO	Chief Education Officer
CMC	Central Marketing Corporation
COC	Chamber of Commerce
DPU	Development Planning Unit
EFA	Employers' Federation of Antigua
GOAB	Government of Antigua and Barbuda
MALF	Ministry of Agriculture, Lands and Fisheries
MOE	Ministry of Education, Youth and Culture
MOPED	Ministry of Planning, Economic Development, Industry, Trade, Tourism and Energy
PS	Permanent Secretary
PWD	Public Works Department

St. Kitts-Nevis

CAO	Chief Agricultural Officer
CEMACO	Central Manufacturing Corporation
CIC	Chamber of Industry and Commerce, Inc.
EPU	Economic Planning Unit
FBDC	Frigate Bay Development Corporation
GON	Government of Nevis
GOSK-N	Government of St. Kitts-Nevis
MOA	Ministry of Agriculture
MOAT	Ministry of Agriculture and Tourism
MOEHS	Ministry of Education, Health and Social Affairs
NACO	National Agricultural Corporation
NCW	National Council of Women
NHA	Nevis Hotel Association
NRP	Nevis Reformation Party
PAM	People's Action Movement
SSMC	St. Kitts Sugar Manufacturing Corporation
SNDB	St. Kitts-Nevis Development Bank
SSA	Social Security Administration
TB	Tourist Board
TEFLEP	Teenage Family Life Education Project
UUSC	Unitarian Universalist Service Committee

LIST OF ACRONYMS AND ABBREVIATIONS (cont'd.)

Regional/International

BDD	British Development Division
BIMAP	Barbados Institute of Management and Productivity
CAEP	Caribbean Agricultural Extension Project
CAIC	Caribbean Association of Industry and Commerce
CARDI	Caribbean Agricultural Research and Development Institute
CAREC	Caribbean Epidemiological Centre
CARICAD	Caribbean Centre for Administration and Development
CARICOM	Caribbean Common Market/Caribbean Community
CARIWA	Caribbean Women's Association
CAST	Centre for Arts, Sciences and Technology
CATCO	Caribbean Trading Company
CCU	Caribbean Confederation of Credit Unions
CDB	Caribbean Development Bank
Cdn\$	Canadian Dollar
CEBEMO	(A German funding administration)
CFC	Caribbean Food Corporation
CFNI	Caribbean Food and Nutrition Institute
CFTC	Caribbean Fund for Technical Cooperation
CFPA	Caribbean Family Planning Association
CIAT	Centro Internacional de Agricultura Tropical
CIDA	Canadian International Development Agency
CIM	InterAmerican Commission of Women
CMC	Caribbean Manufacturers' Council
CTA	Caribbean Tourism Association
CTRC	Caribbean Tourism Research and Development Centre
CUNA	Credit Union National Association, Inc.
CUSO	Canadian Universities Service Organization
CXC	Caribbean Examinations Council
EC\$	Eastern Caribbean Dollar
ECCA	Eastern Caribbean Currency Authority
ECCB	Eastern Caribbean Central Bank
ECTA	Eastern Caribbean Tourism Association
EDF	Educational Development Foundation
EDF	European Development Fund
EZE	(A German Donor)
GCE	General Certificate of Education
GDP	Gross Domestic Product
GNP	Gross National Product
IAF	InterAmerican Foundation

LIST OF ACRONYMS AND ABBREVIATIONS (cont'd.)

Regional/International

IFAD	International Fund for Agricultural Development
ILO	International Labor Organization
IPPF	International Planned Parenthood Federation
JAMAL	Jamaica Movement for the Advancement of Literacy
LDC	Lesser Developed Country
MDC	More Developed Country
MUCIA	Midwestern Universities' Consortium for International Activities
MW	Megawatt
NA	Not available
NFE	Non-formal Education
NGO	Non-Government Organization
OAS	Organization of American States
OECS	Organization of Eastern Caribbean States
OPEC	Organization of Petroleum Exporting Countries
OPEX	Operational Exchange Employee
PAHO	Pan-American Health Organization
PPA	Planned Parenthood Association
PQLI	Physical Quality of Life Index
PVO	Private and Voluntary Organization
RDO/C	Regional Development Office for the Caribbean
UK	United Kingdom
UNDP	United Nations Development Program
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFPA	United Nations Fund for Population Activities
UNICEF	United Nations Children's Fund
US\$	United States Dollar
USAID	United States Agency for International Development
UWI	University of West Indies
WAND	Women and Development
WHO	World Health Organization
WINBAN	Windward Islands Banana Association
WOCCU	World Council of Credit Unions

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I. SOCIAL AND INSTITUTIONAL PROFILES OF ST. LUCIA
DOMINICA, ANTIGUA AND BARBUDA AND ST. KITTS-NEVIS:
A CROSS-COUNTRY ANALYSIS

A. Introduction

1. Purpose

The purpose of this project is to develop social and institutional profiles (SIPs) of four Eastern Caribbean countries for the Regional Development Office of the U.S. Agency for International Development. The investigation and analysis of the social and institutional structures and activities in St. Lucia, Dominica, Antigua and Barbuda, and St. Kitts-Nevis contained in the profiles will be utilized by the AID Mission in developing the Country Development Strategy Statements (CDSS) and in developing, designing and implementing bilateral and regional projects to assist development in these countries.

2. Scope of Work

The Social and Institutional Profile for each country broadly includes analyses of:

- o the social systems and cultural patterns of the four countries;
- o the effects and relationships of socio-cultural trends on economic development;
- o the key public and private development institutions;
- o the human and financial resources available to these institutions.

The social profiles for each country consist of an interpretation of a variety of social characteristics and relationships including most of the following for each country where data were available:

- a) Population profiles by age, sex, educational level, location and occupation, and/or urban/rural or other categories. The Analysis also deals with social constraints to development, with special emphasis on the private and productive sectors.
- b) Social, political and economic organization, particularly in terms of access to resources and productivity.

- c) Roles of women and the development impact of these roles.
- d) Analysis of socio-economic trends or conditions relevant to development, including public/private sector interrelationship and interests, urban migration, aspirations of youth, colonial legacy, etc.

The social profiles, then, contain an analysis of the social matrix in which development activity evolves.

The institutional profiles include an examination of the following:

- a) Description of the major development-related institutions and their objectives. The key institutions investigated were selected according to the following criteria: public, including ministries and parastatals, and private, including business/commercial associations and non-profit voluntary organizations. Thus, public and private organizations on the local, national and regional levels serving both the informal traditional sectors as well as the formal modern sectors were included. The descriptions cover purpose, organizational structure, leadership, critical development tasks, clientele, interrelationships with local, national and regional institutions, financial and human resources.
- b) A brief analysis of the institutional support network serving the private and productive sectors and identification of those institutions most capable of addressing development in these sectors, as well as institutional constraints to development in these sectors.
- c) An analysis of the effectiveness of these key public and private institutions in achieving stated objectives, appropriateness of these objectives, and the institutions' development potential.

The complete Scope of Work can be found in Annex 1.

3. Procedure

The field work was undertaken by two Devres, Inc. employees and a direct hire consultant to the AID Regional Development Office for the Caribbean (RDO/C). The two Devres staff spent two days in administrative and substantive briefings prior to departure from Washington, and three days with the RDO/C staff in Barbados before embarking on the field work. The RDO/C direct hire consultant assembled materials used by the team in a two week period in Barbados before arrival of the Devres personnel. After this, the three worked together as a team.

The project was undertaken in two phases -- field work and analysis/writing. Approximately seven to ten days was spent in each of the four countries for the purpose of contacting and investigating the activities of public and private institutions important to development, especially those which support the productive sectors, the private sector and provide social services to the society at large or significant portions of it. The team was also charged with ascertaining the nature of the structure, patterns and relationships of groups within the society with particular reference to those features which influence the access of particular groups to resources. The team worked closely with the AID/Barbados mission throughout the project. During the field work phase, the team interviewed over 175 individuals on five islands and personally visited more than 150 development institutions and organizations.

The time available allowed little more than an hour or so for personal contacts in many cases and the study of the range of key government, parastatal and private development-related institutions covered. Similarly, in gaining an understanding of the structure and relationship in the society it was necessary to rely largely on available research papers and other secondary sources, e.g. persons engaged in various public and private bodies dealing with economic and social programs, a few accessible social and anthropological professionals engaged in research and other observers. There was no opportunity for any independent social survey work in the course of preparing these profiles.

At the conclusion of the field work phase, the team worked together in Barbados to analyze the data gathered and write a draft report. Additional support in preparing the final draft was provided by the Devres Washington staff. A total of 21 person weeks was spent by the two Devres staff persons and 12 weeks were spent by the RDO/C consultant in the field for data collection, analysis and writing. An additional five professional person weeks were provided by the Devres staff in gathering research data and preparing the final report.

This chapter provides a cross-country analysis of the social (Section B) and institutional (Section C) profiles of St. Lucia, Dominica, Antigua and Barbuda and St. Kitts-Nevis. In this way the reader is afforded an opportunity to obtain a summary view of the relative strengths and constraints in each of these Eastern Caribbean countries and their societies before going on to the separate SIPs for each one of the countries which follow in Chapters II to V below. This chapter concludes (Section D) with a set of findings and discussion of implications for U.S. AID programs in the four countries.

B. Social Profiles: Four Countries in Transition

1. Introduction

The four countries investigated in this report -- St. Lucia, Dominica, Antigua and Barbuda and St. Kitts-Nevis -- are societies in transition. This cross-country analysis which follows includes an overview of the major similarities and differences in economic and social organization among these four countries and is based on the information detailed in Chapters II to V, collected during this study. Where helpful, some additional comparisons with other developing nations or the industrialized countries have also been made. Often the relative differences between countries pale in relation to the broader comparisons. However, the relative differences are important especially for those planning and setting priorities in a context of scarce resources in a region that must increasingly be seen as comprised of discrete societies and nations with unique and specific problems to resolve. At the same time, of course, some regional generalizations and programs will continue to be important in the Eastern Caribbean.

In this section, an analysis of the major economic influences on the four societies will be followed by a brief interpretation of the major quality of life indicators. Since these, in turn, have been heavily influenced by changing migration and population patterns, by emerging trends in the labor force and by the changing role of women in the societies, each of these factors will be analyzed in a cross-country context in this section of the chapter. The data on which the comparisons are based is more fully explained in the Social Profile section of the subsequent chapters on each country.

2. The economic context

All four countries have recently become independent nation states. The economic, political and social changes accompanying this new status have significantly altered the social structure of all four countries.

The economic changes have been fundamental and away from the slave-based plantation sugar monoculture inherited from the early colonial period (with the exception of St. Kitts). During the past 25 years, Antigua has been transformed from a society based on agricultural production to one based on the provision of services. Tourism is the leading contributor to the GDP and sugar has not been produced in Antigua for ten years. In St. Lucia and Dominica, the shift from a sugar-producing economy based on large estates to one producing bananas mostly on smallholder units has brought about the emergence of small-scale farmers with important implications for the societies. St. Kitts, which has been producing sugar for over 300 years, is the only one of the four countries which continues to export sugar. While its economy is now experiencing

some change with small but growing tourism and manufacturing sectors, there has been almost no diversification of agriculture and sugar remains the major export and contributor to GDP.

The lack of diversification in agriculture, however, is a common problem of all four countries. Even with a tradition of agricultural workers on the estates producing food crops on small garden plots, all four countries must import food. In all four, food imports account for a significant share of all imports; for example, in St. Lucia and St. Kitts-Nevis, 20 percent of all imports are foodstuffs. However, there have been significant transfers of resources and wealth within the agricultural sector. In St. Kitts and Antigua, the governments own most of the land previously held by a few, mostly absentee landowners of large estates. In St. Lucia and Dominica, while the governments also own considerable land there has been a transition from large estates to small and medium-sized holdings.

There have been other changes in the structure of the economy in recent years with the growth in the manufacturing, tourism and allied services sectors. Table 1 shows the relative importance of these sectors in each country today. In terms of relative contribution to GDP, Antigua and Barbuda, and St. Kitts-Nevis and St. Lucia have expanded their tourism sectors proportionally far more than Dominica. Manufacturing contributes about ten percent of the GDP of all four countries (if St. Kitts' sugar processing is excluded). In all but Dominica, which remains predominantly agricultural, these changes have introduced some new opportunities into what was a highly restricted environment for the majority of the people where the principal option to working for wages in agriculture had been emigration.

3. Quality of life considerations

Various indicators may be used to compare levels of poverty and affluence and quality of life. The more traditional indicator is per capita GNP. The Physical Quality of Life Index (PQLI), on the other hand, is a scale that measures how widely the benefits of economic development have been distributed in a society by averaging life expectancy, infant mortality and literacy rates to indicate the status of the physical and social well-being of a population. Both sets of indices are shown for the four nations in Table 2.

While Dominica and St. Lucia have the lowest per capita GNP of the four countries (\$750 and \$970 respectively), their rates are significantly higher than those of the poorest countries in the world. They may be classified as lower middle-income countries (per capita GNP of \$400-\$999), while Antigua and Barbuda and St. Kitts-Nevis (\$1,550 and \$1,040 respectively) could be considered upper middle-income countries (\$1,000-\$3,499) on the basis of their per capita GNP. The average per capita GNP of the 143 developing

Table 1 : St. Lucia, Dominica, Antigua and Barbuda, and St. Kitts-Nevis: Characteristics of Major Sectors of the Economy¹

<u>Sector</u>	<u>St. Lucia</u>	<u>Dominica</u>	<u>Antigua and Barbuda</u>	<u>St. Kitts-Nevis</u>
<u>Agriculture</u>				
Percent of GDP	15 ^a	37 ^f	6-7 ^b	22 ^b
Percent of Labor Force	25 ^b	50(est.)	3 ^d	30 ^d
Major Crop(s)	Bananas Coconuts	Bananas Coconuts	none	Sugar (St. Kitts)
<u>Manufacturing</u>				
Percent of GDP	10.5 ^a	8 ^b	10 ^b	9-19 ^{2a}
Percent of Labor Force	6 ^c	4 ^b	7 ^b	17 ^d
<u>Tourism</u>				
Percent of GDP ³	6 ^a	1 ^b	19 ^b	17 ^a
Percent of Labor Force	11.5 ^c	NA ⁴	10 ^b	NA
<u>Government Services</u>				
Percent of GDP	19 ^c	22 ^b	16 ^b	25 ^a
Percent of Labor Force	NA	37 ^b	39 ^e	37 ^{5d}

¹Current data for each country are not available from a single source. The information in this table has been taken from various sources documented in the Introduction and Social Profiles sections of the country reports in Chapters II-IV. KEY: a = 1983, b = 1982, c = 1981, d = 1980, e = 1979, f = 1978.

²The 9 percent is non-sugar related manufacturing; if sugar and molasses processing manufacturing is included, the contribution to GDP is 19 percent.

³The 1983 World Bank estimate of 17 percent for St. Kitts-Nevis includes both direct and indirect contributions; Antigua and Barbuda's 19 percent also refers to direct and indirect contributions to GDP; but St. Lucia's 6 percent refers only to direct contributions to GDP.

⁴NA = Not available.

⁵54 percent of public sector employment in St. Kitts-Nevis is employment in the sugar industry.

Table 2 : St. Lucia, Dominica, Antigua and Barbuda, and St. Kitts-Nevis: A Comparison of Selected Economic and Social Indicators¹

<u>Indicator</u>	<u>St. Lucia</u>	<u>Dominica</u>	<u>Antigua and Barbuda</u>	<u>St. Kitts-Nevis</u>
GNP, per capita (1981)	US\$ 970	US\$ 750	US\$ 1,550	US\$ 1,040
GNP annual growth rate (1970-1980)	3.0%	-3.1%	-1.7%	1.7%
Population	124,000 ^b	74,851 ^c	75,231 ^d	43,309 ^d
Average Annual Population Growth Rate	1.5% ^b	0.1% ^a	3.15% ^d	-0.22% ^d
Crude Birth Rate (per 1,000)	28 ^c	22.5 ^c	17 ^a	25.3 ^d
Crude Death Rate (per 1,000)	7 ^b	5-7 ^c	6 ^a	10 ^d
Population Density ² (per square mile)	513 ^c	256 ^c	715 ^a	427 ^d
Life Expectancy ³	67 yrs. (1980)	58 yrs. (1961)	62 yrs. (1961)	64 yrs. (1971)
Infant Mortality (per 1,000, 1980)	29	20	32	53
Language(s)	English, Patois	English, Patois	English	English
Literacy ³	82% (1970)	94% (1970)	89 (1960)	80% (1983)
Physical Quality of Life Index (1983)	83	80	80(est.)	mid-70s(est.)

¹Current data for each country are not available from a single source. The information in this table has been taken from various sources documented in the Social Profile section of the individual country reports in Chapters II-IV. KEY: a = 1983, b = 1982, c = 1981, d = 1980.

²Caribbean Central American Action, C/CAA's Caribbean and Central American Databook (Washington, D.C., 1983), 9, 99, 301, 309.

³Comparisons must be qualified because data are from different years and because of concerns about reliability of data expressed in Annex 2.

countries considered together is \$772; that of the United States is \$12,530. So using this index these four Eastern Caribbean nations would be considered slightly above average for developing nations.

The average life expectancy of the four countries compares favorably with the average of many developing countries (57), but is considerably less than that of many countries in the industrialized world. (The United States, for example (74.) The infant mortality rate of St. Kitts-Nevis (53/1,000) is significantly higher than that of the other three nations in this study, but still considerably less than the average of the developing nations (86 per 1,000). Gastroenteritis was a major cause of infant deaths in Dominica, but oral hydration therapy has helped alleviate this problem. Dominica has the lowest rate of the four countries (20 per 1,000). (By comparison, the U.S. infant mortality rate is 12 per 1,000.) Literacy rates are highly questionable and probably overestimates for reasons explained elsewhere in this report, especially those in St. Lucia and Dominica which have large numbers of Patois-speaking persons. Given this caveat, the literacy rates for these four countries are much higher than the developing countries' average (55 percent), but considerably lower than those of the industrialized countries, whose literacy rates average 99 percent.

The high GNP annual growth rate of St. Lucia coupled with its high PQLI might indicate that it is the best example of "growth with equity" of the four countries. At the same time, Dominica's low annual (negative) growth rate may be attributed to three devastating hurricanes in 1979-80 which slowed progress in all areas. St. Kitts' high infant mortality rate and per capita GNP and low PQLI might indicate a poorer majority with a smaller, richer elite relative to the other countries studied.

4. Social organization and cultural patterns

Current divisions and tensions in the four countries have historical roots in the colonial legacy. In many instances, Caucasian elites are perceived by people of African descent as continuing to be dominant because they remain economically, if not politically, powerful. Many business interests in the islands continue to be owned and controlled by Caucasians, many of whom are ex-patriates or absentee owners. It is interesting to note that while the current government of St. Kitts-Nevis is generally linked with the business elite, and that of Antigua and Barbuda has its political base in the smaller of the two labor unions, the governments of St. Lucia and Dominica have tried, with varying degrees of success, to remain somewhat neutral and work with both business groups and labor unions. Since political independence for all four countries has been recent (from 1977 to 1983) some social tension remains in relation to this transition.

Another historical social division has been the dichotomy between urban and rural, especially in those islands where villages were isolated. Many rural people in St. Lucia and Dominica also speak Patois or French Creole and tend to be less educated, poorer, and recipients of fewer government services than the predominantly English-speaking urban citizens. The language differences have become associated with economic and other differences. However, the construction of road systems has made most places within these small islands, with the exception of Dominica, accessible to each other, breaking down what not long ago were important barriers between "urban" and "rural" people. In addition, in the process of becoming states, all four countries (Antigua to a lesser degree) have sought to provide services and amenities to all parts of the islands. As a result, in all four countries place of residence is no longer such a critical factor in determining standard of living.

Finally, the two nations that are comprised of two islands each -- Antigua and Barbuda and St. Kitts-Nevis -- have an additional set of political, economic and social tensions, with the smaller island in each case having a historically different economic base than the estate system on the larger island. Correspondingly distinct social organizations have also evolved on the smaller island.

All of these changes have introduced a degree of fluidity into the social systems of the four countries. The conventional descriptions of the groups that made up these four societies -- small elites controlling most of the resources and a large population of underpaid and exploited workers -- is no longer true or adequate. However, there is little, if any, information based on systematic studies that allows a description and analysis of the emerging systems of social organization in any of the four societies. Little is known about the groups of people working in the new types of occupations beyond very general and impressionistic statements.

Although there are growing indications that all four of these societies are becoming increasingly stratified along income levels and life styles, there are no current, reliable data that can be presented on the characteristics of the groupings that are emerging and on the implications that these developments have for the future.

Finally, although there are many similarities among Caribbean societies, there is a need to look at each one individually because of the many unique changes that are taking place in each one. The type of plantation society which generated so many of the similarities among the social systems in these island countries no longer exists. Each seems to be developing along a somewhat different path, perhaps more attuned to its natural and social resources. Too often what takes place in one country tends to be explained by what is known about the "Caribbean." There is a need to look at each country individually to establish whether the changes of the last twenty years justifies talking about them as if they were still very much the same.

5. Migration and population trends

Migration in all four countries has been a key demographic, social, and economic factor of life in these societies. It is mainly because of migration that the populations of all four countries have not grown as much as the birth and death rates would normally indicate. In St. Kitts, which illustrates what is probably true for all four countries, the population in 1890 was about the same as the population in 1980. Migration has been seen as a "safety valve", relieving these countries of large numbers of people who would otherwise be unemployed. Migration has also been seen as part of the problem of the underdevelopment of the islands since it removes some of the most dynamic and able people from the society, accounting for the "brain drain."

Birth and death rates for the four countries are contained in Table 2. Antigua's crude birth rate of 17/1,000 is the lowest of the four and comparable to the United States' (16/1,000). All are lower than the averages of the developing nations as a whole, 33/1,000. Interestingly, all but St. Kitts-Nevis (with 10/1,000) have crude death rates lower than the United States, which has a rate of 9/1,000, and much lower than the 12/1,000 which is the average of the developing nations.

Even though birth and death rates have generally been declining, emigration is the principal reason St. Kitts-Nevis, St. Lucia, and Dominica, have extremely low or negative population growth rates. However, the recent migrants seem different than the ones before. While large numbers of nationals move in and out of their countries every year, little is known about this movement with certainty other than some general numbers.

Migration has also been a key variable, along with the other factors mentioned, in creating some of the fluidity that characterizes these societies today. Through the migration of many people in the upper income groups, positions have been opened constantly for people further down the hierarchies. In addition, remittances sent from abroad have helped to complement meager incomes earned from intermittent or seasonal work. Emigration has also had a great impact on the structure of family life and helps account for the very large number of female-headed families, estimated to be half of all families in St. Lucia and St. Kitts.

However, migration patterns have been changing. There are indications that since 1970 the characteristics of the migrants have changed, the places where they go, the length of time they stay away, and the frequency with which they keep in contact with their home societies. If the statistics are reliable, there are also

indications that for the last five or six years more Antiguan are coming back home than leaving. There are a number of push and pull factors at work to lead observers to predict a continuing and growing reversal in migration patterns in the other three countries as well. The United States, Canada and United Kingdom are closing their doors and making it more difficult for immigrants to enter. Thus, the danger of rapid population increases seems an imminent possibility in all four nations.

Any significant increase in overall population would severely tax the carrying capacity of the delicate ecosystems of these countries. The constraints vary from island to island but are primarily physical: shortage of fresh water (Antigua); total carrying capacity of the land (St. Lucia) and the lack of additional arable land (Dominica). Already in Dominica smallholder plots average only one acre in size and farmers spend several hours daily getting to small, fragmented plots on steep slopes. But there are also other resource constraints, described elsewhere, related to employment and the provision of services.

6. Employment and the labor force

The makeup of the labor force in each of these countries is somewhat different. (See Table 1.) In all four, however, policy-makers are looking to the tourism and light manufacturing sectors to develop new jobs. While unemployment is clearly a major problem in all four countries (with St. Lucia's and Antigua's estimated at 20 percent), underemployment is at least as serious a problem. Large numbers of agricultural workers must rely on intermittent and seasonal work; many supplement meager income with food from garden plots, remittances from abroad, breaking rock into aggregate and other means. Some hold two or more part-time jobs. One of the reasons non-agricultural work is preferred by the young is that it can provide a more steady, regular source of income. However, an analysis of Antigua's labor force data is significant in that it demonstrates that intermittent labor and underemployment are equally a concern in a non-agricultural-based society.

The governments in all four islands have also become important employers of growing proportions of the labor force. In Antigua, the proportion of public sector employees accounts for nearly 40 percent of the total employed labor force. In St. Kitts public sector employment is also significant. However, in contrast with Antigua, about half of the public sector labor force in St. Kitts is employed in the sugar industry, a productive economic activity. In Dominica, the large number of people who now work in the public sector is in part accounted for by the need to create employment following three devastating hurricanes in 1979-1980.

In relation to this need to create more employment, changing migration patterns are clearly a most significant factor. Another policy decision for government is the extent to which the public sector will be the employer of "last resort" and how to finance these positions.

With the exception of Antigua, which has had state-owned arable land idle since the closing of the sugar industry in 1972, there does not seem to be much possibility of increasing the numbers of persons employed in agriculture. Thus, new jobs will probably have to be created in other sectors, particularly in manufacturing and tourism.

7. Role of women

Women in these four Eastern Caribbean countries have high rates of participation in the paid labor force in relation to other developing countries. For example, in Antigua and Barbuda, they comprise over 38 percent of public sector employment and over 44 percent of private sector employment.

The high proportion of female-headed families, in both urban and rural areas, resulting from migration patterns over the years, also results in these families being very dependent on remittances for support. As in the United States, there is a high correlation between single-parent families and poverty in these societies.

Because of low wages on the estates and commercial farms, most female agricultural workers are middle-aged and older women. High rates of teenage pregnancies exacerbate the problems young women face. Often young women accept seasonal, intermittent or part-time work for low wages in factories. In this case, entrance into the manufacturing sector is neither assurance of an adequate income nor of upward mobility. Lack of education and child care are two constraints to young women's reaping full advantage of their entry into the manufacturing sector.

In Nevis and Dominica, women are smallholder farmers and form a significant proportion of the membership of agricultural and other producer or marketing cooperatives and credit unions. This gives them a unique advantage that could be developed further with careful planning. Generally, however, women farmers in the Eastern Caribbean are resource poor, without access to credit or labor.

Many poor women work in the informal sector. Some sell surplus food grown on garden plots. Others are street vendors. Both may be called "hucksters" as are other women traders who sell on internal or external markets. Most, but not all, are part-time vendors. Some are itinerant traders who buy from regular clients, and sell in other Caribbean islands. One danger of progress is that this sector would be displaced with serious negative consequences for the women and their families who depend on it.

In several of these nations women comprise nearly 60 percent of urban dwellers. Those who are educated can obtain public sector or commercial jobs. In fact, Miss Charles of Dominica testifies both to the importance of women in the public life of the society and the relative lack of employment discrimination based on sex in the society.

C. Institutional Profiles: Some Comparative Observations on Overall Trends

1. Introduction

The SIPs for each of the individual countries seek to identify the role, strengths, resource constraints, contribution to development, etc., of a variety of key public and private development institutions. This section will set forth some observations of a comparative nature and contrast the styles, policies and capacities of similar institutions in the several countries. In addition, some observations on relationships between regional and local institutions are provided. A limited appraisal of the effectiveness of linkages and development input by regional bodies to local country programs is provided. The time constraints within which this four-country SIP was executed requires that this appraisal of regional institutions be couched in tentative terms until it can be supported by a more detailed review of these bodies.

The time constraints in relation to the number of potentially relevant institutions to be investigated required that a selective approach be adopted. Particular preference was given to those institutions which serve and support the private business sector, the productive sectors within the economies and those which provide social services whether public or private. The categories of institutions investigated are set forth in Figure 1.

2. Public sector

a. Ministerial institutions

(1) National planning and economic management

(a) Comparison and contrast of national capacity

The institutions charged with national planning and management in the four Eastern Caribbean countries under review enjoy approximately equal high-level status in the hierarchy of the respective governments. All but one are attached to the Prime Minister and in the one exceptional case (Antigua) it reports to the Deputy Prime Minister, who under the particular circumstances there, in fact, performs many of the functions of the Head of the Government. Nevertheless, their relative effectiveness shows considerable variation. The differences appear to reflect primarily the following factors:

<u>Government Ministries dealing with:</u>	<u>Public Sector</u>	<u>Private Sector</u>
<u>Government Ministries dealing with:</u>	<u>Parastatal Organizations dealing with:</u>	<u>Membership organizations, including:</u>
- planning/finance	- development banking	A. <u>Commercial</u>
- agriculture/fisheries	- investment promotion	- chambers of commerce
- tourism	- tourism development	- manufacturers' associations
- education	- commodity/marketing	- small business associations
- health	- energy	- employers' federations
- social welfare and community development	- infrastructure	B. <u>Non-profit institutions</u>
- women and development		- cooperatives
- local government		- credit unions
- disaster preparedness		- family planning associations
		- women's organizations
		- other private voluntary organizations

**Figure 1 : St. Lucia, Dominica, Antigua and Barbuda, St. Kitts/Nevis:
Categories of Institutions Investigated**

- o degree of commitment by the head of the government to development;
- o quality and dedication of key central planning personnel;
- o clarity of view of development priorities and goals and;
- o confidence of national leaders in their ability to maintain public support.

None of the four countries has recently adopted a national development plan but two (St. Lucia and St. Kitts-Nevis) have plans in process. St. Lucia has moved furthest toward the adoption of a plan for development. More significantly it has seriously engaged central planners, sector ministries and, to a degree, the private sector in defining the philosophy and basic goals of development. It has articulated a long-term perspective plan, a set of sector plans and a program of decentralization. These have been published as a basis for formal public discussion. After feedback from the public it expects to finalize the plan and initiate implementation in 1984. None of the other countries has moved so far or undertaken planning as comprehensively. Each of the others is able to articulate a set of basic concepts or a strategy (always including diversification). Some sector plans have been evolved in isolation and St. Kitts has a framework plan (largely a collection of projects) now under review by the Prime Minister. Dominica is forced to make reference to a plan evolved in the late seventies as its guide to planning. Antigua has no document that is an overall guide to national development.

This wide variation in the status of planning emphasizes the advantage which St. Lucia has in addressing future development efforts. It is greater than the mere existence of a document. Having gone through the process of making decisions within an integrated set of concepts and the "real world" constraints of resource availability and political acceptability of the content of the plan, the GSL is in a far better position to proceed to action. The process will only be complete when public discussion and consultation is finished and the plan modified accordingly, but that point is now in sight.

(b) Significance for development

o Diversification

It is an interesting fact that each of these Eastern Caribbean countries stresses the importance of economic diversification within its own context in order to achieve growth and development. In all cases this includes two basic ideas: the diversification within the agricultural sector and the diversification of the economy so that there is less

dependence on any single sector. This common theme derives from the vulnerability each of the countries feels due to overdependence on one sector and/or one or more agricultural products. Their respective abilities to achieve a broader base are determined not only by their economic and geographic environments but also by their respective institutional capacities. Some key elements of that institutional capability are within the areas of responsibility of the national planners in the following fields:

- o Macro and sector planning;
- o Policy analysis;
- o Human resources development and mobilization;
- o Financial resources mobilization and deployment; and
- o National economic management.

For reasons of history and their status as micro-states none of these countries has a really strong base in these complex functions. The advantage clearly goes to St. Lucia, however, because it seems to score high enough in these areas to run the development race comparatively well. This appears to rest heavily on an accident of history that has brought a leader to power in a period of relative national political consensus who is dedicated to equitable growth and development and has made it the top priority for policy attention. He has mobilized a team of planners with skill and dedication. St. Lucia also has the advantage of the largest population, the broadest (if still very limited) resource base and a developing pattern of social relations that is breaking down the traditional dichotomy between the rural mass and the small urban elite. St. Lucia's manufacturing-led growth strategy, supported by expanding tourism and diversified and modernized agriculture, is clearly defined. The broadly consultative process should assure a consensus and conscious decentralization seems likely to improve equity and broad participation in both decision making and in the fruits of development.

The other three countries face greater development constraints and have achieved less institutional maturity at the central planning/management level than St. Lucia. In Dominica, the leadership is capable and the political environment is favorable but the management of the post-hurricane crisis has precluded giving much attention to national planning so the institutional breadth is lacking while the natural constraints of geography are severe. Even so, Dominica's view of what it must do to survive through agricultural diversification and modest manufacturing growth is clear but very constrained by natural (topographic), financial and human resource limitations.

Antigua's situation is characterized by serious national economic management problems and lack of capacity for coherent planning. This rests in part on the current political environment in which consensus on development priorities has not emerged. In addition, little attention has been directed to developing a national planning or economic management capability. The private sectors in tourism and manufacturing are up to now carrying the country, although the financial position is steadily deteriorating and the potential of agriculture remains almost wholly unexploited.

In St. Kitts-Nevis, a plan has been prepared to guide national development but it has not yet been published. It is reported to be mainly a compilation of projects though it contemplates agricultural diversification and the growth of tourism and manufacturing. Since it appears to lack a coherent framework it may not reflect the process of priority setting and decision making in the context of recognized constraints that is the major benefit of formulating a plan. Meanwhile, the St. Kitts economy remains overwhelmingly dependent on the very precarious traditional base of sugar. If a serious plan were ever needed it is for St. Kitts-Nevis. The fact that it has not yet been developed is attributable to the delicate political balance and to a weak institutional base for planning.

o Climate for private investment

The policies of all of the countries and their plans (to the extent they exist) are all favorable to private business and voluntary initiative. Domestic and foreign private investment are accorded an important role in development and given strong encouragement both in principle and generally in practice. Perhaps the single exception is that the deteriorating financial climate in Antigua is beginning to erode an otherwise generally good investment environment, which up to now only had been marred by the inadequate water and electric utility services.

(2) Agriculture

The agriculture ministries of all four of the Eastern Caribbean countries investigated are ill-prepared for the achievement of the objectives of programs they state that they are embarking upon. Diversification is the major thrust for three countries (St. Lucia, Dominica, and St. Kitts-Nevis) and expansion of output in a range of crops and livestock is the central theme for Antigua. All the ministries have inadequate numbers of trained agricultural extension personnel, miniscule research capacity and little internal capability to train staff. Their budgets uniformly provide too little in material resources for effective program outreach. As a result, they rely heavily on outside help, especially from CAEP, WINBAN and CARDI. This dependence appears to be inevitable, a natural concomitant of their being low income mini-states. Even if their income levels grew, they would be better served by internally financed joint services from a regional source than by developing an internal research and training capacity in each

country. WINBAN could, however, better serve St. Lucia and Dominica's smallest banana producers if part of its research addressed the farming systems constraints of farmers cultivating small plots on steep slopes.

(3) Trade and industry

In each of the countries, ministries in charge of trade and industry have responsibility for administering the investment incentives programs under the terms of very similar laws passed pursuant to the CARICOM investment agreement. All of the Eastern Caribbean countries qualify as LDCs and hence their laws are structured to authorize concessions on duties and taxes for up to 15 years. In most instances the Minister in whose portfolio the program falls has final authority to grant concessions, but in Dominica the Cabinet as a whole makes the final decision. Recommendations come to the Ministry for decision from the National Development Corporation in St. Lucia and from the Industrial Development Corporation in Dominica; but are handled internally by the respective Ministries in Antigua and St. Kitts, there being no separate parastatal body responsible for investment promotion and assistance in the case of the latter two countries. In all cases the incentives appear to have been administered generously and in some cases too openly so that companies have lacked commitment in making small investments. The authorities are now inclined to examine the credentials and commitments of prospective investors more carefully than in prior years to avoid "fly-by-night" closures which have been a problem in Antigua and Dominica in particular.

The institutions serving the private manufacturing sector and business generally have greater strengths in promoting private foreign investment in all four countries than in developing indigenous entrepreneurship. Investment incentive policies have been successful and well administered to attract foreign investors but could benefit from a restructuring to provide graduated incentives for higher value-added and for export revenues, especially those earned outside the CARICOM region.

(4) Tourism

Tourism development depends rather heavily on private initiative but governments shape the programs under their respective tourism ministries or departments with the participation of the national planning authorities through: infrastructure investment, allocation of funds to general "destination promotion" (usually through parastatal bodies, except in Antigua) and creation of the "climate" tourists experience (the receptiveness to tourists within the society, cleanliness/neatness programs, etc.). Historically, all the governments have done well on these scores. St. Lucia and St. Kitts have the most active, forward-looking, broad-based programs emphasizing public infrastructure development with

good linkages between the Ministries concerned, the tourist Board and other public entities to undergird well conceived, privately financed accomodation expansion programs. Antigua's current government programs and staffing under-emphasize promotion and concentrate on direct expansion of hotel facilities with public or publicly guaranteed funding. This is criticized as risky and an unwise use of scarce public resources. Dominica, under the direct guidance of the Prime Minister, pursues sound but modest goals until its need for roads and other infrastructure can be funded as a basis for a more rapid expansion of tourism. St. Lucia's strategy gives tourism a role of intermediate importance, but the planning and tourism authorities wish to limit its growth in order not to place too heavy a strain on the socio-cultural fabric by allowing tourism free reign. The long-term strategy and goals have not been well-defined in St. Kitts-Nevis, but tourism has grown rapidly in recent years so that this will now become a matter of greater significance.

(5) Education

There are wide disparities between the four countries on the proportion of annual budgets allocated to education. St. Lucia's high of 23 percent contrasts with a low of 12.9 percent for Antigua and Barbuda. The other two are roughly mid-way between, with 17 percent for Dominica and 18 percent for St. Kitts-Nevis. All four school systems suffer from a long tradition that has stressed academic subjects and played down vocational education. Of the four, St. Lucia appears to be making the most concentrated effort to revise its post-primary and junior secondary curricula to stress non-academic subjects. St. Lucia also scores high among the four in the quality of its education administration and management. Its Ministry of Education, working closely with the government's Central Planning Unit, has articulated a clear education policy and outlined programs to meet their desired ends.

St. Kitts-Nevis' comprehensive secondary school system is remarkable in that it enrolls nearly as many students in the secondary grades as it does at the primary levels. Funding limitations and teacher qualifications, however, result in a low quality of education and inadequate attention to the technical/vocational area. In Dominica, on the other hand, only 800 of the country's 23,000 students are in senior secondary schools (grades 8-12) so that a leadership gap may be developing. However, a much higher proportion is being trained at the vocationally oriented and community-based junior secondary schools. But these schools are handicapped in achieving their objectives by acute problems of funding, equipment and technically qualified teachers. Antigua and Barbuda suffer similarly from severe funding constraints, inadequate management and lack of focus on the key manpower needs of the country in determining educational goals and curricula.

In summary, despite some good plans and notable achievements, the educational establishments in all four countries are weak in relation to the need. Even in St. Lucia, where the plans and programs are more advanced, acute problems exist. The issues which confront education reflect the large issues in the societies, namely:

- o rapid social and economic change;
- o an upsurge in demand for better technically and vocationally trained school leavers;
- o budget constraints which limit recurrent funding to levels far below those needed to improve standards;
- o a body of teachers many of whom are inadequately trained for both academic and technical programs;
- o generally poor planning, management and administrative capacity and inadequate reflection of the pattern of demand for personnel in the design of most programs;
- o heavy dependence on external donors for capital costs of needed infrastructure improvements; and
- o excessive dependence on outside personnel for the filling of technical teaching positions at higher levels.

It is probably not an exaggeration to suggest then that something close to a crisis exists in the educational systems all four countries.

(6) Health

The four countries have relatively similar percentages of annual government budgets allocated to health -- St. Lucia allocated 13.6 percent, Dominica 12 percent, Antigua and Barbuda 11.8 percent, and St. Kitts-Nevis 10.6 percent. With major assistance from PAHO all four countries have planned and recently adopted programs of primary health care using the community-based approach and designed to function under integrated health teams managed at the District level. In implementing these plans, all of the countries face financial and personnel constraints and management problems. Their potential for providing better health care at a cost the countries can afford has improved. Whether they can mobilize the resources to achieve the higher standards projected is, at this stage conjectural, since the programs adopted involve radical changes in all four countries.

Despite the similarities adopted for the future delivery of health care in all four countries, some significant differences exist. In Antigua and Barbuda, effective implementation of the proposed decentralization of health care seems likely to pose real difficulties because there is such a strong tradition in the opposite direction, whereas Dominica has a tradition of

decentralized activity and St. Lucia has adopted decentralization as a basic tenet of administration in all fields. The situation seems to be favorable for effective decentralization in St. Kitts and reliance on primary facilities seems to be practical (though more difficult in Nevis), but secondary and tertiary support facilities in St. Kitts-Nevis are weak.

At the same time, the comparative level of per capita funding in the four countries set forth in Table 3 below is interesting. The highest level of per capita expenditure projected for 1983-84 is for Antigua and Barbuda at EC\$188.60 while the figure is lowest for St. Lucia at EC\$57.30. (On the other hand, St. Lucia has spent substantial amounts in recent years upgrading its health infrastructure, including local health centers.) These per capita relationships are the more surprising in view of the particularly low levels of public expenditure for education in Antigua and Barbuda. The populace spends about as much for private as for public health services in Dominica and St. Kitts-Nevis, whereas figures on these relationships are not available for Antigua and Barbuda and for St. Lucia, the countries at the two extremes in public expenditures for health. It may be useful to investigate this in further analysis which may be done in the future.

Services provided by the Health Ministries in all four countries are free or virtually so. Despite the wide range of per capita expenditures noted, all of the countries have facilities below desired standards and have difficulty providing intended services and medicines within the available budgets. There is an issue of health care finance which needs to be addressed in all cases, therefore. Various solutions are under consideration, including charging for services and/or for medicines dispensed. To achieve the level of primary health care implied by the goal of "health for all by the year 2000" some new source of finance is likely to be required in several, if not all, countries.

(7) Social welfare, community development and women in development

None of the four countries can point with pride to their community development and social welfare programs. Most of these programs are in catch-all ministries and departments and compete for funds and attention with youth programs, cultural activities, sports and women's programs.

St. Lucia may well be furthest along, at least in stated intentions. The GSL sees its Ministry of Youth, Community Development, Social Services, Sports and Local Government as an important vehicle in implementing its policy of self-reliance and decentralization, but its community development programs - like its social service programs - are understaffed and underfinanced.

Table 3 : St. Lucia, Dominica, Antigua and Barbuda, and St. Kitts-Nevis:
Comparative Public Expenditures on Health
(1983 or 1983-84)

	<u>St. Lucia</u>	<u>Dominica</u>	<u>Antigua and Barbuda</u>	<u>St. Kitts-Nevis</u>
Population	124,000	74,851	75,253	43,309
Recurrent health budget (EC\$million)	7.1	9.5	14.2	6.6
Per capita health expenditure (EC\$million)	57.3	127.0	188.6	152.4

In St. Kitts-Nevis, community affairs is the most under-financed area of the government. With most communities lacking community centers; physical infrastructure, programs and personnel are all needed. The situation in Antigua regarding both community development and social welfare is critical. Observers find it difficult to see social welfare programs as even scratching the surface of Antigua's massive social needs. A crisis is emerging in the countryside where there are no recreational facilities, no employment opportunities, few amenities and little local decision-making.

In Dominica, however, community development appears particularly promising because Dominica has done more than any of the other countries in the region in decentralizing social services and institutionalizing local autonomy. In Dominica, local government is considered a form of community development, with statutory powers designed to mobilize residents to solve local problems. Social welfare is also decentralized. Vibrant village councils grew out of necessity because flash floods, impassible roads and stormy seas periodically isolated them from the rest of the country.

The most active women's program in the four countries is in Antigua and Barbuda. Programs implemented by the Women's Desk are replacing community development programs, at least for women in the St. John's area. The Women's Desk has established training programs for unemployed young women, set up a revolving fund to help women start businesses, and created a number of income-generating projects.

Of the four, Dominica, may have the greatest potential. With a staff of four, the Women's Desk has the capability of being a very useful channel from the ministerial level to community groups associated with the very active village councils.

Women's Desks exist in St. Lucia and St. Kitts-Nevis at least on paper but neither has yet received the funds and staffing required to make them effective.

(8) Disaster preparedness

Recognizing the particular importance of this function to disaster-prone Dominica, a special department was created to deal with that area of concern in Dominica. The Office of Disaster Preparedness (ODP) has given primary attention to development of a largely independent and reliable radio communications network within the island that is linked with meteorological centers in Barbados and Antigua. This permits pre-hurricane warning messages to be quickly relayed from the source to all local communities, where primary responsibility lies with local Disaster Committees for pre-storm protective action. (St. Lucia has a similar network of local disaster committees.) It also provides a

means to call for help in the wake of a disaster. Resources available to ODP have permitted stocking only a few lanterns and stoves as emergency relief equipment. In order to be able to respond more effectively to disasters, the ODP also needs a radio-equipped four-wheel drive vehicle to transport a relief team to the site to set up a command post. While St. Lucia has a similar governmental program, and there is a regional office of disaster preparedness based in Antigua, time constraints did not permit a thorough investigation of these entities.

b. Parastatal organizations

(1) Development banks

Each of the four countries has a development lending institution (Development Bank) with limited capacity for on-lending funds supplied mainly by the CDB, but in various cases by such other sources as the European Investment Bank, OPEC or others. Several of the banks, namely the St. Lucia Development Bank, the Antigua and Barbuda Development Bank and the St. Kitts-Nevis Development Bank, have been reorganized in the last two or three years to overcome financial problems that had overtaken predecessor organizations. All have middle management and technical personnel constraints.

Several concentrate considerable attention on housing finance rather than giving primary attention to the productive sectors (Dominica is the principle exception to this pattern). None seems to be a major factor in accelerating the transition of indigenous entrepreneurs into manufacturing. This reflects the weakness or constraints confronting this group in moving into manufacturing as well as the very limited capacity of the Development Banks to supply needed technical assistance to applicants and borrowers. The Antigua and Barbuda Development Bank (ABDB) has accumulated arrears on installments it owes reflecting arrears in receipt of funds on-lent to primary borrowers. Both ABDB and the St. Kitts-Nevis Development Bank manage programs as agents of their respective governments with funds provided by the CDB in the development of industrial estates and the construction of factory shells. These functions are performed by an institution other than the Development Bank in St. Lucia (i.e., by NDC) and in Antigua where it is handled by the Ministry of Planning, Finance, Industry and Tourism.

(2) Investment promotion institutions

Two of the four countries (St. Lucia and Dominica) have set up separate parastatal institutions to promote foreign investment and assist foreign investors in all aspects of the process of completing an investment transaction. In St. Lucia, the National Development Corporation performs this function (and manages the establishment of industrial estates and construction of

factory shells) while in Dominica the Industrial Development Corporation has the investment promotion and assistance function only. In both cases the Corporations make recommendations to the government on the kind and amount of concessions to be granted to applicants for concessional tax and duty arrangements provided by law.

The NDC in St. Lucia appears to perform its functions effectively and with reasonable efficiency despite shortages of middle management staff for promotion and engineering staff for the provision of industrial estates and factory shells. It has the advantage of having overseas staff in Europe and the United States to support its efforts. It is less clear that the IDC in Dominica performs such a vital role because the potential is limited. It seems in that instance that a separate institution may not be entirely justified. Perhaps the promotion could be performed at lower overhead cost by a division of either the Ministry of Trade and Industry or by the Agricultural Industrial and Development Bank.

(3) Tourism development institutions

Tourism Boards have been established as semi-autonomous institutions in three of the countries -- St. Lucia, Dominica and St. Kitts-Nevis. Each of the Boards has developed strategies for tourism promotion and is engaged in effective public relations and advertising campaigns with identified target groups being reached through appropriate specialized advertising vehicles. Each has a modest and somewhat constraining promotional budget. Antigua has not set up a Board or parastatal body but has assigned the promotion function to the Tourism division in the Ministry of Planning and Economic Development. It has not, however, appointed a person to fill the position of Director of that Office. Promotional work on behalf of Antigua as a tourist destination, therefore, is not receiving the high priority it deserves in a country for which tourism is so important.

Only St. Kitts relies heavily on ECTA as a major component of its promotional effort. The others appear to believe that ECTA's services are ineffective relative to their cost. Liaison is closer with CTA and with CTRC, particularly in the case of St. Lucia.

(4) Infrastructure development and operation

Limited observation makes it clear that the semi-autonomous parastatal public works and similar departments in each of the islands suffer from a closely related set of problems. All have salary levels which make it difficult to retain skilled workers; often, the parastatals are in competition with private employers for scarce, skilled personnel. In general, budgets are constrained so that deferred maintenance is a common problem both for equipment and for the facilities for which the departments are responsible.

Likewise, for most (but especially in Dominica) the stock of equipment available for the conduct of maintenance work is obsolete. As a result, procurement of spare parts has become difficult and expensive. Completing work on schedule becomes impossible and sometimes results in excessive expense; for example, rebuilding roads which could have been satisfactorily repaired if work could have been undertaken on time.

(5) Energy development

Dominica has the good fortune of having a large hydroelectric potential. The high initial capital cost of such installations encourages deferral of capacity expansion when funds are scarce, as they have been in the recent past in Dominica. As a result, diesel capacity normally used for meeting peak loads will have to be resorted to in 1984 to meet base load when low water flows in the dry season reduce the output of the run-of-river hydroplants.

In Antigua, on the other hand, all energy is diesel-generated and very expensive. The Public Utility Authority has technical and managerial personnel problems and financial constraints. As a result, equipment breakdowns are frequent and maintenance is poor, resulting in service interruptions to business consumers. This adds significantly to costs, especially in manufacturing. It is a deterrent to new investment as well. Improvement in the provision of better electricity and water services are therefore important priorities to increase the potential for employment creation in Antigua.

St. Kitts and St. Lucia have not experienced problems in these fields as compared to those of Antigua. While the responsible organizations are not without problems they have been able to deal more effectively with operational and maintenance requirements.

(6) Banana and Coconut Associations

The Banana Growers Associations of Dominica and St. Lucia are parastatal institutions which perform a critical function in the economies of both countries. Their relatively successful operations provide modern technology, quality control, needed inputs, a ready market with quick and reliable payment to the large numbers of banana growers. However, it is important that their operations be made even more efficient, as the spread between producer costs and retail market prices in the United Kingdom is not sufficient to cover marketing costs. This results in losses both for producers and for the BGAs.

The Coconut Growers Associations in these two countries perform similar and very important functions quite successfully for the coconut growers. Coconut is second only to bananas in importance to the economies of both of those islands. Because of their concentration on a single commodity, both the banana and the coconut associations seem to have been generally successful. However, they still need improved administrative efficiency.

(7) Central Marketing Corporations

The Central Marketing Corporations, set up in each of the four countries in the early 1970s, are parastatal trading entities whose objective is to provide a market for and stimulate production of produce (fruits and vegetables) for local sale and export. They have uniformly failed in that task and have generally incurred operating losses, even when granted certain import and domestic marketing monopoly rights as in Dominica, Antigua and St. Kitts. (These entities compete with private traders.) The operations of these entities are inefficient due to management, equipment and working capital deficiencies as well as a lack of incentive to become efficient. Without exception it appears that the countries would suffer little or no loss if these bodies were to be abolished.

3. Private organizations

a. Business organizations

(1) Organizational structure

In each of the four countries the business communities have organized to: support their members' interests and needs, serve as a voice with government and relate to the public. While patterns of organization vary to a degree, all have a Chamber of Commerce to represent business in general. The Chambers usually claim to represent manufacturing interests as well. In Antigua and St. Lucia, however, there are separate and distinct Manufacturers Associations which prefer to act on their own and maintain strong separate identities. In Dominica, one organization represents both but appears to be dominated by the commercial entrepreneurs. In St. Kitts-Nevis, there is a much closer identity of interests in the business community and the Chamber of Industry and Commerce (CIC) represents all business, except when there is a specific need to act separately. At such times the Chamber of Commerce and the Manufacturers Association still have separate identities.

There is a Small Business Association in St. Lucia which is unique in the four countries. It seeks to represent the special interests of small entrepreneurs even though it is still a fledgling group.

None of the countries has established yet a formal umbrella group (Private Sector Organization) although the matter has been discussed in Antigua and St. Lucia.

An Employers Federation acts for business in all major wage bargaining in St. Lucia, Dominica and Antigua but evidently not in St. Kitts.

Hotel Associations are important both in representing their interests in consultation with government and in promoting tourism in the countries where tourism is most significant, namely: in St. Lucia, Antigua, St. Kitts and Nevis (which has a group distinct from St. Kitts). In Antigua, with its dominant tourism sector, the Hotel Association is particularly vigorous and an important part of the private business community. A similar group is almost as important in St. Lucia.

(2) Policy and programs

Relations between Chambers of Commerce and Manufacturers Associations are cool in St. Lucia and Antigua where the latter feel their interests are very separate from the formers' interests. Each of the manufacturers groups in these countries also feels that an Eastern Caribbean grouping of manufacturers associations should be formed. No separate manufacturers group exists in Dominica, but they participate in the Association of Industry and Commerce. In St. Kitts-Nevis the groups are all but amalgamated in the Chamber of Industry and Commerce (CIC) and collaborate very closely on most issues. They do not see a need for a separate Eastern Caribbean Manufacturers Group nor do they agree with the contention of the manufacturers of St. Lucia and Antigua that the Caribbean Manufacturers Council (CMC) inside the CAIC needs its own separate secretariat. The St. Kitts-Nevis CIC is clearly the most active business body of all, with multi-function programs which both benefit members and serve the community. The Chamber in Antigua also hopes to become more active in 1984 with the assumption of office of a new Executive Secretary. In Dominica, however, a National Development Foundation was established in 1982 to assist micro-businesses with the personal support of the country's largest manufacturer.

b. Non-profit service institutions

Non-profit service institutions have played roles of varying importance in supporting the socio-economic development of the four countries. They have played the strongest roles in Dominica, Nevis (far less in St. Kitts) and more recently in St. Lucia during a period when the country's governmental structure has been highly centralized. While there have been private voluntary or non-governmental organizations in Antigua and St. Kitts, their role has been less prominent. In Antigua, this is largely attributable to the disintegration of rural communities and in St. Kitts to the poverty of the rural towns and villages and continuing dependence on the dominant organization of the union to which most sugar workers belong. In St. Lucia, Dominica and Nevis, vigorous non-profit institutions of the following types are flourishing:

- o Credit Unions
- o Cooperatives
- o Planned Parenthood Associations

They provide important services in the life of local communities and the societies as a whole in finance, marketing and family life education and the provision of contraceptives.

A variety of special organizations unique to each of these islands also deserve mention. In St. Lucia the local community-based Disaster Preparedness Committees and Mothers' and Fathers' Groups are strong entities with capacity to mobilize the local communities and render social services.

In Dominica, a PVO called the Social Center performs multiple roles in supporting pre-schools, day care centers, nutrition programs and local Social Leagues, which in turn provide skills training, family life education, technical assistance for income-generating projects, etc. The National Development foundation of Dominica is supporting micro-enterprise development with credit and technical assistance.

PVO activity is not absent in Antigua which has a Planned Parenthood Association and a Credit Union movement. Although the latter is largely confined to St. John's, the capital, it hopes to develop a strong nucleus from which to grow.

There is also a Family Planning Association in St. Kitts which, with outside support and in collaboration with the Family Planning Unit of the Government, has been seeking in particular to make an impact on the problem of teenage pregnancy through education and counseling. There is also a National Council of Women which was established as a coordinating body for income-generating and other projects carried out by a number of smaller groups.

In summary, non-profit service institutions are very important in several states and perform some useful work even in the islands such activity has not flourished.

4. Regional institutional linkages and their contributions to development

Time did not permit, nor was it an objective of this study, to investigate the functions of the regional institutions per se but some opportunities were used to obtain a picture of the kind of contribution being made by regional institutions to support development in these countries.

The various regional institutions which relate to development in the Eastern Caribbean can seem to be an endless proliferation of bodies which need personnel and financial support. The question which arises immediately, however, is: "What is the alternative?" The Eastern Caribbean micro-states do not appear to have an alternative. In fact, the cost of providing the services rendered by these regional institutions on any other basis, i.e., with each state taking care of itself, seems from the outset to be prohibitive. The

conclusion, therefore, is that if the regional institutions present problems the answer lies in reform and achievement of greater efficiency and effectiveness of operations and administration, rather than in abolition or abandonment of the regional bodies.

a. Caribbean Development Bank

Without question, the regional institution whose activities were most widely encountered was the Caribbean Development Bank (CDB). Its impact is pervasive in agriculture, manufacturing, tourism, social and economic infrastructure and other spheres. All governments, most financial and other parastatal institutions, and the larger private businesses had done business with CDB by borrowing funds and/or receiving technical assistance. Some observers credited CDB with being business-like and reasonably flexible. Most, however, despite being major beneficiaries of its funding, find CDB to be ponderous, bureaucratic and inflexible. Business people commented that CDB was insufficiently aware of their need for working capital. Tourism sector leaders asserted that CDB was unrealistic in not recognizing the essential need for a hotel under construction to spend money for promotional purposes in the final six months of construction in order to be in a position to operate successfully when opening day arrived. Development finance (banking) institutions and investment promotion bodies responsible for providing factory shells for new investors also complained about CDB. It took a very long time to get CDB to accept the need for and authorize funds so that factory space could be available before an investor made a commitment to invest. Only in that way is it possible to avoid delays that result from having to build a shell after investor commitment. These are some of the grounds on which CDB is criticized and which give the CDB a negative image in the region.

b. Caribbean Agricultural Research and Development Institute

CARDI provides assistance in research to Ministries of Agriculture in all four countries. They have very limited capacity to do research and little ability to obtain information on the results of relevant research done elsewhere. Both the technical and sociological research done by CARDI seems to be of a vitally important nature, although quality varies depending, in part, on the capacity and initiative of the local CARDI representative. Some of the best results seemed to be coming from the Windward Islands headquarters group in Castries and from the representative in Roseau. It was not apparent that results were being obtained in the difficult environments of Antigua and St. Kitts. It appears that CARDI could do more, once the countries' extension systems are strengthened, if it also operated as a conduit for information search using modern computer systems and data bases to link these countries with the IAR centers where strong technical capacity exists. In other words, much more emphasis might be given to adapting technology and systems than to developing them.

c. The Organization of Eastern Caribbean States

The OECS acts as liaison between the Eastern Caribbean States and many donors as well as supplying technical assistance directly to the States when the staff of The Economic Secretariat in Antigua has the capacity to advise them. The staff includes specialists in Development Administration, Sector Planning, Agriculture, Industrial Development and other fields and is prepared to respond to requests from member governments. OECS has no Tourist Officer in the Secretariat but at least one country-level Tourism official believes that tourism is an area that should be covered because of its importance in the EC region. Member governments can send their personnel to OECS which is able to assess when the most appropriate assistance can be obtained and expedite needed arrangements.

d. Caribbean Family Planning Association

The Caribbean Family Planning Association (CFPA) is providing significant assistance to several countries, especially in the areas of information, education and outreach. CFPA has provided support for contacts with youth in an attempt to address the problems of teenage pregnancy which are often not touched by conventionally operated family planning programs. CFPA is an especially useful vehicle for reaching this sensitive target population and has fielded capable people to advise local groups on this problem. Some programs of this type which CFPA has assisted can not be continued because local funding is not available.

e. The Caribbean Center for Credit Unions

The Center is an efficient vehicle for supporting the administrative and operational development of local associations of credit unions. Its assistance is important to groups which are already flourishing (as in Nevis and Dominica) as well as to groups struggling to develop local credit union organizations (as in St. Kitts and Antigua).

D. Implications of SIP Findings for AID Programs

1. Introduction

The investigations undertaken as the basis for the social and institutional profiles have brought to our attention various problems and opportunities in the separate countries and in the region as a whole. Some specific findings and the general implications of these for programmatic action are set forth below. They are presented on a country-by-country basis and for the region in order to group them most conveniently for review in connection with strategy development.

Within each of the geographic groupings (country or region), the findings and associated implications are grouped under the following headings:

- a. Public sector
 - (1) Productive sector activities
 - (2) Social sector activities
- b. Private Sector
 - (1) Business activities
 - (2) Non-profit service activities

Additionally, Table 4 presents an overview of the findings and implications by sector so that similarities and differences between countries can be easily ascertained. (See page 42.)

2. St. Lucia

- a. Public sector
 - (1) Productive sector activities

FINDING: agricultural diversification progress is seriously constrained by continuing institutional problems in extension, research, marketing, and sector planning;

IMPLICATION: institutions need to be strengthened through:

- o Intensified staff training (especially extension);
- o Provision of computer/communications and associated technical assistance to widen the information base on farm technology issues;
- o Finance storage and transport facilities needed by hucksters to expand domestic sales and exports; and
- o Assist the MOA to develop a small agricultural sector planning unit.

FINDING: the St. Lucia Development Bank's staffing problems constrain its ability to support private sector expansion;

IMPLICATION: the Bank needs to be strengthened by training personnel to improve Bank operations.

FINDING: the statistics section associated with the Central Planning Unit is a weak link in an otherwise strong structure for development planning;

IMPLICATION: short-term advisors are needed to increase the CPU's capacity to monitor emigration, employment and training.

(2) Social sector activities

FINDING: the education plan is sound but the system is in urgent need of external finance to expand and improve the educational quality to respond to the needs of a changing economy;

IMPLICATION: assistance is needed to expand vocational/technical training.

FINDING: the health development program is sound but inadequately funded by the GSL and needs external support;

IMPLICATION: the GSL's plan to train cadres for community-based health delivery and improved management needs external support in order to be implemented.

b. Private sector

(1) Business activities

FINDING: the Small Business Association shows promise as a nexus of bringing informal sector entrepreneurs into the formal sector and helping them to grow but it is severely constrained by funding shortages;

IMPLICATION: the SBA needs outside funding for a half-time Executive Secretary and to support program activities.

FINDING: the St. Lucia Manufacturers Association needs a temporary boost by having a full time professional staff person such as an Executive Secretary to help it expand and intensify its programs in support of its members;

IMPLICATION: the SLMA needs partial funding for a staff person to develop a self-sufficiency plan for the organization.

(2) Non-profit service activities

FINDING: employment is already a critical problem and becoming greater. Until the organized sector can gain momentum help for the informal sector is needed to create employment generating activities and develop needed skills;

IMPLICATION: established local PVOs engaged in informal sector development need support for their skills training and employment generation activities as well as for staff development.

3. Dominica

a. Public sector

(1) Productive sector activities

FINDING: agricultural development and diversification are severely limited by the staff capabilities of the Ministry of Agriculture in extension and research;

IMPLICATION: intensify inputs under the CAEP and CARDI projects with:

- o PCV personnel; and
- o a field supervisor.

FINDING: tourism expansion is greatly needed for its diversification effect on the economy of Dominica but is greatly limited by the absence of adequate infrastructure;

IMPLICATION: financing needs to be provided for a road to Boiling Lake and support facilities near the site to stimulate tourism.

FINDING: the Forestry Department of the Ministry of Agriculture is inadequately staffed to make sound conservation and exploitation decisions in a situation where a delicate resource must be used in the optimal way to preserve the ecology and provide employment;

IMPLICATION: strengthen the forestry department's ability to decide on exploitation and conservation issues.

FINDING: a comprehensive development strategy and broad resource deployment plan is needed to rationalize the allocation of scarce resources;

IMPLICATION: the Government of Dominica needs to approach the World Bank for support of a development program strategy and plan which would rationalize the allocation of scarce resources among the sectors.

(2) Social sector activities

FINDING: the program to make technical and vocational training a major component of the junior secondary schools curriculum is sound but its realization needs acceleration to meet development and employment requirements;

IMPLICATION: a project is needed to speed and intensify the junior secondary technical/vocational program.

b. Private sector

(1) Business activities

FINDING: the Industry and Commerce Association of Dominica (ICAD) is operating on a hand-to-mouth budget, and is therefore unable to mobilize its potential to assist its members and participate in national and community development;

IMPLICATION: ICAD needs outside funds for a part-time Executive Secretary, promotional work and assistance to members.

(2) Non-profit service activities

FINDING: private voluntary activity is well established in Dominica in the areas of credit, cooperatives, training, community mobilization, but could be strengthened with support for training in program development and management and for the training of volunteer personnel;

IMPLICATION: PVOs need external support emphasizing income generation and employment activities.

4. Antigua and Barbuda

a. Public sector

(1) Productive sector activities

FINDING: agricultural expansion and diversification have moved forward very little in recent years to the detriment of the economy at large, its intersectoral linkage and employment in Antigua;

IMPLICATION: the MOA needs to:

- o establish a sector planning unit;
- o revitalize the local CARDI office;
- o obtain assistance for the building of infrastructure to support marketing operations under the CARDATS vegetable export project.

FINDING: excessive financial commitments and inappropriate resource depolyments have resulted in debt and arrears accumulations which threaten the progress of development and the economic and social stability of Antigua;

IMPLICATION: Antigua and Barbuda needs to consult with donors on a realignment of policies and priorities better suited to achievement of long-term development goals.

FINDING: the Antigua Public Utilities Authority (APUA) has significant institutional deficiencies (shortage of management and technical personnel in its electricity and water departments especially) which need to be redressed if its operational and maintenance difficulties are not to continue to impede progress of the economy;

IMPLICATION: APUA needs to work out plans for a program of training and create a training unit staffed to carry out the program.

(2) Social sector activities

FINDING: the social services rendered by various Ministries of the Government of Antigua have become over-centralized and focused on the capital St. John's to the detriment of people who live in outlying communities;

IMPLICATION: the GOAB should reallocate resources to the outlying communities and seek external assistance to achieve that objective.

FINDING: the allocation of resources to education is inadequate to permit the Ministry to provide the quality of training needed to prepare students for the expansion of a technically based agriculture sector and increasingly technically oriented manufacturing;

IMPLICATION: the GOAB needs to strengthen education in outlying areas and seek outside assistance for vocational education improvements.

FINDING: PVOs do not have a strong tradition in Antigua and need the assurance of positive government support to prosper in the near future;

IMPLICATION: the GOAB needs to seek assistance for a program of government support to PVOs carrying out significant development activities.

b. Private sector

(1) Business activities

FINDING: both the Chamber of Commerce (COC) and the Antigua Manufacturers Association (AMA) work to serve the interests of their members and to advance the cause of private initiative in the Antigua context which at present is financially constrained both by a domestic tight money situation and a decline in export opportunities though tourism is expanding;

IMPLICATION: outside support is needed for the COC and the AMA to support their members and to staff programs to achieve greater development impact on the community (e.g., creation of a National Development Foundation to assist micro-business).

(2) Non-profit service activities

FINDING: the Credit Union Movement and similar PVO's have not had a history of prosperous activity though their input is much needed to foster non-formal sector activity and other income generating programs due to the high level of unemployment prevailing in Antigua;

IMPLICATIONS: the Credit Union movement and other PVOs need program and institutional grants to strengthen their capacity and to encourage new initiatives.

5. St. Kitts-Nevis

a. Public sector

(1) Productive sector activities

FINDING: Agricultural diversification is a goal of and a key need in St. Kitts to achieve growth, expanded employment and better balance yet little or no progress has been made on this front which is closely related to sugar which has historically occupied virtually all arable land on the island;

IMPLICATION: Sugar acreage might be reduced with outside help including:

- o an agricultural restructuring loan;
- o experimental irrigation of produce; and
- o supporting technical assistance.

FINDING: the Ministry of Agriculture lacks formal sector planning capability which is an impediment to achieving diversification and expansion;

IMPLICATION: an advisor and short-term technical assistance is needed to establish a sector planning unit in the MOA.

FINDING: the St. Kitts-Nevis Development Bank is charged with assisting agricultural and business development in the country but has limited personnel and management capability to be a vigorous force in these areas of the economy;

IMPLICATION: the Development Bank should be strengthened with a training advisor to improve lending operations and increase the bank's ability to provide technical and managerial advice to business and manufacturing firms.

(2) Social sector activities

FINDING: St. Kitts-Nevis has an unusually high infant mortality rate among Eastern Caribbean states. While this reflects factors such as income levels, housing, nutrition and water supply and sanitation, the quality of health services delivered is also a significant factor;

IMPLICATION: health care should be improved with special emphasis on programs to reduce infant mortality rates.

FINDING: Government support and assistance is needed to assist the development of community-based private voluntary initiative in St. Kitts where it is relatively quite deficient and to strengthen it in Nevis where there are so few natural resources with which to work to overcome poverty among rural families;

IMPLICATION: the GSKN needs to build a program of support to PVOs and community-based initiatives as an important means of improving the quality of life.

b. Private sector

(1) Business activities

FINDING: The Chamber of Industry and Commerce of St. Kitts-Nevis is a vigorous private sector group that has raised a substantial budget for membership assistance and for community action programs but is still short funds to meet some promotional and development needs;

IMPLICATION: the CIC needs outside support for promotional and educational activities.

(2) Non-profit services activities

FINDING: There are but a few PVO's operating in St. Kitts and while the level of activity in Nevis is higher the latter group are greatly constrained by the poverty of the membership;

IMPLICATION: PVOs need support to strengthen their staff capacities and to support program costs in skills training and employment creation/income generating activities.

6. Regional activities

a. Currency valuation

FINDING: the Eastern Caribbean dollar is overvalued and acts to inhibit exports to some countries and tourism from the same group and to act as an extra incentive to import consumption goods and durables. These distortions tend to constitute socio-economic constraints to development;

IMPLICATION: regional institutions need to assess whether a better alignment of the EC dollar can be identified and implemented.

b. Common CARICOM tariff

FINDING: the health of the manufacturing sector and its potential for future growth (a major aim of the several Eastern Caribbean governments) is constrained by the common CARICOM tariff which is an inhibiting factor in strengthening the incentive to produce for export especially to markets outside the CARICOM region and to maximizing the use of local raw materials and the value added in processing;

IMPLICATION: OECS and CARICOM should review the system of tariffs to determine what appropriate changes could be devised which could increase the incentive for export of manufactured goods outside the CARICOM region and with a larger value-added component.

c. Regional transportation

FINDING: the inadequacy of shipping services between the islands is a severe constraint to the development of regional trade. The problems are mainly in the areas of frequency and reliability of service and inadequate quality of facilities for the proper care of perishables en route (absence of refrigeration);

IMPLICATION: improvement of inter-island shipping services is essential to agricultural expansion and diversification.

d. WINBAN functions

FINDING: WINBAN serves the windward islands banana industry rather well on a number of scores but is inadequately structured to provide for:

- o bulk procurement of fertilizer to obtain the lowest possible price for full shipload orders; and
- o research on bananas production on small, steeply sloped plots;

IMPLICATION: WINBAN, with support from the BGAs, needs to conduct farming systems research on steep slopes to more effectively support and advise the small growers who operate mainly under steep slope conditions. It also needs authority and funding to operate effectively in bulk procurement of fertilizer.

e. CARDI capabilities and services

FINDING: CARDI is constrained by its disparate operations where its country representatives have few technical resources at hand to rely on and must work essentially with country facilities supplemented by the donor-supplied resources. Having said that they are far better off than any local research officer would be who is not linked to CARDI and through CARDI to the International Agricultural Research network;

IMPLICATION: CARDI research capability at the country level needs to be strengthened and computer/communications capabilities added to place greater technical resources at the command of the local ministry and CARDI offices. Technical assistance on this topic would be needed.

f. Public management

FINDING: with variations, public management is a problem at the national, sectoral and institutional levels in virtually all countries;

IMPLICATION: a substantially greater effort to train public management personnel is required. It should be done locally, regionally and extra-regionally but with due recognition of the shortage of personnel for training. This strongly suggests conduct of training at or near the job to the maximum degree possible and may mean that an OPEX arrangement should be adopted to supply a replacement where the local official is essential but cannot be released for training unless s/he is replaced.

able 4 : St. Lucia, Dominica, Antigua and Barbuda and St. Kitts-Nevis:
Summary of Findings and Implications for AID Programming
by Sector

	<u>Finding</u>	<u>Implication</u>
1. <u>Public Sector Activities</u>		
a. <u>Key productive activities</u>		
1) <u>Agriculture</u>		
	<u>St. Lucia</u>	
	- Diversification is constrained by institutional problems in extension, research, marketing and sector planning	- Institutions need to be strengthened through: <ul style="list-style-type: none"> o staff training o introduction of computer/communications o improved storage/marketing o development of a small planning unit in MOA
	- St. Lucia Development Bank staffing is a limiting factor in agricultural development and finance	- The St. Lucia Development Bank needs: <ul style="list-style-type: none"> o institutional support o staff training
	<u>Dominica</u>	
	- Agricultural development and diversification are limited by the research and extension capabilities of the MOA	- Intensify inputs under the CARDI and CAEP projects with: <ul style="list-style-type: none"> o PCV personnel o a field supervisor

Antigua

- Little progress in agricultural expansion/diversification

- The MOA needs to:

- Establish a sector planning unit
- Revitalize the local CARDI office
- Seek help for infrastructure for the marketing of produce under the CARDATS project

St. Kitts-Nevis

- Virtually no progress made in agricultural diversification so almost all arable land is still under sugar cane

- Sugar acreage might be reduced and vegetable output increased by

- o an agricultural restructuring loan
- o an associated grant for technical assistance
- o experimental irrigation of produce
- o development of privately operated storage facilities to assist produce marketing

- St. Kitts-Nevis has no formal agricultural sector planning capacity

- An advisor and short term assistance is needed if the GSKN will agree to move on diversification

Regional

WINBAN

- WINBAN is weak in the areas of:
 - o research on steep slope banana production systems
 - o bulk procurement of fertilizer

- WINBAN, with BGAs' support, needs to conduct farming systems research on steep slopes
- WINBAN needs authority and capital for bulk procurement of fertilizer

CARDI

- CARDI capabilities are limited but better than total reliance on local capabilities

- CARDI's research capability at the country level needs to be strengthened with computer capability and intensified

2) Manufacturing

St. Lucia

- The St. Lucia Development Bank is constrained by staff limitations in effectively extending loans to business and industry (manufacturers)

- The St. Lucia Development Bank needs to be strengthened by training personnel to improve Bank operations

St. Kitts-Nevis

- Limited personnel and management capacity constrains effective support to the business and agriculture sectors by ABDB

- The development bank should be strengthened with a training advisor to improve lending and advisory TA capacity for manufacturers and other businesses

Regional

- The effect of the CARICOM tariff is to constrain growth and limit incentives for maximum export development and value-added in manufacturing

- OECS and CARICOM should review this system of tariffs to see whether there are appropriate changes which could increase the incentive for exportation of manufactures

3) Tourism

Dominica

- Expansion of tourism is greatly needed to broaden the base of the economy but is limited by lack of access to the best sights

- Financing needs to be provided for construction of a road and day-visitor facilities at Boiling Lake to stimulate tourism

4) Forestry

Dominica

- Inadequate staffing of the forestry department results in poor and slow decisions on forest conservation and/or exploitation
- Strengthen the forestry department's ability to decide on conservation and exploitation issues

5) Transportation

Regional

- Inadequate inter-island transport constrains development and diversification of the countries' economies
- Improvement of inter-island shipping services is essential

6) Public Management

St. Lucia

- The statistics section associated with the Central Planning Unit is a weak link in an otherwise strong key public body
- Short term advisors are needed to increase the CPU's capacity to monitor emigration, employment and training

Dominica

- A comprehensive development strategy and broad resource deployment plan is needed to rationalize the allocation of resources among sectors
- Dominica needs to approach the World Bank for support of development of such a comprehensive strategy and plan

Antigua and Barbuda

- Overcommitment of financial resources has undermined the the credit worthiness and endangered the socio-economic stability of Antigua and Barbuda
- Antigua and Barbuda needs to consult with donors on a realignment of policies and priorities better suited to achievement of long-term development goals

Regional

- The Antigua Public Utilities Authority (APUA) has personnel shortages and management problems which are interfering with the provision of services and proper maintenance and operation of equipment
- APUA needs to work out plans for a program of training to solve the problems with external, on-the-job and in-house training and creation of a training unit staffed to plan and operate such a program
- The Eastern Caribbean dollar is overvalued and creates excessive propensity to import, interferes with export incentives and may deter some tourism
- The EC states and regional institutions need to assess whether a better currency alignment can be found
- In all 4 countries there are intersectoral problems of public management, reflecting inadequate training of staff at different levels and in many fields
- Training programs at the regional level need to be developed and/or expanded. OPEX staff needs to be supplied where no local person is available to fill a position vacated during training

b. Social Sector Activities1) EducationSt. Lucia

- With a sound educational plan external support needed to assist the GSL to carry program forward
- Assistance is needed to expand vocational/technical training

Dominica

- The vocational/technical program in the junior secondary schools is sound but needs acceleration to meet the need
- Project needed to support and accelerate the junior secondary vocational/technical program

Antigua

- Education (and other social programs) have become over-centralized and the allocation of funds to education in particular is inadequate and under-emphasizes technical/vocational needs
- The GAB needs to strengthen education (and health and social welfare) programs in outlying areas
- Outside assistance needed for vocational education improvement

2) Health

St. Lucia

- The health development program is sound but inadequately funded in the GSL budget and needs external support
- The GSL's plan to train cadres for community-based health delivery and improved management, needs support to be implemented

Antigua

- Health services are excessively concentrated in St. John's, the capital
- Health service delivery in the outlying villages and towns should be intensified

St. Kitts-Nevis

- In relation to other EC countries St. Kitts-Nevis has an unusually high infant mortality rate
- Primary health care should be improved with special emphasis on lowering infant mortality rates

3) Social Welfare

Antigua and Barbuda

- Social services are over-centralized in the capital, St. John's, and underfunded in the outlying areas
- The GAB needs to decentralize services by reallocating resources to the outlying areas

St. Kitts-Nevis

- Government support and encouragement are needed to strengthen private voluntary action in St. Kitts and to continue its expansion in Nevis
- GSKN needs to build a program of support to PVO's and community based initiatives as an important means of improving the quality of life

2. Private Business Sector Activities

St. Lucia

- The Small Business Association is a fledgling organization with potential to bring in members from the informal sector and help small enterprises
- The SBA needs outside funding for a half-time Executive Secretary and the support of program activities
- The St. Lucia Manufacturers Association is in need of assistance to gain momentum by having a full time professional staff person (e.g. Executive Secretary) so it can intensify its programs
- SLMA needs partial funding of a staff person to develop a self-sufficiency plan for the organization

Dominica

- The Industry and Commerce Association of Dominica is unable to mobilize funds to intensify its programs in the present economic climate
- ICAD needs outside funding for a part-time Executive Secretary and for promotional work and assistance to members

Antigua and Barbuda

- Both the Chamber of Commerce and the Antigua Manufacturers Association need support for staff and program development
- External support is needed by the COC and the AMA for staff and program intensification (promotional and membership development activities)

St. Kitts-Nevis

- The Chamber of Industry and Commerce is a vigorous group which has undertaken a broad community and membership development program
- The CIC needs outside assistance for its promotional and education activities

3. Non-Profit Services Activities

St. Lucia

- Employment opportunities are needed in St. Lucia and the informal sector is an area where these can be developed and skills learned
- Established local PVO's engaged in informal sector development need support for their skill training and employment generation activities as well for staff development

Dominica

- Private voluntary activity is a well-established phenomenon of Dominican life but could be strengthened through training in program development and management as well as volunteer training
- PVO's need external support emphasizing income generation/employment activities

Antigua

- Credit Unions and other PVO's have not had a prosperous history in Antigua but could be strengthened to work in employment-creation and income-generating areas much needed due to high unemployment
- Credit Union movement and other PVO's need program and institutional grants to strengthen their capacity and to encourage new initiatives

St. Kitts-Nevis

- There are only a few PVO's operating in St. Kitts, while the level of activity in Nevis is considerably greater, but both could help resolve problems in their respective islands if they were given external support
- PVO's in St. Kitts-Nevis need support to strengthen their staff capacities and to support program costs in skill training and employment creation and income-generating activities

II. ST. LUCIA

A. Introduction

1. The setting and brief history

The mountainous terrain and deep tropical forests of St. Lucia have affected the historical development of the 238 square mile volcanic island and continue to play an important role in its present economic development. Sugar cultivation and plantation slavery came late to St. Lucia (1763) and hence, St. Lucia never developed into the archetypal sugar plantation colony. The period of plantation slavery was brief and the estates were small and widely scattered, dominating the alluvial valleys where the Roseau, Cul-de-sac, Mahoya and Marquis rivers flow. The heyday of sugar ended in 1763. Hence, St. Lucia sugar estates struggled for the next two hundred years in relations of unequal exchange and dependency on the European market.

The historical development of social groupings and class/race relations in St. Lucia have been influenced by these physical and economic factors. There was an early movement to peasant agriculture away from the areas of estate cultivation by marooned Africans who refused to be re-enslaved when the British took the island from the French in 1763. Since that period, there have been tension and conflict between the Afro-Creole peasant society (patois-speaking and nominally Roman Catholic) and the Eurocentric, white and fair-skinned agro-commercial social group who was linked by class and culture to the British colonial authorities.

Plantation agriculture and peasant agriculture co-existed for most of the twentieth century. However, the early twentieth century also witnessed greater diversification of the economy and social groupings with the development of Castries as an important commercial, communications and coal bunkering center. This period was characterized, as elsewhere in the West Indies, by the growth of a small middle class of civil servants, clerks, school teachers, merchants and largely urban artisans. This section of the population, in conjunction with their counterparts throughout the West Indies, formed the core of those who struggled for the creation of a nationalist movement and pressed for social change in the 1930's and 1940's.

From the early nineteenth century until the 1960's, St. Lucia's economy was backward and stagnant. Sugar continued to decline, reaching its nadir during the sugar beet crisis of the turn of the century. The peasant economy had never been able to compete successfully against sugar and was relegated to mountainous, inaccessible areas. Sugar remained dominant until it was finally supplanted by banana in the 1960's. Villages, except those located on the sea coast, were remote and isolated. The inhabitants were further separated from urban inhabitants by language and culture.

The post World War II period to Independence in 1977 has witnessed the erosion of old class/race relations in St. Lucia society with the demise of the sugar economy, the rise of the nationalist movement and development of political parties whose mass bases are among the rural populace and urban lower-income groups. The advent of the banana revolution in the 1960's has played a very important role in transforming St. Lucian social relations. Cash cropping in bananas has provided a growing rural middle class with the money to educate their children, who in turn have become urban white collar workers, filling positions in the expanded civil service and commercial centers occasioned by political steps towards internal self-rule. For the smallest farmer and peasant, heretofore largely involved in subsistence agriculture, bananas have provided these families with cash to purchase consumer durables.

Migration both internal and external has also played and continues to play an important role in changing social relations. It relieved some of the pressure on the land and made the survival of rural households marginally feasible. Remittances from relatives living abroad are largely used to purchase consumer items and to purchase property and build houses. Hence, remittances have been important in raising the standard of living for a significant percentage of the population.

Internal self-government, both as an associated state, and since 1977 as an independent state, has had an important effect on St. Lucian society. Centralized planning under a series of national development plans with government assuming the role as director of social change has effected important changes. Diversification from agriculture into tourism and light manufacturing has altered social classes, encouraged expansion of the secondary towns as well as Castries, provided upward mobility for rural men and women, as well as placed serious strains on infrastructure and social services. Although banana production remains a mainstay of agriculture, there are movements toward diversification. The recent break-up of the last estates will have important social consequences and new social relations may arise as a result.

At the present time, St. Lucian society can be characterized as undergoing important social change. Population density at more than 500 per square mile is becoming an ever more serious problem because so much of the land is not arable due to steep terrain. The country is probably at or near its carrying capacity. The danger of serious ecological problems is particularly serious due to the cultivation of steep slopes. There is an agricultural base (largely monocrop) in bananas which supports many small farmers, and a growing urban working class (both male and female) often underemployed and seeking employment in the expanding tourist and light manufacturing sectors and its ancillary industries. But the inability of these sectors to keep pace with the migrating population has witnessed a burgeoning of the informal sector and an increase in urban slums. The

middle groupings have fared well with Independence and the expansion of the state bureaucracy. Civil servants and technocrats are assuming greater importance and power in St. Lucia and there is also a growing small business class. Hence, both the development of banana agriculture and the creation of an independent nation state have caused important social changes in St. Lucian stratification and social relations.

Because St. Lucia is a small island, no point in the country is far enough removed from any other to be cut of commuting distance with modern transport. In recent years, the expanded road network has made most villages and towns accessible by vehicle. In the same period, more and more employment options have become available at a variety of locations, including Castries, the capital, Vieux Fort where the industrial estate and free zone are located, and other points. People move easily to part-time or full-time employment from where they reside to the jobs. While this has not entirely forestalled relocation to urban areas, it has meant that the whole country has in effect become in large measure a single "community." The result is a substantial lessening of the distinction between urban and rural. Education is becoming more uniform. Language barriers and functional illiteracy problems which are still significant for older Patois speakers are rapidly disappearing for the young. The problems do not disappear, but the former isolation is no longer the issue. Now one great challenge is to build sufficient quality and appropriate content into the education and to bring other services to people efficiently to prepare and support them for participation in a changing setting at acceptable cost. The opportunities which this new social pattern presents are also matched by the problems of creating an expanding economic base with sufficient speed to match the rapid growth of the population and the labor force. St. Lucia's economic and social institutions will therefore face serious demands on their capabilities to deliver the needed services in the future.

2. Major elements of the economic structure

a. Overview

St. Lucia is moving toward a more diversified economy, but nearly 15 percent of its GDP is still produced in agriculture. (See Table 5). Its reliance on that sector has produced favorable results in growth and income to rural people over the past quarter century when bananas and coconuts were the major crops. Increasingly, however, St. Lucia is encouraging greater production of other crops as a means of reducing the risks of relying on these products which are vulnerable to natural disaster and long term price trends which may prove unfavorable. Greater output is projected therefore for tree crops (citrus, mangoes, avocados, coffee and cocoa) and vegetables for the local market and export. Through this strategy, the government believes the country can achieve greater stability in the agricultural sector, improve the linkage with the tourist sector

Table St. Lucia: GDP at Constant Factor Cost by Sectoral Origin

	1978	1979	1980	1981	<u>Estimates</u> 1982
<u>(In millions of East Caribbean dollars at 1977 prices)</u>					
<u>GDP</u>	<u>177.1</u>	<u>193.0</u>	<u>192.8</u>	<u>198.5</u>	<u>202.7</u>
Agriculture	29.2	28.1	24.1	24.4	26.7
Mining	1.3	2.9	3.8	4.0	2.7
Manufacturing	18.5	16.3	19.2	19.1	21.6
Utilities	5.1	5.9	5.7	5.8	6.1
Construction	16.1	24.4	24.3	25.6	20.5
Transport and Communications	20.9	22.9	22.9	21.9	21.9
Wholesale and Retail Trade	26.9	29.3	26.3	26.3	26.3
Hotels and Restaurants	11.5	12.7	13.5	11.7	12.0
Banking and Finance	13.2	15.5	14.7	15.3	15.9
Government Services	28.4	28.7	31.7	37.5	41.9
Other Services	6.0	6.3	6.6	6.9	7.1
<u>(Percent of GDP)</u>					
<u>GDP</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>
Agriculture	16.5	14.5	12.5	12.3	13.2
Mining	0.7	1.5	2.0	2.0	1.3
Manufacturing	10.4	8.4	10.0	9.6	10.7
Utilities	2.9	3.1	3.0	2.9	3.0
Construction	9.1	12.6	12.6	12.9	10.1
Transport and Communications	11.8	11.9	11.9	11.0	10.8
Wholesale and Retail Trade	15.2	15.2	13.6	13.2	13.0
Hotels and Restaurants	6.5	6.6	7.0	5.9	5.9
Banking and Finance	7.5	8.0	7.6	7.7	7.8
Government Services	16.0	14.9	16.4	18.9	20.7
Other Services	3.4	3.3	3.4	3.5	3.5

Sources: Statistical Department, and IMF estimates.

and reduce dependence on imports. Nevertheless, bananas and coconuts can be expected to remain important elements of the agricultural sector and a source of major income and foreign exchange earnings to the country.

The broader thrust is to continue the growth of manufacturing and tourism which have been growing more rapidly than agriculture in the past decade. Tourism was already becoming a significant factor in employment and foreign exchange earnings when there were 29,500 stayover tourist arrivals in 1970. This number nearly tripled by the end of the decade, with 87,900 arrivals in 1979 when total tourist expenditures reached U.S.\$33.4 million. There has been a decline since that time due to the impact of the world recession and a more recent recovery as the U.S. economy and those of other industrial nations have become more buoyant in 1983. Expansion is projected for the eighties in tourism, but it is not seen as the major sector for employment growth. Much depends on future economic trends in those markets and on institutional effectiveness in St. Lucia. The latter factor is discussed below in examining the institutions in this sector.

The other major growth area in St. Lucia is the rapidly emerging light manufacturing sector now producing about 10.5 percent of GDP. This sector grew steadily in the 1970's, stagnating somewhat as a result of the hurricane in 1979 and the world recession of the early eighties. The sector is showing signs of a good recovery as demand improves in the industrial nations and as the government in power since 1982 has provided a renewed sense of stability in St. Lucia and positive encouragement to private foreign investment.

While the economy is heavily dependent on the agricultural sector, diversification has progressed. Linkage among the sectors is beginning to emerge as manufacturing of boxes for banana shipment and production of foodstuffs for the hotels and the local market is becoming more significant. For the future the manufacturing sector is expected to be the strongest growth area and the source of the greatest increase in much needed employment. The rate of economic growth must increase to provide the jobs needed. Export-oriented manufacturing especially for markets outside CARICOM is seen as the primary source of job creation. The small internal market would not support large expansion of either agricultural or industrial growth. Recent constraints appearing within the CARICOM market region give ample warning that reliance on its potential would not be sound. Fortunately, St. Lucia has attracted a variety of outside investors with links to the U.S. market. More are expected. A good climate for investment has been created, incentives in the form of tax and duty exemptions, a free zone and factory shells are provided. With these opportunities and favorable access to both the European market under the Lome Convention and to the U.S. market under the CBI the effectiveness of St. Lucia's institutions supporting this sector are of major

significance. These are discussed below. Among the key elements of a program for successful expansion of the manufacturing sector are:

- o effective promotion of foreign investment;
- o expanded training opportunities for local personnel in managerial and technical skills related to manufacturing; and
- o a sound economic program to hold wages and salaries in line and maintain limits on the demands by government on local savings in order to make capital available for private development.

Fortunately, government is moving in these directions, but the urgency is so great as large numbers join an already underemployed labor force that the task will be formidable. The labor force in St. Lucia is now more mobile than it has ever been because roads have made movement feasible among all parts of the island. In effect, it now operates as one community. People can transfer their employment from one site to another on a part-time or full-time basis without necessarily changing their place of abode. This phenomenon will facilitate the continuing transition of the society from one which is primarily agricultural to one in which manufacturing will displace agriculture as the leading sector.

b. Agriculture

(1) Bananas

For more than 25 years, bananas have been the most important crop and a mainstay of the economy of St. Lucia. The industry received a severe setback with production reduced by two-thirds as most plantations were destroyed by the hurricane in 1980. Despite the role bananas have played in providing much needed cash income to small producers and in facilitating a transformation of the society toward greater modernity and equity, heavy dependence on this one low profitability crop makes St. Lucia's economy vulnerable to storm loss, price fluctuations and a weak set of long-term market prospects. For this reason, continuing diversification of the agricultural sector and of the economy at large are basic needs of the economy and are primary objectives of the Government of St. Lucia (GSL).

Nevertheless, bananas are expected to remain a major crop because they are an essential source of cash income to farmers and of foreign exchange for the economy. For this reason, efforts are continuing with donor support to raise productivity and reduce costs of production and marketing by increasing the use of modern inputs and improving the administrative efficiency of the St. Lucia Banana Growers Association (BGA), by expanding the practice of field packing and working with Geest Industries, BGA's transport and marketing agent, to obtain the best net price for the farmer. Reduction of the area planted to bananas on steep slopes is desirable on environmental grounds but is closely linked to the provision of more alternative steady employment for the very small producers who are located on such plots. Production of bananas is expected to increase on farms now operated on land purchased from estates by investor/manager "remote control" farmers. Banana production and exports have not yet fully recovered their pre-hurricane level.

(2) Coconuts

Coconut production was also badly damaged with 50 percent of trees lost in the hurricane of 1980. Its rehabilitation is proceeding and reforms of the growers association for coconut parallel those of the BGA. The value of coconuts and coconut oil exported is about 20-25 percent of the value of bananas, but is nevertheless of key importance.

(3) Other agricultural produce

The diversification of the agriculture sector through greater outputs of fruits, vegetables and livestock is a major potential. Linkage to the tourism sector and import substitution are desirable as about 20 percent of St. Lucia's imports consist of foodstuffs. Few farmers have legal title to the land they have been cultivating. A program to provide titles is now underway. This effort is closely linked to development of a more productive sector where the use of credit and modern inputs will increase. Research now being done with CARDI support is intended to be closely linked to extension to provide practical small farm production systems geared to diversification. The research program could outrun the weak extension system which would then be a constraint. Development of more efficient marketing, storage and transport systems is critical to the success of fruit and vegetable expansion both for local consumption and export. The agricultural sector is expected to grow at a modest pace over the next 15 years but will not become a major source of additional employment according to the Central Planning Unit as it becomes more technology intensive and diversified.

c. Tourism

Tourism has become a significant component of the St. Lucia economy with steady growth in the 1970's. The sector now employs approximately 11 percent of the labor force and provides about 6 percent of GDP. Arrivals of visitors staying more than one night exceeded 72,000 in 1982. The industry holds an important place in GSL plans for future development. There are approximately 1,500 rooms available which it is projected will be expanded to 3,500 by 1986 and 5,000 by the end of this decade. Achievement of that target depends on continued effective action by the public and private sectors in the areas of promotion, quality control, staff training and infrastructural development.

Recent improvements in the availability of direct flights to St. Lucia from the U.S. and Canada are a crucial factor in achieving high occupancy rates in hotels as the North American market is now the prime target for development of expanded tourism on the island. New duty-free shopping, entertainment facilities, and a cruise ship berth are being developed in the Pointe Searphine area of Castries. Strategies are being planned to achieve a higher rate of summer occupancy in order to improve earnings and hotel profitability and reduce the unfavorable impact of seasonal employment.

The GSL is conscious of the need to achieve greater linkage of the tourism sector with agriculture in particular and to organize future developments to attract and keep a greater portion of tourist expenditures in St. Lucia. A strategy of promoting middle to upper middle income visitors is a fundamental part of the campaign to attract visitors who will spend money beyond minimum subsistence during their visit. The institutions operating in and supporting the sector such as the Tourism Department, the Tourist Board and the Hotel Association are functioning efficiently and coordination has been improved. Internal stability and the economic recovery in the U.S. resulted in an upturn in visitor arrivals in 1983 after the two-year slump of the recession.

Collaboration of public and private sectors along the lines now planned should result in continued growth in the tourism industry. A 1990 level of 5,000 tourist room capacity is seen as the optimum level consistent with the maintenance of a sound relationship between tourism and the local society according to Central Planning Unit (CPU) projections. It is expected to result in the sector's contribution to GDP rising to 10 percent by the end of this century. Employment in tourism and related activities is projected to rise only moderately to about 12 percent of the labor force, but to provide steadier employment throughout the year and to have significantly better linkage to and favorable impact on the rest of the economy as time passes.

d. Manufacturing

Until the 1970's manufacturing activity in St. Lucia had been negligible. By 1978, however, manufacturing had expanded to account for 10.8 percent of GDP. It has remained at that level over the past five years. Manufacturing employs approximately 6 percent of the labor force. Principal fields of industrial activity are garments, furniture, plastic goods, electronic assembly, paper bags and cardboard boxes, flour milling, beer and soft drinks. Industrial activity has largely developed through foreign private investment although local investment in manufacturing has began to play some role. Local entrepreneurs lack experience and technical knowledge for entry into manufacturing. A system of incentives is provided to encourage foreign investors involving tax holidays of up to 15 years and duty exemption on equipment and materials for approved investments authorized by the Ministry of Trade. A free zone has been established in the Vieux Fort area and the National Development Corporation operates a program to rent ready-built factory shells on favorable terms for investors and to provide other services to assist local and foreign private investors.

The Government of St. Lucia gives priority to manufacturing development as the leading growth sector over the next two decades. The CPU has projected that manufacturing should be the source of 16 percent of GDP and provide employment of 13 percent of the labor force by the year 2000.

To accomplish this goal, continued emphasis will be placed on encouraging foreign investment though the government wants to expand the role of the indigenous, private entrepreneur even more rapidly despite a shortfall of local capital. The policies and programs of government are expressly directed toward expanding private manufacturing activity. Additionally, such constraints as limited experience among local managers, few people with technical training and skills directly applicable to manufacturing, limited local capacity for providing technical training for entry-level positions, and language barriers with local people will need to be overcome.

It is hoped that the informal sector and craft industries can be an area where growing numbers of new indigenous entrepreneurs will get their start and develop larger business enterprises. The institutions to support these programs with credit and advice are largely in place although they will need to mature and strengthen their staff as they gain experience. Infrastructure in the form of roads, airports, and ports is adequate to support this growth but their maintenance will be a continuing problem to be watched.

B. Social Profile

1. Overview

One way to describe St. Lucian society today is to see it as being made up of two groups: one primarily English-speaking, urban based, and better educated; the other, primarily Patois-speaking, rural based, and poorly educated. The distinction refers not so much to place of residence, but to life-styles, types of occupation, levels of education, levels of income, and forms of social organization.

The opposition of these two groupings has generated much of the stress and tension as well as the dynamics of change in St. Lucia today. There is a hierarchical relationship between the two groups. The English-speaking group enjoys not only a higher status and has a higher income, but has considerable social, cultural, and economic power. The primarily Patois-speaking group not only has a lower status and lower income, but it has a little power within the society. The Patois-speaking group in its relationship with the English domain (people and institutions) is handicapped by considerable social and cultural distance and often by a linguistic barrier.

If there is a clear trend of social change in St. Lucia, it is a trend to a closing of the cleavage between these two groups. In fact, economic, political and social changes in the recent past have brought these two groups closer together, and it is out of this interaction that much of what is happening today can be interpreted as the narrowing of the gap that existed between the two groups. The blurring of these traditional distinctions has resulted in the gradual development of an "island community." While the distinctions have not been eliminated, they are being diminished by a rumble of external and internal forces.

External forces, such as regional and extra-regional events, have had a direct and profound effect on St. Lucian society, particularly the continued exodus of St. Lucia's population to other countries. Increasingly, the country's ability to create sources of work and/or its ability to attract productive enterprises that create new sources of work is becoming the key factor in the outcome of current social and economic changes.

There have been a number of changes in the immediate past internally, as well, that have set the stage for today's processes. The switch from a sugar producing economy based on large estates to one producing bananas in an increasing number of small holder units is perhaps the most significant. This change brought about the emergence of a sizeable small farmer population that was able to benefit from a steady source of income to improve its social and economic status in ways unparalleled during the dominance of the large estates. There has also been a diversification of

2. Population

a. Current situation

By 1982, the population of St. Lucia was estimated to have reached 124,000. The rate of growth between 1980 and 1982 was 1.5 percent annually, somewhat lower than the annual rate of growth during 1970-80 of 1.8.¹ The total fertility rate is estimated to have fallen from 6 live births per woman in the early 70's to 4.5 in 1982, a high rate by East Caribbean standards. Moreover, multiple teenage pregnancies continue to be a problem.

The population of St. Lucia is a very young one, with 50 percent of the population under 16.5 years of age. Only 5.3 percent of the population was over 65 in 1980. The 15 to 64 age group accounted for 44.8 percent in the same year.² From a development standpoint, two critical demographic issues are immediately apparent:

- o The population has a very high dependency ratio; and
- o A very large number of young people, all of whom are already alive, will enter the labor force in the remaining years of this century.

High population growth in the past has been alleviated by one of the highest outmigration or emigration rates in the Caribbean. It is estimated that without emigration, the population of St. Lucia would have reached 140,000 in 1970 instead of the 100,000 reported by the census. During 1970-80 the emigration rate continued at 1,500 persons per year.³

b. Future trends

Population projections under a series of assumptions indicate that the population of St. Lucia will grow considerably during the next 50 years. Under current conditions, a high fertility rate (4.5), low death rate (7 per 1,000), and emigration of roughly 1,500 per year would increase population to 175,000 in just 16 years and possibly double it by the year 2017. In 50 years the population could reach 340,000.⁴ Under the best conditions, a total fertility rate of 2.1 or a replacement rate and emigration of 750 per year, the population of St. Lucia would reach 175,000 in the year 2030. In any event, growth in St. Lucia's population will require an even more rapid increase in the number of jobs to be created if current problems of high unemployment discussed below are not to be exacerbated.

¹ Government of St. Lucia, Statistical Digest 1982, Statistical Unit, Ministry of Finance, Castries, 1982.

² Population Reference Bureau, Draft paper on the population of St. Lucia, Washington, D.C.: Population Reference Bureau, 1982.

³ Loy Bilderback. The St. Lucian Experience: Population and Labor Migration 1950-2000, OAS, Washington, D.C., 1983..

⁴ Draft paper on the population of St. Lucia by the Population Reference Bureau, Washington, D.C., 1983.

the economy mainly through the growth of tourism and some manufactures, which has made it possible perhaps for the first time for some people to have an option to agricultural wage work or to migration.

Along with these changes, the construction of a road network and the ease of transport internally has contributed to a breakdown of the previously significant distinction between the urban area and rural villages. It is also influencing the patterns of human settlement with dispersed settlement along roads and prime locations as the main characteristic. Village-based life and village organizations continue to be important mainly due to the fact that the smaller farmer population is solidly based in these areas. However, village life and organizations have been weakened by the changes in the economy and by the centralization of government functions in Castries. (Current plans call for decentralization of services and administrative functions.)

Greater access to education with more and more instruction in English has been provided to students in rural areas. As a result an increasing proportion of younger people are prepared to enter the work-force on an equal footing. This is diminishing the differences between the village based Patois speakers and urban English speakers. (There is, however, a concomitant trend of deteriorating quality of education at the formerly elite educational institutions.)

The changes taking place in St. Lucia have been subsumed under the dynamic of the interaction between the two major groupings in the society. Much of the change is the change in the new generation. The younger group is the largest group in the population and is a group that will form an increasing share of the labor force for the rest of the century. It is a group growing up as bilingual speakers, exposed to a national rather than village context, and to new alternatives for work (which may or may not include agriculture). Finally, it is a group growing up with different expectations than their parents.

The quality of life in the St. Lucia may be measured by certain economic and social indicators. The World Bank estimates that in 1981 St. Lucia's per capita GNP was \$970 and that this represents a real per capita GNP growth rate of 3.0 percent over the decade of the seventies. With a life expectancy estimated at 67 years (late 1970's), and infant mortality rate of 29 per 1000 live births and literacy rate of 82 percent, St. Lucia's Physical Quality of Life Index is 83 which is about average for the Caribbean but is significantly higher than the PQLI average in the developing world (59).²

¹World Bank, 1983 World Bank Atlas, Washington, D.C.: World Bank 1983.24.

²John P. Lewis and Valeriana Kallab eds., Overseas Development Council, U.S. Foreign Policy and the Third World: Agenda 1983, New York; Praeger 1983, 212-213.

Future population growth reflects the built-in momentum of a young population. Population growth is the main problem that St. Lucia will face in the future.

3. The labor force and the nature of work

In a country with as limited resources as St. Lucia, finding ways to make a living has always been the main problem for a large number of the population. In the past, the options were limited to work for wages in the large estates, work for the civil service, or work in commerce. Occupations such as fisherman or artisan were and still are limited to part-time work. In fact, most people, especially those at a lower end of the economic hierarchy, have always earned their living through a combination of part-time and intermittent jobs. Work in the estates was supplemented by cultivation of a small plot of land, or by fishing for those close to the coast.

The switch from sugar production on estates to banana production by small holders introduced the first change in the range of options to the population in the rural areas. In addition to producing food for own consumption, rural dwellers could also produce a commercial crop, which generated a steady and secure source of income. The stimulus of banana production led to the emergence of independent small farmers who put more land usually on the hills into production. As the estates began to decline, more small farmers took their place and this process is currently at the point where agricultural production and land control is passing from a few large estates to many small and medium size farmers.

As the economy has become somewhat more diversified in the last two decades, the options that people have to make a living have been broadened. New forces have been introduced into what was once a very static situation. The many jobs associated with tourism and manufacturing directly and indirectly are really the first options to agricultural work for wages for the majority of the population that did not have access to sufficient land. It has also made it easier for those who had access to land to not only make a living, but to improve their economic and social standing.

As noted in Annex 2, however, it is difficult to find and present accurate data that will show the changes in the labor force or its current composition. Figures from a 1982 draft paper on the National Physical Development Plan for 1984-89 estimate the labor force at 48,394, of which 10,106 (or 20 percent) are unemployed and 25 percent work in¹ agriculture. In another GSL statistical digest and a World Bank Report,

¹World Bank, Report No. 3828-SLU, Washington, D. C.: World Bank, April 1982; Government of St. Lucia, GSL Statistical Digest, St. Lucia: GSL, 1982, 9.

the labor force in 1981 is estimated at 37,200 with only 5,400 (or 14.5 percent) unemployed and 43 percent in agriculture. The statistics for the manufacturing sector are equally as varied.

In 1970, the census reported that 10.491 or 39.9 percent of the total labor force were employed in agriculture. It is widely reported that since then employment in agriculture has decreased. Yet, there are claims that it has increased to 44 percent of the total labor force by 1980. Moreover, data from WINBAN in a study of small farmers in 1978 reports that there were 5,258 banana growers in St. Lucia, a figure that is assumed to represent the majority of the people engaged in agriculture since almost everyone produces bananas. If it is assumed that an equal number of people are agricultural laborers, the total number of people employed in agriculture is probably around 10,000.

In sum, the need for a systematic analysis and collection of reliable labor data is clear. The fact is that the figures used are probably in error and that they represent a situation that does not correspond to the real one, nor does it permit an accurate analysis of how people make a living, their sources of work, or the importance of economic sectors in terms of employment and income sources for people.

With this in mind, the following paragraphs describe the labor force in terms of their occupations. It is intended to show how differential access to resources affects incomes and living standards. A major distinction is made between work in agriculture and work outside of agriculture.

a. In agriculture

The first and largest group is comprised of what the census classifies as agricultural workers. In 1970, they accounted for 6,338 persons. How many households or how many people depend on this activity for their livelihood is difficult to estimate. As a single category they were, and probably still are, the largest in the labor force. The main characteristic is that they work for wages on the estates, for other farmers, or for the Banana Growers Association. Many if not the majority also farm a small plot of land which is usually located on marginal land and produces mainly food for household consumption, though if planted with bananas may generate some cash. Their work for wages is intermittent and requires that they have other sources of income. The house or garden plot is one, and other sources may include wage work in construction, and in small scale manufacturing enterprises or shops. An important survival strategy for members of this category had been and probably continues to be migration to engage in skilled and semiskilled work within the region.

Access to land seems out of the reach of most people in this category even as estate land becomes available through sales. The prices are beyond their reach. Agricultural wage work offers little if any chance of improving their incomes given the actual amount of work available. Their best chances seem to lie in work in the "modern" sectors of tourism and manufacturing. Although no data exist to support the contention that they have been moving out of agriculture and into these occupations, there is a widely held belief that this is the case. Given the limited opportunities even in the "modern" sectors, it seems that they continue to reside in the "rural" areas and to farm their small plots. A growing informal sector of micro commerce, repair shops, and transport is also an economic niche that seems to be attracting a growing number of people and providing them with alternative sources of livelihood.

The second category is that of the small farmer, i.e., the person who has access to land of a size sufficient to employ his and his household's labor. Farms between 5 to 15 acres fall into this category. The 1970 census lists some 4,000 persons in this category. The real number is far smaller since more than one member per household would have been included in the census. Although farming is their main occupation, the members of this category also engage in wage labor occasionally.

It is the production of bananas that has contributed to the emergence and stability of the small farmer. The income that bananas provide was crucial in allowing these farmers to consolidate their economic position, and most likely their lands regardless of the form of land tenure under which they had access to the land. Income from bananas has also been instrumental in capital accumulation which has been invested in shops, and transport, as well as housing.

The farming system of the small farmer includes a complex mix of commercial agriculture and a large variety of "traditional" crops such as root crops and fruit trees. Production is for overseas export (bananas) and for home consumption, as well as for sale to hucksters who may market locally and/or regionally. It is, however, the sale of bananas that is the main source of income, and the only one which is produced with the use of purchased inputs. The well being of the small farmer is dependent on his production of bananas.

There are factors that affect the productivity and future of the small farmer. The first is the lack of a clear land tenure system. Although access and control of land through a variety of means have been key factors in the emergence of the small farmer in the sense that they allowed flexibility and adaptability to very restrictive conditions, the system needs to be consolidated and made more rational. A second factor is the limited land area suitable for agriculture. Small farms which may have reached a size that allows sufficient income for a family are dependent

for their survival on the continuing emigration by members of the household to the "urban" area of the island or abroad. Thus, the availability of work outside of agriculture will affect directly the viability of the small farm. Land is highly limited and has probably reached the limit of its carrying capacity, and although estates are being sold in smaller parcels, the room for expansion is limited. In fact, if wage laborers are counted, there are probably more people trying to make a living in agriculture than the land can support at current living standards.

The third category and one that may be growing in significance in terms of control of land is what has been referred to as the "remote control" farmer. This term refers to "urban" based people who are acquiring much of the estates land being sold. They are people who derive their income from work in the public sector, business, or the professions. Their main objective seems to be to invest in land as a means of consolidating and increasing their wealth. However, among the group, there are indications that some intend to engage in commercial agriculture. This development needs to be followed and examined for its potential impact on land distribution and on agricultural production. There is little if any information that will permit an assessment of their numbers, the amount of land they control, or the use to which they are putting it.

Finally, for all those laboring in agriculture, the disposition of the estates which were the dominant factor in agriculture in St. Lucia for so long is very important. How many are left and what amount of land they still control is not known. It is agreed, however, that they are fast declining and that they may disappear altogether. What is happening to the work force they employed is also not known. Are the agricultural workers being displaced, or are they employed by the small and remote control farmers? If the workers are being employed by the small farmers and/or the remote control farmers, it would be important to find out in what numbers and under what conditions. Does this shift, if it is taking place, improve the condition of the workers?

b. Outside of agriculture

According to varying sources, the labor force employed outside of agriculture varies from a low of 54 percent to a high of 75 percent. How this rather large proportion of the population works is as much a problem to determine as it was with trying to determine the number of people engaged in agriculture. According to the already cited World Bank report, the distribution of the labor force in 1980 without taking agriculture into account was as follows:

Manufacturing	6.1 percent
Construction	7.3
Tourism	11.5
Other services	31.5
Unemployed	14.0

It is interesting to compare these figures with those from the 1970 census. Employment in manufacturing, reported to employ 8.1 percent, in 1970 went down to 6.1 and in services which employed 39.9 percent in 1970 dropped to 31.5 percent in 1980. Tourism remained stable at 11.5 percent between 1970 and 1980, while construction shows an increase from 0.8 percent in 1970 to 7.3 percent in 1980.

If these figures are correct, they would contradict the widely reported changes in all of the above mentioned sectors. Only the growth in the construction sector seems to be supported by the figures. However, as was shown before, there is reason to believe that the data are in considerable error.

What employment in the non-agricultural sectors has traditionally meant is upward social and economic mobility. Thus, employment in the public sector and in commerce often meant a better life than was possible in agriculture if one owned no land. Today, these two sectors most likely employ the majority of the people outside of agriculture. Commercial employment in retail shops is probably the fastest growing employment area.

Modern manufacturing is relatively new to St. Lucia and the majority of the people employed by this sector are young and in their first jobs. Tourism is also relatively new and also the employer of large numbers of young people. Both of these sectors did provide work alternatives in what had been a very limited environment. Construction also employs people who would otherwise have no option but to work for wages in agriculture or to migrate. But because it is an intermittent kind of employment, especially for the unskilled, most people working in construction combine it with work in agriculture.

Unlike in agriculture where the key factor is land, employment in these sectors depends on the right education and skills. Education and the acquisition of skills are in turn dependent on the resources of the family, and it is again the agricultural laborer's family which is the most disadvantaged.

Work in occupations outside of agriculture was a means of upward social and economic mobility for a long time. In fact, work in the public sector, although highly restricted in the past, meant not only a higher income and status, but also life in the City of Castries with all that implied in the form of services and "amenities." Until the introduction of banana production, life in the rural area meant wage work on an estate with little if any chance for any kind of improvement. Improvement was always perceived as being outside of agriculture either in town or overseas. Thus, any work outside of agriculture was attractive and promised a better life. Work in construction, tourism and manufacturing has attracted large numbers of rural dwellers as have other kinds of work that are town based. All of these are fairly recent developments. They point to a changing society stratified along income levels and life-styles.

It is important to note that, despite the fact that occupations in the nonagricultural sectors seem to offer, and for many actually do offer, better chances, a considerable amount of this form of employment is only intermittent. As such, the real earnings and the amount of time people are at work is far less than what the yearly statistics would imply. In this context, people have developed a strategy that maximizes security and minimizes risk. They work in many occupations and derive their income from varied sources. Having some land no matter how small is very important since it provides some food and work. Having more than one skill is better than just one since a worker can then seek work in another area if the one he is in closes down. The attractiveness of the non-agricultural occupation is to be found in both the promise of a better life and the fact that it offers more varied forms of work which hold the promise for growth and development.

Finally, among the non-agricultural occupations with the higher status are the professionals, high-level government jobs, and entrepreneurial activities in commerce and industry. The professionals have traditionally enjoyed high status and income. Today they still do, and in a society which values democratic ideals, they are theoretically open to anyone. Scholarships have been an important means for people who otherwise had no resources to achieve the ranks of the professional or high-level civil servants which has reinforced the status that these occupations have and the fact that they are a means of upward social and economic mobility. However, aside from full scholarship, the professions are reserved for a small minority able to afford the expense of an education abroad.

4. Role of women

Similar to other West Indian societies, gender roles and the division of labor have been strongly influenced by the nature of production, the legal system, migration patterns and socio-economic status. In effect, both economic and socio-cultural factors have influenced social relations and the inequitable access to goods, services and employment opportunities. In St. Lucia, however, unequal access to resources have been more influenced by economic factors and the problems associated with single-parent/female-headed households than with overt discrimination.

Socio-economic status and level of educational attainment are strongly correlated. Among the higher income and educated groups there is also a positive correlation between two-parent families and employment of both partners. Given the relatively high numbers of women professionals among middle income groups, overt discrimination of women does not appear to be a major problem.

Greater differences exist among rural groups and within low-income urban groups. Both census data and surveys indicate that among lower income groups there are important differences between those households headed by men and those headed by women. Since nearly 50 percent of households in St. Lucia are headed by women, and these households fall into the lowest of income groups, this section of the population is deserving of much greater attention than it is at present receiving. Data, which is inaccurate and scant, does not indicate what percentage of these households are receiving income from other sources, including remittances, nor what percent of total income comes from remittances. Both the 1970 Census and the USAID Women Headed Household Survey note that 50 percent of woman-headed households are in the category "no income/income not stated," the two categories lumped together completely obfuscating the issue.

a. Rural patterns

In rural areas, studies indicate a continuing pattern of outmigration, underemployment, a relatively high percentage of female-headed households. In agricultural areas such as Choiseol where the Land Reform Commission conducted a survey in 1980, social analysis found that female farmers have less access to inputs, tend to grow crops they themselves can market such as vegetables and root crops, and have difficulty with securing labor. Thus, in St. Lucia, women are less engaged in banana production than men, except as on-farm family labor in male headed families. Bananas, in particular, have been troublesome to women where they have to be headed long distances over steep terrain to meet the trucks.

Yet, banana production has provided employment for women. Banana boxing plants employ a large number of women. Women work bi-weekly, usually twice a week and often for the entire day. Wages, however, approximately EC\$50 a week, are too low to maintain families and must be supplemented by remittances, maintenance from fathers, and subsistence plots. The present move to field packing will have adverse effects on rural employment opportunities for women, unless there is more active involvement in groups which work together for the field packing of bananas.

Multiple employment patterns and the dependency on remittances also stifle rural economic development. When the problems are compounded by female-headed households with large numbers of children, the situation reflects significant levels of poverty.

It is also difficult to say whether heavy outmigration has left much land, particularly family land, in the management of women. Data from the Land Reform Survey may shed some light on this important factor. While this may be true, women are not amassing land from the break-up of estates. These parcels tend to be purchased by middle income civil servants.

b. Urban patterns

Urban centers have mushroomed in the last two decades as a consequence of growing numbers of young people leaving the countryside with hopes of securing employment in Castries and Vieux Fort. Between 1970 and 1980, the population of greater Castries increased from 39,192 to 42,770 and Vieux Fort from 8,018 to 10,675. It is not known how much of this is net migration. Although a net increase of 3,578 or 8.36 percent in Castries is hardly alarming by world standards, movement has not been equally divided among residential areas. Lower income areas of Castries and Vieux Fort have become increasingly congested. Many of these areas are served by pipe borne water but lack public toilets, baths, sidewalks, schools and other basic services and amenities. Demographically, these depressed areas, which are growing rapidly, harbor many female-headed families:

- o In low income areas of Castries, women outnumber men in all categories except the 55-64 age group;
- o 43.5 percent of all households are female-headed;
- o 70.9 percent of women in female-headed households are single;
- o 27 percent of women in female-headed households are not in the labor force;

- o 81 percent of the households earned a weekly income between EC\$0-\$149;
- o 53.4 percent of women rent their houses;
- o 16.2 percent of female-headed households in low income areas are between 15-22.

Characteristics of these urban areas point to the need for community based activities which address the problems of underemployment, skills training, day-care centers, counseling, and the establishment of economic activities. Most of these depressed areas have few shops or business places. In addition, little is known of the survival patterns of these women and their children, their relationship to family members still in the countryside, or sources of income.

In the last decade, a number of factories were introduced in the urban areas of Castries, Vieux Fort and Dennery. Most of these were garment factories which employed from 25 to 200 women. Wages, while low, were steady and higher than wages earned in the countryside. While many women commuted to work from their homes in the country, many more seized the opportunity to migrate to the Vieux Fort and Dennery areas in particular. These factories have been hard hit by the trading problems in CARICOM. Several have closed, while others have laid off workers.

Again, no data exists on the numbers of women involved, extent of the lay-offs, household composition, sources of other income. This is an area needing greater attention in light of Government's intention to rejuvenate this sector.

c. Hucksters

Although there have been a few anthropological studies on hucksters in the region, very little is actually known about the economic factors of huckstering. Statistics as well are very unreliable, for many women do not consider huckstering to be their primary occupation. Hucksters in St. Lucia include farmer traders, itinerant traders, and export vendors/hucksters. The first group comprises those women who market their own garden plots or the short-term crops of their husbands and families. For the most part, this is internally marketed. Itinerant traders are those women who buy from regular clients and sell either internally or externally.

¹ Government of St. Lucia. Land Reform Commission. Final Report (Castries: November, 1981).

In St. Lucia "hucksters" is the name most commonly used to describe those vendors who purchase for export to Barbados, Trinidad and other Caribbean islands. Much attention has been drawn recently to problems of regional shipping and the hope expressed that CATCO's output trading activities would have a positive net effect on women traders. This can only be so if more attention is paid to the entire marketing arrangements of hucksters, their lines of credit and credit needs, and ensuring the development of some business practices through accounting, bookkeeping and, in the case of St. Lucia, literacy programs. There is no huckster association in St. Lucia, and yet, given the centrality of the fruit trade in both the rural St. Lucian economy and for significant members of women and their children, a program needs to be designed based on good baseline data which would rationalize the huckster sector rather than displace it. The latter would have serious consequences for many years to come and is a matter of some urgency.

5. Health and education

a. Health

Despite St. Lucia's limited health delivery capacity, the population is relatively healthy. Life expectancy is at 67 years. In 1979-80 the infant mortality rate was 29 per 1,000 live births. Other estimates put it as low as 22.4 per 1,000 live births in 1982.¹

Seventy percent of the population have potable water and 62% have access to sanitary waste disposal. There are 4.8 physicians per 10,000 population or approximately 37 survey St. Lucia's 122,000 people. There are very few trained nurses but about 64 incoming auxiliaries.

Nintey-seven percent of the population can receive free medical service from one of the 27 health centers. No resident is more than three miles from one of the centers. There also two general hospitals, two district hospitals and a psychiatric hospital.

¹Population Reference Bureau, Draft paper on the population of St. Lucia, Washington, D.C.: Population Reference Bureau, 1982.

b. Education

Adult literacy in St. Lucia is about 82 percent. The country's major educational problem is not illiteracy but rather the large number of young people who leave school too early to receive the skills and training so badly needed for the economic growth of the society. While there is a large enrollment in primary and junior secondary level, most students do not advance to the full secondary school level.

Most of the schools stress an academic approach and do not provide work-related training. This fact, coupled with a high number of school drop-outs and the very high number of other residents who did not complete primary school creates an acute need for non-formal education.

C. Institutional Profile

1. Overview

St. Lucia is embarking on a period of consciously projected change. The leadership believes there is a great need to speed up the modernization of the economy, increase its efficiency and bring the society more fully into the decision-making process. This would follow a host of changes that have already caused many new institutions to emerge, some to be radically altered and others to fall behind in meeting the demands placed on them. Parastatal and private institutions serving a variety of economic functions have been brought into being in response to a series of shifts: from sugar to bananas in the fifties; the emergence of tourism in the sixties; and the development of manufacturing in the seventies. Not all have withstood the test of time. Some were reorganized, others merged and still others dissolved. The result is that today there are a number of fledgling institutions brought into being to meet current demands. These are often still developing and have yet to prove that they are capable of rising to the challenge of today's changes and of prospective alterations, yet to be fully defined.

Conventional ministry structures are more rigid than most other institutions so the drive for rapid acceleration of modernization processes coming from the center of government is causing unaccustomed tensions. The old line establishment is generally unready by temperament, tradition or training to lay plans and adopt new approaches, emphasize new technology, and to achieve speed, efficiency and consultation. Yet these are exactly what the leadership is demanding. Demographic trends show clearly that accelerated job creation is called for and the leadership is equally convinced that improved technical skills, management competence, functional literacy and efficiency are essential to the viability of the island economy in face of its inherent constraints.

Social institutions are also being tested by the trends that have emerged. Community-based action groups have grown up and become a component of the development process. The authorities desire to use these as channels of centrally sponsored activity as they move to decentralize. Tension could develop as voluntary leaders may resist this effort but it represents an opportunity for institutional collaboration which could pay big dividends.

The development of private institutions related to the business sector is matched by a desire of the St. Lucian authorities to support and foster private enterprise to achieve growth and development. Government's philosophy encourages self-reliant independence. Business in St. Lucia has a tendency to cling to tradition and seek protection. This is another area of potential tension as modernization is given impetus. So far the adaptation of business and government is positive and the two institutions appear to find common cause in a desire for growth and stability.

2. Public sector institutions

a. Ministerial establishment

(1) National planning and management structure

(a) Overview

The Central Planning Unit government in the Ministry of Finance, Planning and Statistics is the operational area of the Prime Minister. He accords development a high priority, has assembled a group of younger, highly educated and motivated people to manage the central finance and planning machinery, and gives them strong support. Currently, they are preparing a plan for national development for the period 1984-89 which is already being subjected to extensive public

consultation pursuant to publication of sector papers and other components in the news media. In addition, the Central Planning Unit (CPU) is seeking to have planning units set up in each ministry to do operational plans, budgets, follow-up control and evaluation in each sector. Through this mechanism, it is hoped that implementation could be expedited and coordinated with aid of central computer facilities supported by use of micro-computers at key stations. This concept of a management information system is indicative of the advanced thinking of the CPU and the predominant concern expressed for the achievement of efficiency which is not shared (in the same terms at least) by other ministries.

The CPU approaches its task on the basis that St. Lucia must achieve efficiency through the application of a modern information system and advanced technology. They believe that only in this way can the island's economy move from its present state of under-development and survive as a viable and democratic state. They see their employment in the CPU as a "commitment," not just a job, and are very impatient with others less dedicated or unable to keep up the pace. Their vision of the future is remarkably broad in scope and their approach to planning based on strategic concepts of where the society and economy must go. This dynamic and technocratic view of the planning process, although reflecting great dedication, raises the question as to whether it will get too far ahead of the rest of the government and the people, despite the mass consultation the plan to decentralize government and increase local participation.

Although the various sectoral ministries include some remarkably competent and articulate people, they generally lack the dynamism and the resources at the disposal of the CPU. They are also enmeshed in operational tasks and immediate practical realities and are often understaffed by people of lower level qualifications. There is therefore considerable tension between the CPU and the line ministries. The former complains of the lack of response to calls for the formulation of a sector or project plan while the latter resent both the pressures from the center and the CPU monopolization of decision-making and the setting of priorities.

(b) Organization and budget

The CPU has an authorized staff of 18 professionals (economists and physical/architectural planners), 39 sub-professional staff and 12 clerical personnel for a total of 69. This is an increase of six from the year earlier mostly in clerical support. The positions are largely filled, perhaps because salary levels are relatively attractive, but also because the office enjoys high status in the overall structure. The budget of EC\$1.42 million includes EC\$1.19 million or 83 percent for salaries as would be expected for an office of this type.

The head of the CPU is a Deputy Director of Finance and Planning responsible to the Prime Minister as Minister of Finance, Planning and Statistics. There are six sections in the CPU whose staff numbers are shown below.

Administrative Section	6
Economic Planning	11
Physical Planning	24
Social Planning	4
Architectural Section	23
Energy Section	<u>1</u>
	69

Other units in the Ministry which perform related functions provide a great deal of supporting data/information to the CPU. Key among these are the Fiscal Policy Division with seven professional staff, the Budget Administration unit (seven professionals) and the Statistical Section (six professionals). This assembled group provides capacity to monitor the economy carefully and be informed on its changes. The CPU also has designated contact persons in the other ministries who have planning responsibility.

(c) Liaison functions

The CPU has responsibility for management of liaison with other donors for the government of St. Lucia. It performs this task more effectively than most similar offices in the Eastern Caribbean because of its more adequate staff, its ability to maintain effective contact within its own government and the high level of attention directed toward development matters by the Prime Minister. It provides overall management for a 1983/84 capital budget of EC\$59.1 million funded locally or from external loans and grants provided by at least thirteen donors. This task is carried out in conjunction with the planning process and is facilitated by the fact that St. Lucia has a clear set of priorities for development and is moving toward adoption of a coordinated national plan as a framework for resource development. The CPU wants to reach the point where it is able to take a consistent lead in determining where external resources are deployed. Unlike many other governments, it has a schedule of external loan repayments laid out for upcoming years so it is not "surprised" when repayment obligations fall due.

(d) Assessment

As noted above, the CPU is in a strong position to manage and direct the resources available for development and to coordinate donor inputs and their use. The CPU has strong leadership with the requisite professional qualifications and exceptional dedication. With the strong support of the Prime Minister, the CPU is spearheading a drive for efficiency and for a new spirit of self-reliance on the part of individuals, firms and the nation, combined with community collaboration for achievement of development goals. Its leadership personnel are effective spokesmen for the objectives and for the concept of greater local responsibility and participation. With these assets, they are also able to be more effective than most in donor coordination and directing the deployment of external resources to areas deemed to have priority in a St. Lucian context.

One of the weaker areas for the CPU, however, is its limited ability to obtain the cooperation and participation of other Ministries. There have been occasions where slow responses have held up planning actions directed from the highest level because instructions to other Ministries were essentially ignored. It has to be assumed that this is not obstructionism. It is much more likely that it reflects a diminished sense of urgency about the task of development. CPU is frustrated more from a lack of will to act in other areas of government than deliberate defiance. There are real tensions in these inter-ministerial relations, however, and this may also be a partial explanation.

(2) Ministry of Agriculture, Lands, Fisheries and Cooperatives

(a) Principal responsibilities, organization and budget

The Ministry is responsible for the execution of programs to support crops, livestock, forestry and fisheries production, to analyze land use and settlement, protect and distribute land, to conserve national resources (notably forestry and fisheries) and to foster and supervise cooperatives.

The Ministry's four major divisions and the organizational units under the Agricultural Services Division (which as 70 percent of all staff) are shown in Figure 2.

Figure 2 : St. Lucia: Organization of the Ministry of Agriculture, Lands, Fisheries and Cooperatives

<u>Minister</u> (1)		
<u>Minister of State</u> (1)		
<u>Permanent Secretary</u> (1)		
<u>(Administration/Supervision)</u> (22)		
<hr/>		
<u>Agricultural Services Division</u>	<u>Lands and</u>	<u>Fisheries</u>
Chief Agricultural Officer (1)	<u>Surveys Division</u>	<u>Development Division</u>
<u>Staff 2</u>	Superintendent (1)	Fisheries Officer (1)
- Extension and advisory services (55)	<u>Total Lands</u>	Staff (10)
- Research and development (31)	<u>Staff 29</u>	<u>Total Fisheries</u>
- Engineering services (9)		<u>Staff 11</u>
- Livestock development (25)	<u>Cooperatives Division</u>	
- Statistical unit (9)	Registrar of Coops (1)	
- Land reform (17)	Staff (11)	
- Forestry (32)	<u>Total Cooperatives</u>	
<u>Total Staff Agric.</u>	<u>Staff 12</u>	
<u>Services 182</u>		

Note: Number of staff are shown in parentheses.

The Ministry has comparatively large staff with a total of over 250 authorized positions (largely filled). Overall salaries and wages absorb 64 percent of the budget. More specifically, in the critical action areas of the Ministry, the percentage of personnel is also very high, e.g.: extension, 65; research and development 75-80; agricultural engineering, 58; livestock development and extension, 48. This leaves very minimal funding for program action and achievement of key targets. The Ministry is aware (and experienced observers agree) that comparatively few personnel in key areas have the necessary general educational background or technical knowledge to carry out programs effectively. In 1982, 11 of 24 extension personnel had diplomas in agriculture. The Ministry leaders even express a concern that many of the extension and research areas have insufficient general education to be technically trained without a great deal of remedial effort. The small training program is poorly organized and ineffective for inexperienced field-level staff.

The recurrent expenditure budget of the MOA for the fiscal year 1983-84 is ECS6.67 million or 5.26 percent of GSL's overall budget of EC\$126.73 million. The percentage devoted to the major activities of the Ministry are as follows:

	<u>Percent of Total</u>
Administration	1.0
Extension and advisory services	22.4
Research and development	28.0
Agricultural engineering	8.3
Livestock development and extension	11.4
Veterinary services	4.8
Statistical unit	2.3
Land reform	1.6
Forestry	20.3

The Ministry does not have a planning unit. The plans which have been developed for the 1984-89 period were largely formulated outside the Ministry, and it can be anticipated that there will be problems of implementation and monitoring when these plans go forward, because so few people seem likely to be competent to undertake the management tasks unless and until a massive educational and training program can be carried out to overcome this basic constraint. At present, personnel are generally

not focused on achievement of specific sector and national goals. One exception may be the transfer of ten extension personnel to the BGA to assist a banana technology transfer for production intensification and the shift to packing. In this instance, the personnel are likely to have better support facilities and their recommendations and support of fertilizer use can have a favorable impact on both bananas and other crops.

(b) Development plans

The draft sector plan now under discussion with the public calls for intensification of banana and coconut production, improved private sector marketing and, most radically, perhaps, a major upsurge in the production of a wide variety of vegetable, fruit and sort crops for local consumption and export. Assuming that the private sector (with outside support) will overcome the existing marketing constraints much depends on the successful execution of the CARDI-supported research program for small farmers and CAEC extension development effort by UWI/MUCIA under USAID auspices. The technology packages suitable to St. Lucia seem to be likely to emerge from the CARDI work despite the limited Ministry resources but getting that information may be problematical on the basis of currently available personnel (even with more training) and with the limited support funds currently allocated to extension for travel and materials.

(c) Assessment

The MOA faces many difficulties and constraints. These include:

- o limited resources for program execution, notably extension;
- o absence of an internal sector/project planning capacity;
- o inadequately trained technical and management staff;
- o little technology available to extend as research capacity is very limited and externally supported research is only beginning to produce results (e.g., CARDI on farming systems);
- o training capacity slight and programs disorganized; and
- o weak supporting institutions (except in the case of banana and coconut associations) so no strong market demand for non-traditional crops is yet encouraging diversification and expanded production.

Given the emphasis placed on diversification, the MOA has a very inadequate capacity to develop and extend knowledge to farmers. This suggests that it has no alternative with respect to research but to collaborate with and depend on CARDI to continue farming systems development for small farmers, and serve as a channel for regionally based and/or the worldwide network of research knowledge and information. Additionally, the MOA needs to move on its own to become more effectively linked by computer based information systems to the vast amount of knowledge stored in data banks, train its staff to understand the usefulness of research done elsewhere more than to conduct it in St. Lucia, and collaborate with WINBAN more fully and urge WINBAN to do research on steep slope banana culture to benefit small farmers.

(3) Ministry of Education and Culture

(a) Principal responsibilities, organization and budget

The Ministry of Education and Culture is responsible for planning and administration of the education system and for coordination of public cultural activities. It is organized and functioning along traditional organizational lines inherited from the Colonial Period. This structure may be impeding dynamic operations and is presently under review with regard to implementation of the sector plan for Education and Culture. Although St. Lucia suffers generally from a shortage of technicians and qualified professionals, the Ministry of Education is fortunate that it possesses highly qualified individuals in three key posts: the Permanent Secretary, the Chief Education Officer and the Director of tertiary and technical education at the Morne Educational Complex.

With a heavy commitment to school construction, curriculum development, tertiary education and a literacy campaign, GSL allocations to education as a percentage of the annual budget are quite high. According to a 1982 UNESCO study, GSL's recurrent expenditures on education were ECS\$19,455,970 or 23 percent of total recurrent expenditures for 1981. Government expenditures on education have remained pretty stable, despite budget cuts in other areas. Estimates for 1983/84 allocate ECS\$26,695,628 for education and ECS\$504,294 for culture which is 21.4 percent of recurrent expenditure for 1983/84.

In sum, although there are serious problems with regard to financing, staff, and hence implementation, the administration and management by the technocrats in the Ministry is considered among the most advanced in the region.

Although the UNESCO Education Survey argued that theoretically there should be no need for major school construction 1981-1985 based on demographic trends, our analysis (see Social Profile) would urge caution in making such assessments. Of course, in reality extensive hurricane damage from Allen in 1980 has necessitated a major school construction program largely funded by Hess Oil and USAID.

Major construction, curriculum development and teacher training will be in post primary - junior secondary schools with an average of 12,000 * students per annum. This will necessitate considerable external financing in the form of physical infrastructure, equipment and training.

(b) Primary, secondary and tertiary education¹

At the primary level, there are 81 schools for a primary population of 31,888 children. Many of the schools are being rebuilt after hurricane Allen. Those in Castries are very overcrowded as a result of internal migration. Twelve schools have been rebuilt, four new schools have been built from local funds and one school has been built under the USAID Basic Needs Program. There are 985 primary school teachers of which 359 are trained. Given the large numbers of students who enter primary school speaking Patois as a first language, teacher training and further curriculum development beyond the UWI/USAID program is needed which provides teachers with ability to teach English as a second language. As yet, this problem has not been tackled.

At the secondary level, there are eleven schools of which six are junior secondaries and five are full secondaries. Of the five full secondaries, one is a two form senior secondary (Vieux Fort). Presently, there are 4,982 students enrolled in secondary schools. However, the majority of students do not advance to secondary school, but are found in senior primary and junior secondary forms. Only approximately 250 candidates yearly sit GCE and CXC "C" Level exams.

The educational thrust is towards vocational education in the post primary and junior secondary schools. St. Lucia has made some advances in introducing a more comprehensive, non-academic curriculum into its schools. The junior primary program is offered to those students who do

¹ Presently, the pre-school program is coordinated by the Ministry of Community Development which wants to see further development of a community based pre-school program. However, according to the draft sector plan, the Ministry of Education and Culture expects to take over all pre-school education in the state.

not pass the Common Entrance Examination; this is about 70 percent. Approximately 20 percent pass into junior secondary schools, another 5 percent into Comprehensive Secondary Schools, and 5 percent into Grammar Secondary. A remaining problem for those who pass into secondary schools is that the schools are located in urban areas, Castries and Vieux Fort. Technical and vocational education is offered at some secondary schools, but it is very limited, usually woodworking and home economics. One school, however, Castries Comprehensive, has facilities even superior to those at the Morne Complex. There is a serious need for curriculum development and the establishment of workshops in senior primary and junior secondary schools. There is also a need for trained teachers in the crafts. Further dialogue through formal means is being proposed to better link vocational training in the schools with industry's needs.

An important innovation in St. Lucia has been the Curriculum Development Unit (CAMDU) and its participation in UWI/USAID primary school curriculum project which is presently on stream and being implemented. CAMDU's work now will be at the junior secondary level where complete programs in vocational training had to be developed; and in agriculture for all sectors, but particularly junior secondary as most children will not be sitting the CXC.

At the tertiary level, St. Lucia has appointed a Task Force to prepare and submit proposals for the integration of the Morne Complex colleges into an institution for tertiary education. Currently, it is estimated that 330 students are enrolled at this level. Presently tertiary education is provided at Teachers Training College, The Morne Technical College, St. Lucia College of Agriculture and Sixth Form College.

Morne Technical College is offering training to over 200 full-time students at craft and technician levels. There are courses in building, mechanical, electrical and automotive trades, in secretarial studies, and hotel and catering. The College liaises with firms for attachments, but does not have a placement and guidance division. One of the main problems facing the College is staffing. Presently, the College relies on scholarships and an exchange program with St. Lawrence College in Ontario, Canada for both teachers and staff. The College is seriously lacking in equipment necessary to teach courses.

The College relies on and is benefiting from a number of external sources in its technical programs, including the USAID/CARICOM Alternate Energy Program, a CIDA grant of Cdn\$50,000 for the establishment of an electronics workshop and an EDF grant of EC\$250,000 for expansion of the Hotel Trades School.

St. Lucia is also the home of a regional technical training college which is training teachers for technical courses. UNESCO has recommended that this program be upgraded. Funds for the program have been supplied by the Commonwealth Fund for Technical Operations, predominantly Canadian instructors. There are also OAS fellowships for Caribbean nationals.

The Ministry of Agriculture has cooperated with the Ministry of Education in instituting a degree course in agriculture. The program offers a one-year certificate or two-year degree course. This is a significant advance in providing agricultural technicians and should be better linked with CAEP and CARDI programs. Agricultural teacher training is still problematic. Most primary and secondary teachers in agriculture cannot be sent abroad, even regionally, for training. If the degree program in agriculture is expanded into a St. Lucia College of Agriculture as is proposed, this will be one crucial area addressed. Presently, there are proposals for EDF funding, but further external assistance will be needed.

(c) Non-formal education

There are many projects and programs in non-formal education (NFE) in St. Lucia. Those under the auspices of the public sector have been largely coordinated through the inter-ministerial committee in the Ministry of Community Development. At its root-level there continues to be a need for non-formal education in the medium term because there are so many St. Lucians who have not completed primary school in the older generations, and among the younger generations, because the schools, academically streamed, are not providing work-related training.

NFE has not been integrated into the education system to date, and given community development's inter-ministerial committee, perhaps that is the mechanism for so doing. This is so even though there is an Adult Education Unit within the Ministry of Education. Better use needs to be made of both local resources, i.e., the Regional Technical Training School and the Morne Technical Complex, as well as external services such as the UNDP/ILO training project and the OAS/USAID skills training project to mount a nationwide, community-based NFE program. St. Lucia is fortunate in that it has a number of NGO's such as CADEC and CAN SAVE as well as local resources and external donor programs. These need to be integrated to avoid duplication and wastage and to have greater impact. A national plan on NFE is a priority and needs to be linked to the literacy question.

Additionally, the government of St. Lucia has embarked on a literacy campaign. Because of the linkage between functional illiteracy and the Patois-speaking population, attention must be paid to developing curriculum which teaches English as a second language. It does not appear that UWI linguistics programs and resources have been tapped in this regard, particularly in duplicating orthography and teaching materials. The program is to be community-based and there are discussions about including skills training as well.

(d) Assessment

St. Lucia's problems in education are immense. Given the larger macro-economic needs of the society and the numbers of ill-trained school leavers annually, it is one of the most pressing problems for the government. However, both the Central Planning Unit and the Ministry of Education appear to be ahead of many other Eastern Caribbean countries in that they have articulated a clear policy and programs to reach desired ends. The most critical problem is funding. Most of St. Lucia's advances in education, both quantitatively and qualitatively have been, and will continue to be, dependent on external funding. The high component of wages and salaries will also hamper development.

Administratively, the education sector is blessed with good technocrats who are well poised to handle the necessary innovations envisioned in education. Unfortunately, they will continue to be hampered by a large civil service bureaucracy, which like most other countries in the region is in need of major reorganization.

Greater attention needs to be paid to developing a national plan in non-formal education and better utilizing resources of NGO's and donors in an integrated framework. Rather than be lost in the morass of the bureaucracy, perhaps Community Development's CAWG inter-ministerial group could be developed into a national task force.

Although the GSL appears to be making good use of regional institutions such as CAST in Jamaica, better use and coordination needs to be made of CFTC, UWI Education Division, particularly the linguistics section specializing in Creole, and developing CARDI and CAEP as resources for agricultural science programs.

(4) Ministry of Health

(a) Principle responsibilities, organization and budget

The Ministry of Health is responsible for providing health services to the population. Currently, the Ministry is undergoing reorganization as is the health sector generally as St. Lucia moves toward community-based health services. Hence, it is difficult to assess this sector with so many policy and programmatic changes taking place in conjunction with the necessary organizational restructuring.

The Ministry is in the process of developing a planning team, under the chairmanship of the Permanent Secretary, to include the Director of Health Services, the Principal Assistant Secretary and the Manager of Environmental Health Services. The planning team is designed to function inter-ministerially, and also to draw on the private sector. Additionally, a planning and implementation team is to be reconstituted whose members are made up of all the Heads of Divisions.

The appointment of a Health Planner, with the title Principal Assistant Secretary, responsible for planning, research evaluation and coordination of all projects, as well as the establishment of a Health Information System is designed to institutionalize a modern, flexible, dynamic framework for health delivery and its administration. As this is mostly on paper, at present, assessment can only comment on its positive potentialities and radical movement away from an antiquated and inefficient organizational structure of the colonial period.

Health expenditures in 1981 were 4 percent of GDP. It was estimated that health expenditures were approximately US\$29 per capita, but this has risen in the last five years with EC\$3 million spent on upgrading health centers, EC\$6 million on development of a solid waste system, and EC\$10 million on upgrading hospitals and district hospitals. Estimates for 1983/84 allocated EC\$7,085,546 to the Ministry of Health, or 13.67 percent of total recurrent government expenditures.

(b) Program

Existing health care services in St. Lucia are principally Primary Health Care Services delivered through a network of 27 health centers, and 2 district hospitals of 20 beds each, and Secondary Care Services provided by two General Hospitals, Victoria Hospital with 213 beds, and St. Jude Hospital with 100 beds. There is also a psychiatric hospital, Golden Hope, with 166 beds. All health services at these community health centers are free. All the health centers, except those in Castries, are residential for nursing staff, thus twenty-four hour service is provided (See Figure 3).

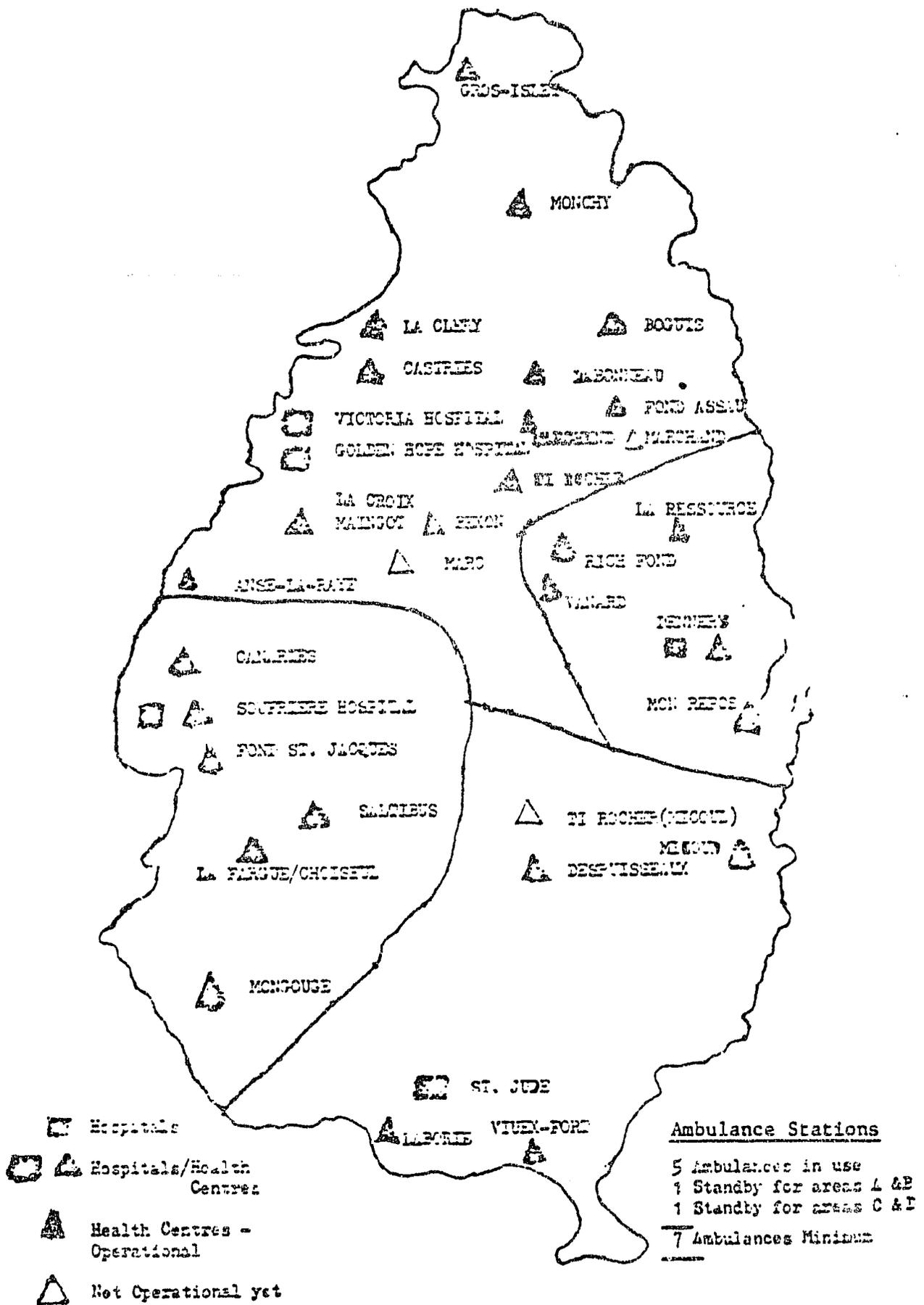


Figure 5: St. Lucia: Location of Health Institutions, 1982

St. Lucia is divided into six health districts for the purpose of developing Primary Health Care. The goal is to provide 34 health centers serving a population between 2,000-3,500. Government has embarked on an extensive training service to create 125 community health aides, one for every 1,000 people, and 66 environmental health aides, each responsible for 500 nurses to work in their communities and form part of the District Primary Health Care Team.

(c) Assessment

The GSL has designed a comprehensive and workable health sector plan which it is in the process of implementing. The plan takes cognizance not only of the positive features of community-based systems, but also provides for the successful implementation of the system through dynamic central administration and adequate decentralized staff and infrastructure.

Although the plan is in its earliest of stages, successful implementation should be possible provided the economy is buoyant enough to sustain the required continued expenditure over the medium to long term. Government expects to obtain from external sources. Information as to the extent of such funding and in what areas was not available.

There is, however, extensive use of, and collaboration with, regional and external agencies already in the development of the sector plan. Presently, PAHO is surveying utilization of health care services with a view to providing information on further development. St. Lucia was the first Caribbean state to implement a community-based Rehabilitation Project for the Disabled with the aid of WHO in 1981. A model health district has been implemented under a CARICOM/USAID primary health care project which is establishing the framework for the implementation of community-based services of the Sector Plan.

St. Lucia provides a test case for assessing the dynamics of regional-local-external cooperation. Both the strengths and weaknesses of these linkages should be monitored with this aim in mind. Training programs in all aspects of district health care are on stream and provide an excellent opportunity for institutional assessment.

(5) Ministry of Youth, Community Development, Social Services, Sports and Local Government

(a) Principal responsibilities, organization and budget

The Ministry of Youth, Community Development, Social Services, Sports and Local Government is a crucial vehicle for the

administration of the GSL's self-reliance and decentralization policy. By all accounts, the Ministry is led by a dynamic and interested Minister, an effective and experienced Permanent Secretary, and committed and highly motivated senior staff. Figure 4 indicates how the Ministry is organized. Decentralization, however, makes for greater claims on staff and the Ministry is already seriously understaffed. This understaffing affects the Ministry's effectiveness in monitoring its many programs in the countryside, particularly in community development. There are also serious problems of underfinancing and lack of trained staff in the support institutions such as the Boy's Training School, but the problem also exists in the Division of Social Services where there are too few welfare officers to carry on an effective welfare delivery system.

According to the Draft Sector Plan, Youth, Community Development and Sports Programs are to be coordinated by various Officers in the Ministry who will liaise with other key Ministries such as the Central Planning Unit, Health and Education. Presently, there is interfacing of both a formal and an informal nature.

Local government administration is primarily involved in rate assessment and the collection and provision of services in the two town councils, Castries and Vieux Fort. The institutional channels between the Central Government and the communities are formal through the mechanism of community services officers and informal through community groups. This area of institutional development is very weak at present.

The Ministry has been allocated EC\$5,369,191 according to the 1983/84 estimates. A breakdown of finances indicates EC\$216,538 for administration, EC\$2,450,956 for community, youth and sport services and EC\$2,918,019 for social services. Funding to community, youth and sport services has been cut from 1981/82 and 1982/83 expenditures. The Ministry is generally underfunded in terms of its ability to carry out its mandate and effectively monitor its programs.

(b) Program: Division of Youth and Community Services

The Division of Youth and Community Services has been the most active, innovative and core of the Ministry. The division comprises 3 district operational units, community services, youth and sport services and pre-school and women's services. Implementation of the varied programs have involved collaboration with both local voluntary organizations such as Jaycees, Kiwanis, and Save the Children Fund, and with regional and international organizations: WAND, CARICOM, UNICEF, USAID, BDD, and the Peace Corps.

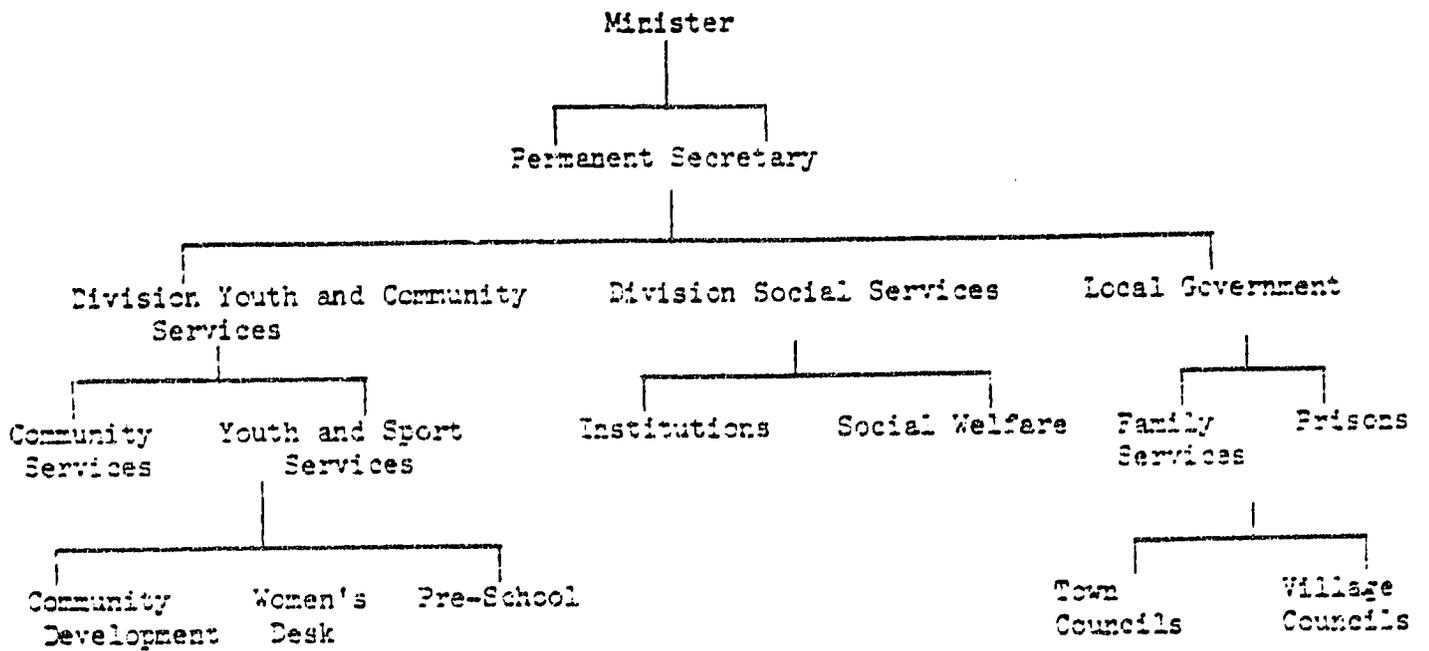


Figure 4 : St. Lucia: Organization of Ministry of Youth, Community Development, Social Services and Local Government

Projects within this division can be classified as educational/training, infrastructural, income generating, cultural and recreational. Given the critical problems of youth and women, much of the focus of educational training, income generating and recreational programs have been targeted at these sections of the population. The division has a budget of four quarterly allocations of EC\$253,750 each.

Strategically, the Ministry embarked on an on-going series of public relations and mass dialogue campaigns with 120 major communities in St. Lucia. Following this the Ministry has sponsored a number of workshops and seminars on problem-solving for women's groups, personal development, innovation methods in popular education, community leaders' workshops, emergency and disaster preparedness workshops.

Key activities and programs following from this include the following:

o Pre-School Centers

During the 1979 International Year of the Child, three day care centers were established in agricultural areas; by 1983 another three have been identified and are in the process of being implemented. There are seventy (70) pre-school centers in St. Lucia. The Ministry's pre-school centers are designed to be affiliated with local community centers and their programs. Young teenage mothers are targets with the hope that these centers can evolve into multipurpose centers sponsoring activities for pre-schoolers, youth, crafts, child development and child care programs and handicrafts.

Finance and staffing are the key problems facing this program. Parents pay a token amount of EC\$5. per child. However, for many young parents, this amount can be burdensome. The Ministry has received equipment from UNICEF and Ministry staff are also utilizing local materials to create toys and child development materials for the children. Staffing problems are primarily those of lack of trained personnel in both administration and in child development, as well as shortage of personnel. Training and professionalism problems have been addressed through local training workshops covering 10 weeks and benefiting approximately 57 pre-school staff.

o Women's Desk

The Cabinet has approved the creation of a Women's Desk within the Ministry. The Coordinator of the Desk is also the Coordinator of the Community Day Care Program. During the past year, a committee was formed which held discussions and meetings with community groups and members of village communities on the special problems that women face and what can be done to redress them. The Women's Desk of the Ministry is being designed to liase with PVO's under the umbrella organization of the National Council of Women, (50+ organizations), government ministries and local communities.

o Self-help Income Generating Scheme

Self-help Income Generating Scheme began in 1978 providing part loan and part grant to young people between the ages of 16 and 25 to start small businesses. After evaluation in 1980, the grant component ceased and the program now provides only loans to aspiring entrepreneurs. Although the program is the creation of the Ministry, it is administered by an inter-ministerial committee comprising representatives from Community Development, Central Planning Unit, National Development Corporation, the Office for Non-governmental Organizations, and the Ministry of Industry and Trade. This committee chaired by the Permanent Secretary in Community Development is known as the Community Action Working Group (CAWG). The program goes beyond job creation, however, and recognizes the need for training in business practices, evaluation, and marketing.

Projects are located throughout the island and their range of business activity varies widely from agricultural to handicraft, from furniture manufacturing to bakery, tire repair, tailoring. The majority of the project participants have little or no business training or experience. Success is highly dependent on constant monitoring and supervision, given the age and inexperience of the participants.

Monitoring and evaluation of the program are severely strained, given that staff support comprises a Peace Corps Volunteer and a Project Coordinator who is also a Senior Community Development Officer. However, two people cannot monitor an island-wide program which also involves loan repayments to keep it financially viable. The arrears level of the scheme is high and urgently needs to be brought under control. The revolving fund stands at only EC\$30,000 instead of the anticipated amount of EC\$65,000.

According to the Ministry, with the GSL now fully engaged in a skills training project jointly with OAS-AID, the need for a specialized credit facility is becoming greater. With unemployment among youths rising, the Ministry puts a priority on this scheme and its expansion as a module and one of the strategies to redress the situation.

BDD has been funding the Self-help Income Generating Scheme. Since 1982, additional support was requested in terms of provision of field staff to assist in administration. Also requested was an additional grant of EC\$100,000 for continued support of the revolving fund. BDD believes the program worthy of continued support, as does the Ministry, but it is unclear whether the Central Planning Unit considers this form of activity a viable development strategy.

o Plus Belle Village

Mobilization, coordination and planning for National Day falls under the Ministry of Community Development. This event has been used as a vehicle for expansion of community self-help programs in towns and villages. A competition known as Plus Belle Village has been instituted which draws on the resources of village councils and PVO's to design projects and implement them in the following areas: community facilities, sanitation, environmental preservation/education, cultural programs. The program relies on intra-ministerial linkages and interface with PVO's and the private sector as the villages are urged to call on the resources of those agencies designed to handle the specific programs chosen by the village as their projects. The Ministry aims not only to solve problems of social services, health delivery, and infrastructure, but to encourage self-help and national pride as well.

o Youth Skills Training Project

USAID-OAS Non-Formal Skills Training Project aims at teaching skills to youths 16-25. In addition to training, the aim of the program is to place participants in jobs and to utilize the training skills within the community as much as possible, hence, to avoid creating rising expectations without meeting the employment need and accelerating the rural-urban drift. The first phase involved 45 young men and women in an agricultural module in courses which lasted 12 weeks. Trainees were exposed to business and cooperative management as well. Forty-two completed the program. The second phase which has just begun sees expansion of the program to 5 modules, including Fishing/Farming - Union Agricultural Station; Appliance Repair - Castries; Tour Guides and Tourist Vendors - Soufriere, and Root Crops - Choiseul.

The project aims at training a total of 90 people by December 1983. The Ministry has high hopes for this program. But the program needs to be integrated into a national plan under a task force which coordinates all NFE and income-generating schemes.

(c) Program: Division of Social Services

The Division of Social Services has a variety of responsibilities, including prisons, welfare and family services, and juvenile rehabilitation. This Division is severely constrained due to limited financial resources and to staffing problems, including lack of skilled/professional staff. Considering the important role of delivery systems in this division, these two constraints impede the ability of the GSL to adequately meet the needs of the population. These factors also reduce the effectiveness of rehabilitative institutions, including the

Boys Training Centre, Upton Girls Centre and the prisons. The former two rehabilitative centers are seeking to institutionalize innovative measures to deal with these constraints and meet the special problems of youth in St. Lucia.

o Prisons

There is a total of 442 prisoners in St. Lucia with just 66 staff, of which only 36 are considered to be qualified. However, in 1982-1983, two female and three male prison officers attended and completed a 3-week basic training course at Golden Grove in Trinidad to improve their skills. Given the limited staff and financial resources, it is not surprising that there appears to be very little in the way of rehabilitation efforts at the prisons. Neither adult education nor literacy programs exist. Very little is done in the way of counselling and there is no psychiatric care.

Vocational training is geared primarily towards those projects which make prisons financially sustaining and provide services to the larger community. For example, prisoners are involved in furniture making, cement block making, tailoring, poultry raising and crop production. Total revenue collected from the prisons to the National Revenue amounted to EC\$8,146,017.47 Prison budget expenditure totalled EC\$79,969.98.

o Family Services

The majority of the cases handled by Family Care workers were those revolving around maintenance/child support from putative fathers, child custody, and conjugal relations. This remarkably large number of child maintenance cases has resulted from the affiliation ordinance which allows an increase (not exceeding EC\$25 per week) of money that a putative father may be adjudged to pay for his "illegitimate" child. Interestingly, statistics demonstrate that the amount of maintenance that the average father puts in the division for his "illegitimate" child is substantially higher than what the affiliation ordinance requires.

o Welfare

In 1982-83, public assistance amounted to approximately EC\$720,000. The majority of allocations were monthly cash assistance to approximately 20,518 persons. The average monthly allowance to clients was, therefore, around EC\$33.00. Other assistance includes disaster victims, EC\$2,800 (13 persons); eye glasses, EC\$10,444 (111 persons); burial of paupers, EC\$28,308 (144 persons); miscellaneous, EC\$3,334 (16 persons).

o Juvenile Rehabilitation

According to social workers, Ministry Administrators and statistics, the majority of juveniles sent to rehabilitative centers are truants and young offenders whose lawbreaking activities stemmed from their socio-economic position rather than criminal, anti-social behavior. Hence, the focus in the Boy's Home and in the Girls Centre is on providing academic training, skills and character-building. Providing a supportive system appears to be a priority. In the case of the Boy's Home near Gros Islet, the boys are boarded; the Girls Centre in Castries is only a day operation. Training at the Boy's Home has a strong agricultural component, while in the Girls Training Centre, Home Economics and Crafts are stressed. Both Centres have the use of a Peace Corps Volunteer but the Boy's Training Centre in particular is understaffed and presently relying on volunteers.

Problems of youth and juvenile delinquency are increasing in St. Lucia. It is recognized that professional social workers and sociological studies on the problems of youth are needed to better grapple with changing social conditions and to provide guidance for programs. The work of dedicated amateurs has been vital, but now the stage has been reached where professional services are required.

(d) Assessment

Strategies and programs of the Ministry are innovative and well targeted. However, clearly the Ministry needs much greater financial inputs to administer both its decentralized community development programs and its social welfare services. This will necessarily require further donor assistance. Both BDD and OAS-USAID programs have been evaluated and need to be institutionally strengthened.

The problems of staffing, both in numbers and in training, are crucial. Staff and administrators feel very favorable regarding training received at regional institutes. However, there still remains a need for senior staff to receive further training abroad in degree programs. If the social welfare program gets off the ground at UWI St. Augustine, it would be of great benefit to OECS states such as St. Lucia.

Because local government has virtually been in abeyance since the late 1970's, a key institutional component in the successful implementation of community-based programs is missing. The nominated town and village councils are to be receiving much attention under the draft Sector Plan. Actual institutional development, which is fraught with much political debate, will be a key factor in whether or not the GSL will successfully decentralize government and services and tap the dynamism of rural communities as presently exists.

An additional positive feature of the institutional framework of the Ministry is its liaison with the Office for Non-governmental Organizations administered by a former Permanent Secretary. This Office provides effective linkages between the Central Ministry, NGO's (PVO's) and communities (see private non-profit institutions).

b. Parastatal institutions

(1) Overview

While the GSL has a policy which strongly favors the development of the country through primary reliance on the private sector, it has created a number of parastatal institutions with key responsibilities. In most cases, these institutions support private development. Only a few compete with it. The overall impact of these institutions is very favorable for private development as they pursue policies which reflect GSL's strong intent to foster development through private initiative.

Notable examples are the National Development Corporation which promotes and supports private investment both foreign and indigenous, and the St. Lucia Development Bank whose task is to provide financial support through loans to the private sector. An example of a parastatal competing with private enterprise and doing so with rather unsuccessful results is the Agricultural Marketing Board. Another is the National Commercial Bank, virtually all of whose competitors are foreign banks (British or Canadian) but whose customers are overwhelmingly private. In that sense, the latter institution, though publicly capitalized, supports private initiative both through its lending operations and other banking services.

The St. Lucia Tourist Board is a statutory body with public and private sector representation on its governing body which plays a vital role in bringing public and private interests together to develop the tourist industry and harmonize policies and programs vital to the overall success of this big sector.

One institution which may be mentioned here is the Banana Growers Association. It occupies a somewhat anomalous position. As an association of private growers, it would not appear to belong in this discussion at all but the power of the GSL to intervene in its affairs through its membership on the Board, the temptation to do so because of the overwhelming importance of the banana industry to the economy and people of St. Lucia, and the number of occasions when it has done so makes it inevitable that it be mentioned.

The most important of the St. Lucian parastatal organizations which provide assistance or relate to the private sector are discussed below.

(2) The National Development Corporation (NDC)

(a) Organization and functions

The National Development Corporation was reorganized in 1981. At that time, its loan financing functions were transferred to the St. Lucia Development Bank. NDC now has responsibility only for promotion of and assistance to private investment in St. Lucia. Its main mission is to promote and support foreign private investment which is a very high priority of the GSL as a means to expand rapidly the manufacturing and tourism sectors. The former in particular is seen by the GSL as the lead sector for growth and employment creation in the remaining years of this century. Tourism, however, is seen as only slightly less important, serving as an earner of foreign exchange and as a source of employment.

The NDC works with the CPU to identify major areas of potential private investment of primary interest for the development of St. Lucia, and prepares pre-feasibility studies to lay out the basic lines of such projects and ensure that all necessary infrastructure and ancillary facilities are present. It then publicizes these opportunities through its field offices in Europe and the United States, and seeks to encourage investors to examine the prospects and become familiar with conditions in and special incentives programs offered by St. Lucia. It also offers its support and assistance to prospective investors in studying sites and the overall St. Lucia environment and arranging for securing approval of the Ministry of Trade, Industry and Tourism for available concessions. In carrying out the foregoing tasks NDC is in touch with PDAP and is a principal point of contact for the PDAP representative in supporting joint venture investment efforts. In addition, the NDC develops industrial estates, builds and rents factory shells to investors for the location of manufacturing facilities and stays in close contact with firms as they start up to assist them with any problems that arise.

NDC has a new General Manager, Mr. Harry T. Joseph, who has recently returned to St. Lucia to assume the position after many years abroad. He hopes to expand the staff by adding an Investment Officer to assist him with the promotional, budgeting, scheduling and cost control activities of NDC. In addition, the Corporation has engineering staff for the design, supervision of construction and for maintenance of NDC-owned factory shells. The General Manager believes the staff needs greater capacity for economic analysis and control in the technical and accounting areas.

In its relations with local investors, NDC finds it needs to strengthen the ability of small investors to present or at least participate in preparing better feasibility studies and market analyses and to understand the requirement for such work. They also must be assisted to achieve a higher standard of efficiency and cost control to compete successfully in international markets. To this end, NDC wants to undertake an educational program on behalf of St. Lucia's small entrepreneur/investor. This is also needed to increase the size of the presently small pool of entrepreneurs in St. Lucia who would make suitable joint-venture partners for foreign investors. At present, this places severe limits on programs to obtain greater foreign investment and expansion of manufacturing and tourism.

(b) Assessment

Overall, NDC appears to be well organized to do its job, but needs staff development and improved middle management to rapidly accomplish the important tasks it has been given.

The program carried out by NDC to establish and maintain industrial estates and build factory shells has played an important part in the expansion of manufacturing achieved by St. Lucia. As expansion continues in response to the Government's emphasis on manufacturing as the main growth sector for the future, the technical (engineering) staff of NDC will need to be strengthened. Similarly, the middle management group must be expanded to achieve the higher investment targets projected. Personnel at this level must be sophisticated people. They will command comparatively high salaries to operate successfully. The NDC will need to be funded accordingly. Since their role is critical to one of the strategic development objectives of the government, the expense would be justifiable. NDC's maintenance of investment promotion officers in Europe, the U.S. and Canada is of similarly high priority importance. Access by NDC staff to high-level policy officials of government is good, and in relation to pending investments seems to be satisfactory. Working relations between PDAP and NDC are close and productive, and are a real plus to the successful achievement of their mutual objectives. The Caribbean Development Bank is supportive of NDC's programs and supports the Corporation's efforts to have factory shells ready in advance of investor commitment. NDC finds it useful to work through and with the Investment Center of the Caribbean and the Center for Industrial Development (in Europe) operated under the ACP/Lome II Convention. The linkages which the Corporation has built up therefore seem to be one of its real assets.

(3) The St. Lucia Development Bank (SDB)

(a) Organization and functions

The SDB is now somewhat over 2 years old, having been established in 1981. It assumed responsibility for all development lending in St. Lucia (except for larger loans made directly by the Caribbean Development Bank). The SDB took over the loan portfolio of two institutions (the Housing Development Bank and the Agricultural and Development Bank) both of which had incurred large losses, failed to manage their portfolios and became entirely dependent on the State. SDB also absorbed the Student Loan/Manpower Development function formerly handled by NDC. Under the direction of Mr. George Theophilous, Chairman of the Board and Managing Director, the Bank has undertaken to clean up the inherited portfolios, collect arrears, reorganize and retrain the staff and so far to make a limited number of loans. The Bank still has weaknesses of staff capacity/short engineering and technical skills and motivation. The Chairman believes, however, that the Bank is now ready to begin more active lending with the assistance of two CDB-supplied TA personnel, namely, an Industrial Development Specialist and a Marketing Specialist.

The Bank very much needs the assistance USAID is supplying to do staff training. There are only 6 agricultural loan officers to service 1,500 outstanding loans, and the Bank does not have the funds for more staff, in the opinion of the Chairman. Continued consolidation and internal development of the Bank as an institution will be necessary to permit responsive action, effective portfolio management and assistance to small scale local investors which are essential at the proposal and at the operational stages. A seminar for small business proprietors was carried out by the Bank in February 1983 to improve company executives' ability to prepare applications and improve on-going operations.

The Bank's total loan portfolio on March 31, 1983 (after allowance for doubtful loans) was EC\$13.3 million, up from EC\$11.8 million a year earlier. The accumulated loan commitments in the fiscal year 1982/83 were just under \$4.7 million, of which \$2.1 million or 46 percent were disbursed by the end of the year. Interestingly, \$2.7 million of the commitments were for housing from local funds of which 48 percent were disbursed (the housing loan program having been initiated early in the year). This compared to \$0.72 million for industry and tourism of which only 33 percent were disbursed, funds having become available from CDB only at the middle of the fiscal year (Oct. 1982). For agriculture to which the Bank gives highest priority, the proportion disbursed was only 12 percent out of \$436,000. The Bank attributes this slow disbursement to the historical legacy of earlier borrowers having been unaccustomed to the vigorous supervision the bank now imposes.

Arrears on all types of loans rose during the 1982/83 fiscal year to 4.1 percent of principal. The highest rate of arrears was on agricultural loans up from 4.1 to 9.1 percent, which the Bank attributes in part to price and foreign exchange factors affecting bananas and partly to the general impact this had on St. Lucia's economy. Arrears on education loans stood at 6.1 percent followed by industry at 3.7 and housing at 2.0 percent. The Bank is taking recourse to the courts to collect on outstanding arrears and expects performance to improve.

(b) Assessment

The SDB performs a vital role in the St. Lucian economy, particularly as a source of development lending for local private enterprise. Its input is essential to assist local entrepreneurs to carry their part in joint ventures with foreign investors and for wholly indigenous undertakings. The Bank management is competent, though conservative, and is moving in the right directions to strengthen the internal structure and staff capacity. Care will need to be taken to focus lending on the productive sectors, whereas pressures to lend for housing are evidently quite heavy and tend to overextend that segment of the SDB portfolio in relation to overall financial resources available. The CDB is a major source of funding (the sole external one) and very vital in the face of a continuing internal liquidity squeeze. The SDB has published a booklet of lending policies which are conservative but development-oriented and should move the Bank in sound directions for the future.

(4) Agricultural Marketing Board

(a) Organization and structure

The Agricultural Marketing Board was established in the early 1970's to promote the development of vegetables and fruits for the local market and for export. The Board was authorized to act as buyer of last resort in an attempt to overcome the perennial problem of gluts and shortages of fruits and vegetables on the open market. The Board's program is under the direction of the General Manager, who has a small staff but has very limited facilities for storage and handling of produce. The Marketing Board has also been consistently undercapitalized to perform its functions adequately. Farmers are reported to take advantage of its standing commitment to buy at a price all produce offered but not sold commercially. Farmers deliver to the Board only the poorest quality produce they are unable to sell through normal commercial channels.

(b) Assessment

The Agricultural Marketing Board has suffered basically the same fate as a number of similar organizations in Commonwealth Caribbean countries. It has consistently suffered losses due to its inability to operate competitively and efficiently. At the same time, it has achieved little in the attainment of its primary mission of promoting the production and sale of produce. Such success as has been achieved in that area has largely come about because of the marketing operations of private traders (hucksters). To be sure, their operations are erratic and not entirely efficient either. There remains a need for development of a more efficient institutional structure for produce marketing, but the solution almost certainly lies in the private sector, as the GSL freely acknowledges.

(5) Banana Growers Association

(a) Organization and structure

Although there were incipient banana associations prior to World War II, formal organizational structure emerged after the war in the 1950's with the upsurge in banana production. The Association formed in 1953 was a private company limited by shares to a few planters, a merchant and an accountant. This company was dissolved in 1967 when the St. Lucia Assembly passed the St. Lucia Corporation Act of 1967, which established the BGA as a statutory corporation with powers to market all bananas, conduct research and promote the well-being of the industry. The Association has since worked out arrangements under which marketing arrangements are undertaken by the regional body WINBAN which uses Geest Industries as shipper and sales agent in the U.K.

Under the 1967 Act, the Association was placed under the control of nine Directors, six of whom were to be elected and three to be appointed by GSL. The six elected members are elected by delegates representing small, medium and large growers in forty nationwide branches. The GSL nominees are drawn from the Development Bank, the Ministry of Finance and the Ministry of Agriculture. The Board of Directors provides policy direction to the management of the Association. At present, both the Managing Director and the Financial Controller are British citizens on two-year contracts from the Overseas Development Corporation.

The Ministry of Agriculture has agreed to provide 10 extension personnel to the BGA which has the necessary vehicles to facilitate work with farmers on production. The Association, through fruit quality officers, is responsible for post-harvest supervision and quality control. The BGA is a member of the regional institution WINBAN to which it sends a representative. Presently, St. Lucia's representative, Harry Atkinson, is

serving as President of WINBAN. WINBAN is constituted as the research, technical and marketing supervision side of the banana industry in the Windwards, while the local BGAs are responsible for production, harvesting and delivery to Geest.

(b) Relation to St. Lucia social structure

The BGA has evolved with changing relations of banana production in St. Lucia. Many of the tensions and problems encountered by the BGA are a reflection of the changing nature and structure of the banana industry in St. Lucia. The composition of the membership of the BGA has changed dramatically from being the private preserve of estate owners to a parastatal body made up primarily of growers whose acreage is less than 5 acres and whose production ranges from a few tons to one ton a year.

Medium and large growers complain that they subsidize the small growers in the BGA. While numerically strong, the contribution of small growers' production is low and hence the larger growers argue their fees are used to maintain unviable units.

The BGA under the influence of GSL has emphasized attention to the smallest growers. Inputs of fertilizers, pesticides, and technical knowledge are provided by the BGA; however, small growers pay for them. Small growers argue that their contributions to the BGA are oppressive and effectively reduce the price they receive for their bananas.

The BGA also provides soft loans with long repayment periods of 4-5 years, a constant monitoring of clients to assess viability and access to further credit. Additionally, the BGA has taken the policy decision of providing incentives to small growers to achieve economies of scale through collaboration among small groups for "field packing." Field packing greatly reduces the 30 percent loss occasioned by unboxed transport of bananas to purchasing points.

Directors and policy makers in the BGA and the Ministry/Department of Agriculture stress the role of bananas as under-pinning all of agriculture, the importance of banana inputs as affecting other crops and hence its importance to the economy and the society in the short to medium term.

(c) Assessment

The parastatal nature of the institution, despite its membership base, and the role of GSL in overseeing its internal affairs, accounting procedures and technical training of staff bode well for the organization in the long run. WINBAN's handling of marketing, research and data collection lightens the load on the BGA but may leave some needs unmet.

Equity questions and the social factors of banana production appear to loom large in the minds of the Directors and Ministry of Agriculture. Hence, the tensions which exist between large and small growers can more easily be mitigated and conciliated. However, there appear to be dissatisfactions within the membership, both large and small growers, on the composition and power of the Board of Directors and the role of the membership in the governing of the organization.

Nevertheless, the BGA appears to be the most appropriate body, as it is presently constituted, to meet the needs of the majority of growers as well as the short to medium term agricultural strategy of government. Its most important role in the final analysis is the provision of an assured cash market for the product despite the depressed price which is said to be below the real cost of production.

(6) The St. Lucia Tourist Board (STB)

(a) Organization and functions

The St. Lucia Tourist Board is a statutory body of government which is responsible for the development of policies and programs to promote and strengthen tourism. It has been substantially strengthened and now receives excellent implementation support from the new Director of Tourism in the Ministry of Trade, Industry and Tourism. Its budget for FY83/84 is ECS2 million, which is twice as much as in the actual budgets of the two previous years, but less than desirable for a country projecting rapid tourism growth. Coordination among government and private sector groups in tourism (e.g., the Hotel association, etc.) is much improved over the situation one or two years ago. The St. Lucia tourism strategy currently aims at development of upper middle income tourism from the U.S. with less emphasis than in the past on the U.K. and Canada. Those markets are negatively affected by the overvaluation of the E.C. dollar (tied to the U.S. dollar) which is therefore strong in relation to sterling and the Canadian dollar, making travel from those countries to the Eastern Caribbean very expensive at present.

The St. Lucia potential for tourism is excellent with natural attractions of exceptional beauty (beaches, mountains, tropical forests, volcanoes), an international airport suitable for wide-bodied jets, good roads, and a good mixture of large and medium-to-small hotels of good quality. There are newly established direct air links with New York and a frequency of 3-5 trips weekly. Institutionally, tourism is well supported and its main constraints appear to be current funding for promotion, capital for continuing hotel capacity expansion and development of facilities such as the contemplated duty-free shopping, restaurant/amusement area and cruise ship berth in the Points Seraphine area of Castries. Continuing attention

is also required to develop management capacity for a growing hotel industry and to train adequate numbers of staff personnel for hotel/restaurant growth to triple current capacity over the next 7-10 years, raise employment levels and bring tourism to a level where it contributes 13 percent of GDP.

The Tourist Board, with the tourism sector, works with a number of regional organizations. Its view of their respective performance is varied. The Tourist Board feels that the Eastern Caribbean Tourism Association (ECTA) has failed to produce results and its costs are too high. The Caribbean Tourism Association is more influential, business-like and cost-effective but it caters to the overall region, not just the Eastern Caribbean. The Caribbean Tourist Research Centre (CTRC) performs research tasks effectively. The STB feels that the CDB is bureaucratic, unresponsive to real needs and slow. The Board believes that the CBI will help the EC countries only very slightly in the development of tourism.

(b) Assessment

The Board's performance in the past two years has improved substantially. It now coordinates its programs with the Director of Tourism in the Ministry, in part because that position is now staffed by a capable incumbent. Promotion is well-targeted, and advertising in the media is well placed to reach the appropriate clientele. Contact with airline and tour operators appears to be on target and producing results.

(7) The National Commercial Bank (NCB)

(a) Organization and functions

The National Commercial Bank is a government-owned institution which was chartered to provide St. Lucia with an indigenous (wholly government-owned) commercial banking facility since (except for the small Cooperative Bank) all banks in St. Lucia had been foreign-owned. The NCB seeks to maintain a balanced portfolio of loans, including both personal and business credit. Its principal constraint is one of liquidity. It has maintained only one office in Castries, but in late 1983 opened a branch to serve the enterprises developing in the industrial park and free zone at Vieux Fort in the South of the country.

The NCB is managed by a St. Lucian who has had extensive local experience and training abroad with a foreign commercial bank. The staff is being steadily improved with training, and performs a wide range of commercial banking services. The NCB is operated as an autonomous entity, though with general policy guidelines from GSL. The NCB is performing a significant share of banking services for the public and the business community as well as for government, and appears to enjoy public confidence.

(b) Assessment

Creation of a locally controlled commercial bank was a desirable action for GSL since there was little chance that a private bank would be formed. It will be a valuable asset to the private local community under existing management which appears to seek to put emphasis on the development dimension in the operation of the bank.

3. Private sector institutions

a. The private business sector

(1) Overview

The private, commercial business sector in St. Lucia includes a wide range of businesses. It is dominated by traditional trading firms but a growing manufacturing sector has emerged in the past decade. The latter consists largely of foreign-owned firms. Larger firms tend to belong to the Chamber of Commerce (COC) as the most influential of the private business organizations. Some of these firms which are engaged in manufacturing also belong to the Manufacturers' Association of St. Lucia. The membership of these groups includes both foreign and local firms. But there is a substantial body of expatriate businessmen in the country who appear to keep a measure of social distance from the indigenous majority of the business community. The COC is usually regarded by GSL as the main spokesman for business. But the Manufacturers' Association though new is attempting to have its voice heard as spokesman for a group with somewhat different interests. Smaller entrepreneurs feel somewhat distant from the membership of the COC and have therefore set up a separate Small Business Association (SBA). Perhaps the key feature of the organized business community is that it is somewhat fragmented though it is quite vigorous and influential.

(2) Chamber of Commerce, Industry and Agriculture

(a) Organization and functions

The Chamber of Commerce, Industry and Agriculture (COC) is the largest, oldest and most influential of the private sector

institutions. It includes importers, exporters and wholesale/retail firms and some manufacturers. The Chamber is the traditional organized power center of the private sector. It makes representations to government on behalf of the business community and is the representative of business in efforts government has made to establish a tripartite government-business-labor consultative group. That arrangement has not flourished to date because of resistance from labor since it fears it is being coopted and will be overpowered.

The St. Lucia business community has historically sought to collaborate in business matters and avoid excessive competition in favor of a closed market with high markups and large quick profits derived primarily from trade. Today that image is only beginning to change as local entrepreneurs are moving slowly into manufacturing. Local business, however, can perhaps still be said to be more comfortable with traditional ways.

The Chamber of Commerce is promoting the creation of an umbrella business organization to include the Manufacturers' Association and the Small Business Association. Common facilities would be shared even if each organization retained its separate identity. SBA resisted this because it feels threatened. At the same time, there is a group of largely expatriate business people which meets socially and might be seen as a power center unto itself even though some of its members are formally connected with the Chamber.

The current President of the COC is Mrs. Charmaine Gardner, who is the third generation proprietor of a hardware business of the Carasco family which has played a prominent role for decades in St. Lucian business and community life. The President of the COC is often included in delegations of the Compton government to negotiate with other governments and to represent St. Lucia at international meetings. The government clearly sees the COC as an ally and views private business, and the COC, in particular, as an important factor in policy formulation and in reaching key economic decisions for the country. Government would like to form a tripartite consultative body with business and labor. The unions have resisted this move and it has stalled. The COC believes, however, that it is desirable for GSL to dialogue separately with unions and business in the hope of bringing about a tripartite dialogue at some later time. The COC is the local affiliate of the Caribbean Association of Industry and Commerce (CAIC) and works closely with that group.

(b) Assessment

The St. Lucia Chamber of Commerce, Industry and Agriculture is an assemblage of most of the larger private firms engaged in commerce and banking and includes some manufacturers as well. As such, it is an influential business organization which collaborates with GSL in the formulation of economic, commercial and investment policies.

policies. It is not, however, the primary spokesman for the manufacturing sub-sector or for small business. Both of those groups have special interests and concerns. They do not wish to be coopted by or be subservient to the COC. As a private body, the COC is moderately active in developing the capabilities of its members, but the group which the COC represents has traditionally not been greatly interested in growth or in improving its competitive position. Some of its members are just now beginning to become interested in diversifying from trade into manufacturing. COC members may be expected to move more in that direction as GLS is placing strong emphasis on that sector for future development. The COC has a close and effective working relationship with the CAIC, from which it receives institutional assistance for its own development and assists its members to participate in CAIC-sponsored events such as management seminars. Because its members are mainly firms engaged in trade, that support is not as effective as it might be in fostering the growth of the private productive sector in St. Lucia.

(3) Small Business Association (SBA)

(a) Organization and functions

The SBA is now about two years old and has approximately 30 active member firms/entrepreneurs. Generally, these are people and firms that have started businesses recently and frequently are owned by people without a family tradition in business. A firm may belong if it meets any two of the following criteria:

- o 30 employees;
- c EC\$1 million annual gross turnover; and
- o EC\$250,000 total investment.

Although the organization enjoys some support from GSL and has some very active members, it has had somewhat disappointing results in seeking to mobilize its members even for meetings to achieve objectives of direct benefit to the members. This probably reflects the slim resources most members have. Nevertheless, the fact that the SBA has an active nucleus of dedicated leaders is encouraging. It is less encouraging that the principal interest that holds the group together is the search for protection and assistance from GSL.

At the first Annual Conference of the SBA in October 1983, the President made an impassioned plea to GSL for assistance and protection even from stronger local competitors. The Minister of Trade and Industry made a bland reply promising government support wherever possible and appropriate. The Director of the Central Planning Unit on the other hand

made a much more eloquent plea for business and indeed all citizens to face facts and start a new quest for self-reliance and efficiency because resources are inadequate for GSL to extend help to everyone. Clearly, this keynote is a hard lesson to accept in a community that has long sought help for its problems, but GSL is sounding a strong call for change.

(b) Assessment

The Small Business Association is a fledgling group, still struggling to become established and develop a sufficiently strong membership network to ensure its viability. At present, the SBA's program initiatives fall heavily on the shoulders of only a few members out of its total of 30 who have paid dues. It made a very commendable effort in setting up its first Annual Conference in October, 1983, but the participation of the membership and of non-members was limited. Its appeal to the government for support and protection against competition is not a healthy sign. The fact that a group of small-scale entrepreneurs is prepared to make the effort to establish an independent organization to promote their special interests at all, however, is indicative of a private initiative worth nurturing.

(4) St. Lucia Manufacturers' Association (SMA)

(a) Organization and functions

The St. Lucia Manufacturers' Association is made up of about 30 firms who formed the SMA in 1981 in the belief that a group was needed to represent the specific interests and concerns of manufacturers. The group has a slim budget having no office of its own and only one staff member, a part-time clerk who works in the private law office of the Chairman of the Executive Council. While the SMA has only about 30 paid-up members, it attempts to keep contact with all firms who have any connection with manufacturing.

The SMA continues to believe that a separate group to represent manufacturers' interests is very important. It believes that the CARICOM crisis that has occupied the leadership very heavily in 1983 dramatizes that need. They have a set of programmatic interests parallel to those of the Antigua Manufacturers' Association stressing:

- o urgent need for a grant to strengthen the programmatic impact of the SMA;
- o formation of an Eastern Caribbean sub-regional manufacturers' organization; and
- o strengthening of the staff support from a separate Secretariat to the Caribbean Manufacturers' Council (CMC) within the framework of the CAIC.

The relations of the SMA with GSL are evidently cordial, but it is not at all apparent that the SMA is regarded as being quite as central to policy formulation as is the COC. The SMA is optimistic about the value of the CBI for St. Lucia as an opportunity to enter the U.S. market on favorable terms. Little indication has been detected of a strong community development interest or broad image-building program on the part of SMA though it is concerned about relations with the community at large as well as in member interests.

(b) Assessment

The SMA is made up of firms in the area of the economy which the GSL wants to become the main instrument of growth in the economy for the rest of the century. In that sense, it is of strategic importance. It is, however, feeling a great need to gain support because it perceives itself as lacking clout and influence. The fact that its membership is only about 30, does not yet have a professional staffer nor an office, suggests that the firms in the field have not yet perceived the value of an Association as the Executive Committee perceives it. The SMA must be seen as a group with potential which largely remains to be realized.

b. Private, non-profit institutions

(1) Overview

What is occurring in St. Lucia is a dynamic social situation whereby the tensions and constraints of centralization vs. decentralization are being played out against a background of traditional socio-cultural cleavages. The dynamism of the situation is such that there are a number of organizational structures and groupings emerging. Some are formally constituted and have national and international linkages; others are purely local groupings which rise and fall as the need arises, such as farmers action groups and youth groups.

The present GSL recognizes its inability to deliver services to the community as a result of financial and staffing constraints as well as bureaucratic structures which impede effective delivery. Decentralization through the division of one island into eight administrative regions and the creation of Inter-Ministerial Coordinating Committees is the mechanism envisioned by the CPU to achieve greater delivery and community development. The national plan for decentralization of government services envisages greater involvement of the population, and the planning, monitoring and coordination of development projects and programs. It remains to be seen, however, how the formal decentralized regional committees will liaison with local private community organizations. Nevertheless, on-going liaisons exist both with the Coordinator for Non-Governmental Organizations and within the Ministry of Community Development, Youth, Sport, Social Welfare and Local Government. Non-governmental organizations can be classified into the following:

- o Cooperatives;
- o Credit Unions/Friendly Societies;
- o Private Voluntary Organizations; and
- o Community-based Youth Groups.

Among the private voluntary organizations there are further distinctions between those which are branches of international organizations, such as Canada's Save the Children Fund, and those which are St. Lucian-based organizations, such as the Disaster Preparedness Committees and the National Council of Women and the Mothers-Fathers Groups.

(2) Cooperatives

(a) Activities

There has been institutionalization of the cooperative movement through the mechanism of the Cooperative League and the Registrar of Cooperatives. At the moment, the ODC of the Commonwealth is providing St. Lucia with a Registrar of Cooperatives for two years. His duties include the rationalization and harmonization of the existing by-laws within cooperatives and credit unions. The Registrar of Cooperatives lists 36 cooperatives/credit unions. Some are full-fledged credit unions of professional organizations, such as the St. Lucia Civil Service Co-op Credit Union and the Royal Police Co-op Credit Union, but the majority are village-based consumer co-ops. Agricultural co-ops formally constituted include STAFCO (St. Lucia Agriculturalists Federated Co-ops) and NAFCO (National Association of Fishermen's Co-ops) under the authority of the Ministry of Agriculture. These organizations are also attempting to institutionalize credit schemes for their membership. Allocations to cooperatives during 1983/84 is EC\$233,784.

(b) Assessment

However, the majority of co-ops at the community level are farmers' action groups whose purposes, at the moment, are limited to pooling resources in field packing and delivery of bananas to the BGA. Economies of scale and field packing are ensuring greater returns to these action groups which are mushrooming throughout the countryside. They are actively being monitored by BGA fruit quality supervisors and show tremendous potential for further growth and institutionalization.

(3) Credit unions

(a) Activities

Institutionalization of credit unions is growing in St. Lucia with the Credit Union Movement linked formally to the CCCU (Caribbean Confederation of Credit Unions), CUNA (Credit Union National Association, Inc.) and WOCCU (World Council of Credit Unions). There are on-going linkages to the Canadian Cooperative Movement with Canada providing a development profile for credit union organizations in Jamaica, Barbados, Antigua and St. Lucia modelled on the Canadian experiment among the Inuit and other Native Americans.

The Credit Union League is aiming towards self-sufficiency by 1986 by introducing Central Financing and income-generating schemes funded through CCCU and a CIDA-USAID grant. The Credit Union League focuses on training community organizations in the principles of the cooperative movement, accounting and management techniques. There are presently twelve professional and community-based credit unions operating in St. Lucia with a membership of nearly 6,000. The League is aiming for a membership of 6,700 by the end of 1983.

(b) Assessment

The St. Lucia Credit Union movement is a growing and vibrant movement. St. Lucia shares many common features with Dominica in terms of ecology and communications problems as well as strong community organizations. The Credit Union League enjoys strong support from the GSL and works closely with the Cooperative Department. CCCU and CUSO continue to provide organizational and training support. CCCU's Country Development Program should be able to mobilize the necessary technical and financial resources to stabilize the Credit Union Movement in St. Lucia and aid in achieving its goal of providing a Central Financing Facility by 1986.

(4) Local, private voluntary organizations

(a) Activities

There are two dynamic locally-based PVOs -- the Disaster Preparedness Committees and the Mother-Father Groups. Both the CPU and the Ministry of Community Development consider these organizations to be the most dynamic of community groups, able not only to liaison with the Central Government, but also to mobilize the local population and effectively administer social services in the villages. The Disaster Preparedness Committees liaise with the Coordinator of Non-Governmental Organizations to avoid duplication of activities and to get speedy resolution of delivery problems. Thus, in many areas Disaster Preparedness groups are not only establishing a framework for disaster preparation, but also have in effect been operating as village councils. In other areas, Mothers groups and Fathers groups arising out of the ad-hoc committees for the celebration of Mother's Day and Father's Day have evolved with local committees involved in self-help projects and liaising with the Ministries to provide basic services to the community. Many observers see these Mothers-Fathers groups as having potential political power. The local groupings have recently formed themselves into a national organization.

(5) Community-based youth groups

St. Lucia has a significant number of youth groups administered by Sports Associations and Youth Councils under the auspices of the Ministry of Community Development, Youth, Sport and Social Welfare. Although severely constrained by financial difficulties and shortage of staff, the Ministry actively liaises with youth groups in sponsoring a wide range of activities. There are fourteen Youth Councils functioning in St. Lucia which liaise with NGOs as well.

(6) St. Lucia Planned Parenthood Association (PPA)

(a) Activities

The St. Lucia Planned Parenthood Association is a very active organization administered by one of the region's most committed and active directors. Although St. Lucia is a Roman Catholic country, the PPA enjoys a good working relationship with the Ministry of Health and has worked with the CEFA and IPPF in designing and implementing programs to grapple with St. Lucia's very serious population problem. The local organization is involved in five main activities: information and education; clinics; distribution of contraceptives; a sterilization project; and an industrial project.

It is GSL's intention to fully integrate family planning services into its community-based health delivery system. Nevertheless, the local PPA continues to play an important role in information and education. Because of the sensitivity of the issue, government does not actively promote family planning; this is left to the local PPA. The organization has met with some success, for community groups now take the initiative in requesting PPA meetings.

Distribution of contraceptives in a community-based program is about to be launched with USAID funding, and is a central component in any future success of family planning.

Perhaps the most innovative, and a program with great potential, has been the development of the industrial project which brought funding planning to the industrial sites. The largest factories were selected concentrating on those which employed high numbers of women in Gros Islet, Dennery and Vieux Fort. Factory management has been cooperative, understanding the economics of providing such services, and workers have been sensitized to the importance of family planning. Nurses are allotted to the sites at several times a month to provide pap smears. Given the hours of health centers, and the use of women workers who are trained as peer counsellors, this is the most direct way to assist an important group, predominantly young and unmarried. The program is being funded by the Tulane University project for EC\$50,000.

(b) Assessment

The St. Lucia Planned Parenthood Association has tremendous potential in terms of its outreach programs and has worked constructively with the CFFA, IPPF, USAID and PAHO. What is needed at this stage is an assessment of services, collection of data, and their analysis. Many women who are using contraceptives are not registered. This is a regional problem and attention needs to be directed to solving it.

Additionally, the link has been established in a rudimentary way in St. Lucia between family planning programs and issues of women and development. But this needs to be formalized into effective outreach programs, utilizing community forums, and projects which understand the relationship between rural development programs and fertility.

We know that fertility "is influenced by a complex of many factors, social, cultural and political in which the individual's choice may play a minor role,"¹ yet most research on family planning has concentrated on demographics while the psycho-sociological and cultural factors have been ignored. UNFPA's support for the UN project "Man and the Biosphere" collected much data which could be analyzed in order to get at the reasons for the limited success of family planning in St. Lucia and on the industrial project and its analysis to probe the economic, social and cultural factors of fertility.

¹Quoted from Peggy Antrobus, "Programmes for Family Planning and for Women's Development in the Caricom Region" delivered at the UNFPA Seminar for women leaders, St. Kitts-Nevis, November 1983.

III. DOMINICA

A. Introduction

1. The setting and brief history

Dominica, situated between the French islands of Guadeloupe and Martinique, was the last island to be colonized by the Europeans. Along with St. Vincent, it was a final refuge of the indigenous Carib people due to its rugged, mountainous terrain which is beautiful but largely inaccessible. The terrain, the geographical position and the era of colonization have greatly influenced Dominican history and the social formation which has developed over the last 300 years. It is "a country of small proprietors. The ways of thinking, feeling and religion in Dominica have nothing in common with the other Leeward Island. The natural connection is with the French Islands (i.e.) Martinique and Guadeloupe."¹

A central range of mountains with deep ravines runs through the island making communications between settlements difficult. Hence, most villages have been located on the coastline around the island and transport and communication historically was by boat. The highest point in the island is Morne Diablotin (4,747 feet) in the North. There are also a series of relatively high peaks in the South--Trois Pitons, Microtin, Morne Watt, Morne aux Anglais and Morne Plat Pays. There are reported to be 365 rivers in Dominica and in the central plateau between the two groups of peaks one finds the sources of the major rivers of the country: the Layou, Castle Bruce and Pegua.

Many parts of the central interior receive over 300" of rain annually producing a primeval tropical rain forest which is considered to be unique in the Americas. It is a major national tourist asset and a large part has been formally declared a national forest preserve. While unsurpassed in beauty, flora and fauna and undoubtedly a national treasure, the ecology of much of Dominica is unsuited for human settlement.

Dominica has an area of 206 square miles. Most of the area is forested. Some 35,000 acres are in forest reserves and national parks. Approximately 76,000 acres are classified as arable but a large part of that is relatively steep and in small isolated plots on the hillsides. Except for the limited flat alluvial areas, most farms consist of scattered plots cultivated on a swidden system. Transport is a severe constraint due to the rugged terrain and because most areas suitable for

¹Royal Commission on Dominica, PP 1894, LV 11, p. 18.

farming are on the windward (Atlantic) side of the island, while 70 percent of the population is on the leeward side.

The greatest concentration of the estimated 74,851 population is located in the coastal towns of Roseau, Fortsmouth, St. Joseph, Marigot and Grand Bay. The majority of settlements, however, have a population of under 500. The Dominican population is believed to be quite young. The traditional pattern of outmigration increased dramatically in the 1970's, though the impact on the age and sex structure of the population is not known as census data has not been collected since 1970.

Located between Guadeloupe and Martinique, Dominica is situated in the middle of the Lesser Antilles. In this position, the island was at the center of the struggle between the French and the British for control of the Antilles and their plantation economies in the eighteenth century. However, although Dominica changed hands several times, the tenacity of the Caribs prevented the establishment of an architypal sugar colony in Dominica. Before 1763, the predominant settlers were Caribs, African Maroons and French peasants. While there was continuing strife, British colonial rule became established with the Treaty of Paris in 1763. The majority of sugar estates were established subsequent to that date and hence after the heyday of sugar. The combination of free trade and the collapse of the West India sugar merchant houses in the mid-nineteenth century, added to the indigenous problems of terrain and ecology in Dominica, brought ruin to the planters. By the middle of the nineteenth century, there were few estates. Most were small and bought by coloured French Creoles while a few were in the hands of British merchant houses.

These factors were important in determining social relations and culture in Dominica. British colonialism was predominantly political. The dominant culture was Afro-French Creole with the majority of the population patois-speaking even in the areas of Carib settlement. Slavery and slave plantation culture and social relations never rooted in Dominica and hence village society is typically Afro-peasant with cultural similarity to Haiti and Maroon society in Jamaica. Even in areas of plantation development, the metayage system of share cropping was prevalent. Dominicans had little inducement to work on estates when there was an abundance of uncultivated land, albeit rugged and difficult. Thus, in Dominica, to a greater extent than in any other of the Antillian colonies, an Afro-creole peasant culture was able to take strong root and evolve amidst the politico-economic control of the British located at Government House in Roseau.

Today, Dominica evidences only in slight degree the pattern of urbanization and social change occurring elsewhere in the Third World. The era of decolonization and independence has witnessed an expansion of the urban centers of Roseau and Portsmouth with the expansion of the Civil Service, the commercial sector and a limited amount of diversification into light manufacturing on industrial estates. An incipient urban middle class is in formation, but it is one which still has strong ties to the village. Most urban Dominicans were born in a village and hence village culture, ties and politics are familiar to the present urban generation.

Communications and transport, although still very inefficient and inadequate, nevertheless, link village life to modern western lifestyle through television, radio, cars and telephone. Migration, both internal and external, also link most rural villages to western centers. Thus, while the majority of Dominicans remain village dwellers and these villages are often remote and lacking basic amenities, they are not culturally isolated nor as consumers cut off from the larger country or regional trade.

Contact also continues with the French islands of Guadeloupe and Martinique through hucksters, festivals, radio and tourists. Village society and creole culture remain bedrocks of Dominican society. It is noteworthy that government, including the present administration, places strong emphasis on strengthening communities and cooperatives.

The economy of Dominica today reflects the influences of both history and geography. Still overwhelmingly dispersed in villages around the coastal fringe and largely engaged in agriculture and fishing, the country confronts the dual constraints of high transport costs and continuing vulnerability to storm and hurricanes. In these circumstances, the village is the main center of social and economic life and survival, now as always, depends heavily on cooperation in the conduct of everyday life and in moments of adversity. The country is only now beginning to resume a normal rhythm after the most recent tragedies of three hurricanes in 1979-80, a period of political turmoil during the same time and the subsequent economic and financial disruption.

2. Major elements of the economic structure

a. Overview

Dominica's mountainous terrain with steep slopes extending down to the coast imposes severe limitations and high costs on most development undertakings. Suitable sites for agriculture are small, scattered and remote. Even for small factories, practical locations are rare. Roads

traversing the east and west coasts were built in the Sixties and Seventies, respectively. A few cross-island links emerged in the Fifties. All were expensive investments for a poor country. They are also costly to maintain in normal times, being subject to frequent damage in heavy rains due to the steep slopes. Dominica lies in the path of hurricanes whose rain and winds of great force can destroy buildings, crops, roads and other infrastructure. The banana crop is especially vulnerable, showing a decline of two-thirds in value-added between 1978 and 1980 as a result of hurricane losses. These fundamental facts of economic life condition all activity. Their reality was demonstrated in multiple hurricane destruction across the whole island in 1979 and 1980 from which Dominica has only partially recovered despite massive help for maintenance of normal activity and restoration of facilities.

Dominica's economy grew at an average rate of five to six percent annually in the period just before the hurricanes of 1979-80. The events of those years caused a severe setback in every area of the economy except construction. Real GDP, at factor cost in constant 1977 prices, had reached EC\$95.1 million in 1978 only to drop to EC\$78.7 million in 1979. It rose to EC\$92.1 million in 1980. By 1982, the recovery was substantial with GDP at EC\$102.8 million. A further rise to EC\$108.7 million is expected in 1983. The government services, wholesale/retail, and agricultural sectors together accounted for over 55 percent of GDP in 1982. Table 6 provides a statistical overview of the sectoral origin of Dominica's GDP.

The early Eighties have also been a period of fiscal stringency as the government has struggled to bring down the deficit which had mounted to 12 percent of GDP in 1980/81, partly as a result of large salary increases authorized for government workers in 1980. For the fiscal year 1983-84, the government is continuing its program of austerity. For the most part, increases were allowed only in personal emoluments which were expected to account for 60 percent of anticipated current expenditure while supplies and materials and travel funds in many ministry programs were reduced to or below levels of two and three years earlier. This constraint will affect the capacity of many agencies to achieve as much progress on development objectives as would be desirable. The restraint shown, however, is essential to avoid a renewed demand for excessive wage increases and a new round of unmanageable deficits.

b. Agriculture

In Dominica, agriculture is much a larger source of production and employment than in other Eastern Caribbean countries. Value-added in agriculture in 1978 (the last full year before the hurricane) accounted for about 37 percent of GDP. Its vulnerability to hurricane damage is

**Table 6: Dominica: GDP at Constant Factor Cost
by Sectoral Origin**

	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>
	(In millions of EC dollars at 1977 prices)				
<u>GDP</u>	<u>95.1</u>	<u>78.7</u>	<u>92.1</u>	<u>99.5</u>	<u>102.8</u>
Agriculture (crops)	30.6	20.0	17.0	22.3	23.4
Livestock and fishing	3.5	2.5	5.0	5.6	5.4
Forestry	1.4	1.7	1.7	2.6	2.6
Mining	1.1	0.7	0.7	0.7	0.8
Manufacturing	5.8	4.8	6.2	7.3	8.0
Utilities	1.9	1.7	1.7	1.8	2.0
Construction	5.2	6.2	11.8	10.0	9.6
Transport and communications	5.9	5.5	5.9	5.5	6.2
Wholesale and retail	11.5	7.9	11.3	12.0	12.0
Hotels and restaurants	1.3	1.0	0.9	0.9	1.1
Banking, finance, and real estate	6.5	5.4	7.7	7.8	7.9
Government services	19.3	20.3	21.1	21.9	22.6
Other services	1.1	1.0	1.1	1.1	1.2

Sources: Statistical Division, Ministry of Finance; and Fund staff estimates.

shown by the decline in value-added in the sector by 47 percent between 1978 and 1980 accounting for all of the fall in GDP over the period. Bananas are the most important single crop in Dominica. As noted above, there was a steep drop in banana production between 1978 and 1980. This is very critical when bananas alone account for 30 percent of the value of agricultural production. The overdependence on bananas, their vulnerability and high production cost and weak long term market prospects necessitate a search for greater diversification and greater efficiency in banana production and marketing.

A variety of other agricultural products accounted for about 60 percent of Dominica's value-added in agriculture in 1981. Coconuts are the second most important crop. They are less vulnerable than bananas, but a high percentage of trees were lost in 1979 and 1980. With help from CIDA in supplying fertilizer, coconut production has now returned to the pre-hurricane level. Virtually all of the coconut is converted into copra for local processing. Other products include tree crops such as citrus, mangoes, avocados and some cocoa and coffee as well as a wide range of vegetables and other fruits for domestic consumption and export. Limes are of special interest having long been the basis for export of processed lime juice and lime oil. The industry was closed by its private owner after the 1980 hurricane and now re-opened under government sponsorship. Bay leaves and patchouli are specialty items produced by small farmers.

c. Tourism

The spectacular mountain scenery and the abundance of flora and fauna are Dominica's main assets for tourism. Tourism has been the source of only a little over 1 percent of GDP. The country has 9 hotels mostly in Roseau which accommodate the stay-over visitors who numbered just over 21,000 arrivals at the peak in 1978. Expenditures by tourists have totalled US\$3 to \$4 million in recent years though a slump occurred in the wake of the hurricanes. Available data do not permit an indication of the level of employment in tourism. The main linkages between tourism and other sectors in Dominica are the use of local fruits and vegetables and some locally made furniture of simple design in some hotels.

Dominica is interested in developing and expanding tourism based on the promotion of "nature safaris" with visits to waterfalls, boiling lakes, rain forests, bird habitats, etc. This approach is being adopted because Dominica has virtually no white sand beaches. It is also constrained by the absence of a jet airport, the remoteness of the larger of the two airports able to receive medium sized propeller aircraft, and the limitation to light planes only at the airstrip near Roseau. Access to some of the most spectacular sights in Dominica is restricted by the absence of

or damage done to existing roads by the hurricanes and the lack of visitor facilities near the locations. Only modest growth in the tourism sector can be expected in the next several years, but the authorities are optimistic that some additional revenue can be gained from this source by a promotion program directed toward those who are prepared to go on foot or otherwise rough it to see some remarkable sights of nature.

d. Manufacturing

Dominica has been actively encouraging the growth of locally and foreign owned private manufacturing through the provision of tax and import duty concessions. This program has succeeded in bringing about the growth of this sector over the past decade to hold a significant place in the economy. Manufacturing has grown rapidly in recent years and is now the source of nearly 8 percent of GDP. In 1982, it provided employment to nearly 1,200 people or a little over 4 percent of the labor force. Most important among the factories on Dominica is the Dominica Coconut Products Ltd. which is locally owned, employs about 200 workers and produces soap, edible oil and other products for the domestic market and export to other Eastern Caribbean and CARICOM countries. Table 7 provides data on the volume and value of Dominica's industrial production. Light industries in Dominica include garment and knitwear manufacturing, furniture production, food processing, sawmilling and the processing of drinking water for bulk export. Two new garment factories were opened in 1982. A number of new factories are expected to begin production in the near future in factory shell units with CDB funds under a program implemented by the Agricultural and Industrial Development Bank.

The government's program of incentives for foreign investment in Dominica is designed to encourage both light manufacturing including such products as garments, electronic products, etc., and energy intensive activities such as caustic soda. The country is fortunate in having a large hydro-electric potential as a basis for such activities. On the other hand, there are a number of key constraints including a scarcity of suitable factory sites, a limited road network which needs rehabilitation (soon to be underway), limited shipping and air connections, very few industrial services, and scarce managerial and technical manpower pool.

e. Energy

In Dominica, the principal source of electrical energy (85 percent of total) is from run-of-river hydroelectric plants. Diesel generator sets provide peaking capacity. In the upcoming dry season in 1984, however, the load growth which is anticipated will begin to require the use of diesel to cover base load. A report is being prepared for

Table 7: Dominica: Volume and Value of Industrial Production

	1978	1979	1980	1981	Est. 1982	Proj. 1983
Laundry soap						
Volume (tons)	2,707	1,929	3,899	5,128	5,220	4,335
Value (EC\$'000)	3,212	2,516	7,498	10,733	11,954	10,900
Toilet soap						
Volume (tons)	698	466	1,068	1,988	2,074	1,443
Value (EC\$'000)	1,803	1,437	5,220	9,879	11,469	9,500
Animal feed/coconut meal						
Volume (tons)	772	851	218	217	313	600
Value (EC\$'000)	242	229	72	72	104	200
Copra						
Volume (tons)	2,667	2,704	834	732	1,600	2,400
Value (EC\$'000)	2,701	3,069	988	980	2,142	3,213
Crude coconut oil						
Volume ('000 gal)	396	428	122	117	257	152
Value (EC\$'000)	2,788	3,203	973	237	2,166	1,500
Edible coconut oil						
Volume ('000 gal)	154	99	28	20	150	306
Value (EC\$'000)	1,253	845	661	980	1,714	3,500
Soft drinks						
Volume ('000 cases)	287	240	262	223	197	220
Value (EC\$'000)
Cigarettes						
Volume ('000 ctns)	134	179	167	149	150	150
Value (EC\$'000)	1,392	1,566	1,780	1,579	1,600	1,600
Pipe tobacco						
Volume ('000 lb.)	12	10	7	8	8	8
Value (EC\$'000)	75	54	47	47	47	47
Preserves						
Volume ('000 kg.)	4	210	336	354	347	360
Value (EC\$'000)	...	651	1,161	1,347	1,059	1,400
Electricity						
Produced (KWH)	17,358	12,131	6,701	12,614	15,723	17,115
Sold (KWH)	14,107	9,861	4,513	10,013	12,175	13,253
Sales value (EC\$'000)	2,190	1,913	1,494	3,400	4,227	4,787

Source: Statistical Division, Ministry of Finance.

submission to the Caribbean Development Bank which will do a further survey over an 8-month period. It is proposed that CDB lend Dominica funds for installation of a 2MW hydro installation. (More details of the basic power situation are set forth in the Dominica National Structure Plan, 1976-1990.)

There is an electricity grid on the West Coast from Roseau to Marigot and the Grand Bay on the Southeast Coast. No intercommunication exists on the East side of the island. Rates paid by customers serviced by the grid do not cover costs and thus represent a subsidy.

There is one micro-hydro electric plant of 14KW capacity to be installed as an experiment. The Village Council is to involve local people and to form a rural electric cooperative. It is hoped that technical assistance will be provided by the Dominica Electricity Co. The project is to be funded by the government and the CDB. Two additional micro-hydros of 150 and 200KW capacity are planned, but grant funding is still being sought. Some geothermal studies are being carried out with a long term view of exporting energy to Martinique.

Charcoal is the main fuel used in the towns. In rural areas, charcoal is used, but wood is also an important fuel. There are "iron wood" trees in the forest which are mixed with gommier (the main timber species) and make excellent charcoal but are too hard to use for lumber.

B. Social Profile

1. Overview

The topography of Dominica and the difficulty of access to and from most places is still a strong force that shapes social and economic life in the society. Villages and village-based life, which depends almost entirely on agricultural activities, make Dominica a predominantly agricultural society. Government, which is based in Roseau and a few of the largest towns, is the second most important aspect of life in Dominica. Together, agriculture and government employ the bulk of the labor force.

Patois and French Creole which is spoken by the majority of the population, especially the population in the villages, is also an important defining characteristic of the population. Within the domain of the Patois speakers, there are many institutions, forms of social organization, and cultural values that make it distinctive. English, which is also spoken by the majority with different degrees of fluency, is the language of government and within the national context, English is necessary since all services and functions of government are in that language.

The social, cultural and linguistic difference within the population are important factors which will continue to affect the growing integration of the nation.

Topography is an important factor not only in affecting the type and size of the human settlement, but also in determining the potential of agricultural production. Land is fragmented into small parcels located in widely dispersed locations on the slopes of mountains. Cultivable land is dispersed in small pockets throughout the steep slopes that surround any village. On the average, a farmer spends 2 to 3 hours first to get to his plot of land, thus influencing the type of crops that he/she grows and the amount of time and effort that is spent on each plot. Furthermore, cultivation of parcels changes frequently as ecological and climatic factors affect cultivability.

The 1979-80 hurricanes had a dramatic impact on the lives of people in Dominica, particularly as to land use. In addition, land held by estates has either been sold or transferred to the GOD. More importantly, the abandonment of old parcels and the cultivation of new ones by small farmers whose plots were destroyed by the hurricanes of 1979 and 1980 is thought to have affected land tenure significantly enough to require a new land registration and survey effort.¹ There are also indications that more people, especially young people, are farming today than in pre-hurricane years. Despite the fact that agriculture is difficult and arduous in Dominica, it continues to be one of the few ways in which people can make a living.

Between 1970 and 1980, thirty-three settlements lost population. Although this fact has been attributed mostly to post-hurricane migration, the effects that roads are beginning to have on Dominican society cannot be ignored. Until recently, there was little communication between many villages and Roseau or between the villages themselves. "The island was only transversed by motorable road for the first time in 1956. By 1966, the East Coast was opened to motor traffic and the West Coast as late as 1972. This means that within living memory, 60 percent of the villages in Dominica existed as very isolated independent communities separated from each other by steep mountains and ravines and fast flowing unbridged streams."²

¹The new land registration and survey effort began in December, 1983 under the MOA.

²Commonwealth of Dominica, National Health Plan 1982-87, Roseau, 1982.

Although no study exists, it is safe to suggest that roads and access to roads has and will continue to have an impact in restructuring Dominican human settlements and social systems. Many of the smaller villages will find it difficult to survive the changes and the population may shift considerably. It is difficult to expect that services can be provided to every village. What is more, given the difficulties in agriculture, economic opportunities in other sectors will quickly attract people.

The quality of life in Dominica may be measured by certain economic and social indicators. The World Bank estimates that in 1981 Dominica's per capita GNP was \$750, but that this represented a real per capita growth rate of -3.1 percent over the decade of the seventies.¹ With a life expectancy estimated at 58 years (in 1961), an infant mortality rate of 20 per 1,000 live births, and a literacy rate of 94 percent (in 1970), Dominica's Physical Quality of Life Index is 80.² While Dominica's per capita GNP is quite low for the Caribbean region, its infant mortality rate is lower than average for the region and its literacy rate higher than average.

2. Population

a. Current situation

Census figures from 1981 show a total population of 74,851 persons living in 17,536 households in 80 settlements. The parishes of St. George, St. Andrew and St. Patrick accounted for nearly 60 percent of the population. St. George alone, where Roseau is located, accounts for about 30 percent of the total population. Over 80 percent of the settlements are located along the coast around the island where the land is relatively flat, and fertile valley land is available for agriculture. Only 17 percent were located in the interior.³ The 10 major towns and villages contained 52 percent of the population or 38,900 persons. On the other hand, 42 settlements had a population of under 500 persons. In 51 of the surveyed settlements, agriculture was the major employer while in 9 settlements, government was found to be the major employer.

¹World Bank, 1983 World Bank Atlas (Washington, D.C.: World Bank, 1983), 24.

²John P. Lewis and Valeriana Kallab, eds., Overseas Development Council, U.S. Foreign Policy and the Third World: Agenda 1983 (New York: Praeger, 1983), 212-213.

³UNDP, National Survey of Settlements in Dominica, 1980.

Between 1970 and 1975, the population grew at an average annual rate of 1.2 percent which put the population in 1975 at 75,100. The decline between 1975 and 1981 is attributable primarily to the out-migration following the hurricanes of 1979 and 1980. It is estimated that 12,000 people left the island after Hurricane David, many of whom have since returned.

The crude birth rate declined from 37 per 1,000 in 1972 to 22.5 in 1981. The death rate for 1981 is estimated at 5 to 7 per 1,000, though precise data are not available. That natural increase of the population in 1981 was approximately 16 to 17 per 1,000. The rate of population growth depends on the rate of migration and although it has been high in the past, it is difficult to estimate its level due to the disruptions caused by the hurricanes. According to one estimate, based on 1978 figures, the rate of out-migration was 15.8, which would be translated into an annual rate of growth of 0.1.¹

The population is divided almost equally between males and females. A breakdown by age groups in the population was not available.

b. Future trends

Fertility and death rates seem to have reached low levels. Some further declines in birth rates can be expected. Whether the population continues to grow, declines or remains about the same will again be determined by what happens to the migratory currents. Lack of economic growth and especially lack of work places for the assumed large numbers of young people entering or about to enter the labor force will influence migration. The ease of difficulty of entering countries that have been traditionally the places where migrants went will also influence future population characteristics. Given the limited availability of data, it is difficult to make any projections.

3. Labor force and the nature of work

Work in certain occupations provides barely enough income to survive and little chances for improving the living standards of the people that depend on them for the livelihood. Much of the work in Dominica is intermittent and most people must look for and have more than one source of income. However, the overall economic environment is so limited that it is not easy to find more than one source of work

¹ According to analysis of census data done by the Population Reference Bureau, Washington, D.C., 1983.

and income. The problems of communication and the isolation of most villages offer little chances of alternative work for most people living outside the major towns.

Thus, a livelihood is derived mostly from working in agriculture, in government, or in small-scale commercial activities. Growth in the construction, transport and modern manufacturing sectors is beginning to introduce new options to people's economic strategies. Most of the work in construction, however, comes from reconstruction aid and it is seasonal and temporary. Without further growth in the economy, transport is probably saturated, and manufacturing is as yet too small.

A tremendous amount of effort and dynamism is to be found in self-employment and the creation of small-scale enterprise. The employment creation potential of this type of activity is, however, far too small and slow growing to offer an alternative to most people, and in most activities it soon reaches the saturation point if only the domestic market is served.

The data on the distribution of the labor force by occupation or sectors are not comprehensive and even the data that are available are limited and fragmented. The size and composition of the age group 15 to 65 years that makes the potential labor force is not known and will not be known with any degree of accuracy until the 1981 census results are released. There were too many disruptions caused by the hurricanes which in turn caused massive population movements. The rate of participation in the labor force is also not known, and the historical rates (1970) are considered no longer accurate. Consequently, how many people are unemployed is not known with any degree of accuracy. What is known with some degree of accuracy is how many people are employed in non-agricultural tasks and mostly in the "formal" sector through an examination of the Social Security Department records. It is also possible to roughly estimate the number of people engaged in agriculture by an examination of the provisional agricultural census results of 1976-77. Together, these two sources provide a picture that is fairly close to the total employment situation of Dominica in 1982.

a. In agriculture

According to the provisional results of the 1976 census, there were 7,922 agricultural holdings in Dominica. The total number of persons in these agricultural holdings was 37,006 persons. Of these, about 18,873 were "self-employed," and some 3,387 were paid workers in agriculture. These figures apparently include every member of the households engaged in agricultural work and as such are probably fairly accurate. If only heads of households are taken into account, the total number of people employed in agriculture is approximately 7,000 to 8,000 persons.

In 1976, the majority of the people were farming holdings of less than five acres in size and the main product for the majority was bananas. Changes in land tenure and characteristics of the farmers have been important in making agriculture the largest employer. The lack of many alternatives outside of agriculture (short of migration) and the availability of land are apparently factors that have contributed to the growth of own-account farming in small holdings. A livelihood out of agriculture is, however, limited to the crops that can be successfully marketed. The topography, as was mentioned before, makes agriculture a difficult and risky kind of activity.

Work in agriculture seems to include three categories of people. The first group are those whose holdings are small (about one acre) and who must depend on wages for their livelihood. A second category includes larger landholders whose main source of income is farming, but who may occasionally work for wages. A third group is made up of people whose main source of income is from work outside of agriculture, and who have agricultural holdings as a source of supplementary income, or as a source of food for the household.

Although the situation in land tenure is said to have changed considerably since 1976 because of the damage by the hurricanes, the provisional results of the census which gives the number of holdings by the occupation of the holder provides an indication as to the proportions of people in each of the above three categories. Of the 7,922 total, there were 3,449 self-employed in agriculture or 43 percent, another 1,723 were paid agricultural workers or 21.7 percent, and 2,750 people not employed in agriculture or 34.7 percent.

b. Outside of agriculture

(1) Public sector

Employment outside of agriculture is to be found mainly in the government. In 1982, there were 10,816 employees in the public sector. This figure includes three categories of public sector employees:

Monthly paid employees	4,023
Fortnightly paid employees	3,956
Statutory body employees	2,837

Statutory bodies include 2,292 employees of the Dominica Banana Growers Association, which in turn includes many of the people classified as farmers or as employed in agriculture. "Fortnightly paid" would also include farmers or people employed in some other occupation. Work in both of these categories is not only intermittent, but may be work for one week or 52 weeks, work for a one day or a six day week. The social security records which are the source of these statistics only provide yearly figures for employment. The total number of people who worked in one year can be given with a relatively high degree of accuracy, but it must be kept in mind that it does not necessarily mean full-time or permanent employment.

The importance of government as an employer is, nevertheless, quite significant. Another indicator of government's importance as an employer in 1982 is given by the share of the total earnings reported by social security for the 22,994 contributors registered in 1982. Government and Statutory bodies accounted for 59 percent of the total amount of earnings and for 47.1 percent of the total number of contributors.

(2) Private sector

Employment in the private sector accounted for about 11,094 persons in 1982 who were employed by some 519 enterprises. The largest employers by type of business or activity were as follows:

Construction	2,662
Trade and Commerce	2,151
Transport	1,596
Manufacturing	1,182

Together, these four sectors employ nearly 7,600 persons which is a considerable number. Work in construction and transport is characterized by seasonality and fluctuations which affect income levels in dramatic ways. Manufacturing and commerce seem to be not only more stable, but also to offer higher yearly income.

An additional 4,946 persons were employed in a variety of jobs that can be classified as services and that include jobs in banking, insurance, education, trade unions, etc. Most of these jobs are either managerial, administrative or clerical. They are town-based and require higher levels of education and skills. A summary of employment in Dominica is presented in Table 8.

**Table 8 : Dominica: Distribution of the Labor Force
by Sector and by Type of Activity, 1982**

Sector	Activity	Total Number	Percent Of Total	Percent by Sector
Public	Monthly paid	4,023	13.8) 37.2
	Fortnightly paid	3,956	13.6	
	Statutory bodies ¹	2,837	9.8	
Private	Manufacturing	1,182	4.1) 62.8
	Construction	2,662	9.2	
	Transport	1,596	5.5	
	Trade & Commerce	2,151	7.4	
	Other Services	4,946	17.1	
	Agriculture ²	<u>5,630</u>	19.4	
	Total Employed	28,983		

¹ Statutory bodies include Banana Growers Association employees, most of whom are farmers or people employed in agriculture.

² Total number in agriculture minus employees of the Banana Growers Association to minimize double counting.

Sources: Provisional Agricultural Census results 1976, Ministry of Agriculture; Social Security records.

The income figures in Table 9 are fragmentary and provide only a very crude measure of income. However, they serve to illustrate the low levels of incomes for a large number of the employed population. The low incomes in many of the sectors are also a reflection of the fact most work in Dominica is intermittent and of short duration. Income from agriculture, whether as self-employed or as a paid worker, from construction, and from transport are notable for being low generators of income for the majority of the people engaged in these activities. To make a living, they must be combined. It is only when one moves into manufacturing, commerce, and especially the services (public and private services) that jobs are more permanent and generate higher incomes. In the latter occupation, combination of jobs or income producing activities is no longer a necessity but a strategy of income maximization.

4. Role of women

a. Rural patterns

Although there are few statistics available, cooperative officers, Ministry of Agriculture (MOA) officials, and workers in Community Development note that the role of women in Dominica's agriculture, agricultural credit, agro-processing as well as fishing has increased significantly in the last ten years. For example:

- o Women form the majority of Board members in credit unions in agricultural districts such as Marigot.
- o Women form the majority of cooperative members in some co-ops such as Castle Bruce.
- o Women own fishing boats as well as sell fish in co-ops such as at Castle Bruce.
- o Women comprise 21 percent of banana growers.
- o Women comprise 13 percent of citrus growers.
- o Women comprise 18 percent of producers in the Tree Crop diversification program.

The MOA's recent survey revealed that women are significant land owners in some of the southern districts of Dominica: 40 percent of owners surveyed in Tetil Morne; 32 percent in Grand Coulibrie; 27 percent

Table 9 : Dominica: Indication of Average Annual Income by Sector

<u>Sector</u>	<u>Average Annual Salary in E.C. Dollars</u>
Agriculture (private sector paid workers)	\$ 1,311
Banana Growers Association (Statutory Body)	1,625
Manufacturing	3,485
Transport	1,420
Construction	1,006
Trade and Commerce	2,836
Banking	9,955
Insurance	4,573
Domestic Service	942
 Government	
Monthly paid employees	7,509
Fortnightly paid employees	1,450

¹ A crude indication of annual income is the average annual income obtained by dividing the total amount of reported earnings by the total number of employees in each sector or occupational group.

Source: 1982 Social Security records and figures.

in Bellvue; 36 percent in Trafalgar.¹ Unfortunately, the study did not indicate the total number of farms, nor size of acreage, nor are there comparative figures for the northern and eastern districts.

Work in the banana boxing plants of the BGA and other cooperatives provide a significant source of rural employment for women. Wages range from EC\$37 to EC\$60 for two days of work a week, or about 20 hours. The highest paid boxing plant employee is the selector who makes EC\$70 and is usually a male. Women, however, are often employed in the second highest paying position, that of recorder, the person who records the figures and amounts payable to each producer. Bananas tend to have bi-weekly production differences. The boxing plant staff works on a shift system; everybody works every other week. Wages earned in boxing plants are quite low. According to 1981 statistics, there were 339 women employed at BGA boxing plants. There are probably at least an equal number employed at cooperative plants.

Women's role in the Credit Union movement also needs to be stressed. As the credit unions continue to receive more training in accounting, bookkeeping and business management practices through CCCU and CUSO, women's skills in credit finance should become available to be harnessed in programs such as income generating schemes targeted for low income women. This factor should be integrated into skills training and income generating programs which if community-based will provide for the maximum impact in meeting individual and community needs. Since access to credit historically has been a serious impediment to women's role in the development process, particularly in rural areas, Dominica's advantageous position in this regard needs to be maximized.

b. Urban patterns

Women comprise nearly 60 percent of urban dwellers in Roseau and its environs. Yet Roseau offers few opportunities outside of the informal sector for employment for unskilled women. Since only approximately 1,500 girls of the 9,000 plus primary school population attend secondary school, the majority of girls finish school with little skills and few job prospects. Most will have their first child before

¹ These figures demonstrate a different profile from that given in the James and Henderson Survey of 120 farmers randomly selected from all 10 parishes. James and Henderson found that almost 82 percent of all farm operators were male. Perhaps the CARDI Small Farm Project will be able to provide more in-depth data on patterns of ownership, land use and women's participation in agriculture. See James and Henderson, A Profile of Small Farming in St. Vincent, Dominica and St. Lucia (St. Augustine: UWI Department of Agricultural Extension, 1979).

they are 20. For those with a secondary education, jobs have continued to open up in business and in government service. There appear to be few constraints on educated women who have the skills to enter this section of the labor force.

There are a few factories located on industrial sites in the Cane-field and Goodwill areas and, as elsewhere, a sizeable percentage of the labor force is female. Women are also employed in large numbers on the assembly line at Dominica Coconut Products. With the Industrial Development Corporation having been successful in encouraging a number of foreign investors to establish new factories in the near future, the numbers of women so employed should rise significantly. Given the early stage of this development, it may be possible to liase with Planned Parenthood Association at the Women's Desk to provide the necessary infrastructure and support systems to assist women workers to make the transition to industrial employment more smoothly.

c. Hucksters

Women in Dominica are engaged in a booming huckstering trade, particularly in citrus, to the Leeward Islands and Guadeloupe and Martinique. Many women migrated to Guadeloupe and Antigua after the hurricanes and this has reinforced trade connections between the islands. This trade has not been documented and deserves attention, with a view both to improving trade volume and to improving huckster's skills and standards of living.

The National Development Foundation has been aiding hucksters and the Foundation would be a logical vehicle for developing a program. So too, would a component from the recently formed and struggling Hucksters Association and the Women's Desk. In the urban areas of Roseau and Portsmouth, older women dominate as "tray" vendors, but there are growing numbers of young people, including young men engaged in the trade. This is indicative of all productive sectors inability to absorb labor and is a phenomenon well-documented for Latin America.

5. Health and education

a. Health¹

Indicators of quality of life in Dominica have been changing. Life expectancy was calculated at 58 years in 1961.² No current life expectancy levels have been calculated specifically for Dominica. However, the Ministry of Health contends that a crude calculation from combined data from Antigua, Barbados, Dominica, St. Lucia and St. Vincent gave an expectation of life at birth of 69.2 years for males and 73.9 years for females for 1978.

Patterns of childbearing have not changed significantly, since the introduction of family planning in 1973. The reproductive rate was estimated at 22.4 per 1,000 in 1978. More recent statistics show a relatively stable birth rate during the past two years with a tendency toward a further moderate decline. There is a high proportion of teen-age pregnancies. Of total pregnancies in 1981, adolescents accounted for 29.1 percent. The figure fell to 26.1 percent in 1981.

In the mid-seventies, gastroenteritis was a common problem in Dominican children. In 1976 they accounted for 18 percent of hospital pediatric admissions under five years, and 36.8 percent of them were under two. Oral rehydration therapy has markedly reduced the number of hospital admissions due to gastroenteritis. It is also credited with reducing the infant mortality rate.

There is a continuing high prevalence and incidence of infection diseases affecting all age groups. Typhoid fever remains a serious problem; with an incidence of 84 per 100,000, Dominica has one of the highest rates in the Americas and perhaps the world.

The Government in Dominica is the main provider of health services. There are no privately-operated medical care institutions operating in the country. There are four hospitals. Before Hurricane David in 1979 there were five government-owned health centers and 12 government clinics. Another 30 clinics were in private, rented buildings. The hurricane completely destroyed 25 percent of the clinics and extensively damaged 53 percent of them.

The majority of health personnel are employed within the civil service. They include eight district medical officers. A sufficient number of trained nurses now fill the existing established posts.¹

¹Main source of material on health in Dominica is from Commonwealth of Dominica, National Health Plan 1982-87, Ministry of Health, September, 1982.

²John P. Lewis and Valerina Kallab, eds., Overseas Development Council, U.S. Foreign Policy and The third World: Agenda 1983, New York: Praeger, 1983, 212-213.

b. Education

Dominica's extensive educational system includes 58 government primary schools - enrolling 20,000 pupils - eight secondary schools, a teachers' college, and a technical college.

The concentration on academic subjects tends to provide students unfitted to fill ready-made jobs or develop needed practical skills. A high percentage of untrained teachers at both the primary and secondary levels is another major obstacle. The schools also suffer from a lack of textbooks, educational materials and laboratories.

Plans are underway to offer new strong programs in vocational skills. There is currently a strong drive to provide adult education and literacy programs for the illiterate and semi-illiterate urban and rural youth and adults. The actual literacy rate -- given the fact that most of the population uses Creole but schools are conducted in English -- is probably not as high as the estimated 94 percent.

C. Institutional Profile

1. Overview

Dominica has evolved a set of relationships between the public and private sectors which provides for harmonious operations on many levels conducive to development. Government's role is to provide infrastructure and services. Its policy favoring productive sector development by private business is fairly consistent. Voluntarism, cooperation and community action are traditional in Dominica. They are flourishing, as they receive active support from government which believes they are essential to the nation's well-being in the face of the relative isolation of the small communities where most people live. The business community has a few complaints about recent tax increases being burdensome but understands the government's urgent need for revenues. They are less sympathetic to the decision to authorize producer cooperatives to export bay oil and patchouli oil which businesses feel should have been left to the business sector. Some business people complain that concessions are sometimes granted on the basis of personal relationship rather than in accordance with general policy.

Government's capacity to provide infrastructure is greatly constrained by the high cost of constructing facilities in the rough terrain, tight current budgetary resources and public works maintenance facilities saddled with obsolete equipment. There is a tripartite system of policy consultation between government, business and labor which has worked well since the present government came to power in 1980. There is also bilateral consultation between government on the one hand and labor and business on the other.

Relations between business and labor, from the labor viewpoint, are far better than under the previous government. They are not wholly satisfactory as the unions feel employers are unresponsive on safety and working conditions issues. The business view of labor relations is that there have been few strikes of late and relations are entirely satisfactory.

2. Public sector institutions

a. Ministerial establishment

(1) National planning and management structure

a) Overview

In Dominica the pivotal role in planning is carried out by the Economic Development Unit (EDU) under the Development Coordinator who reports directly to the Prime Minister. The EDU has the following principal functions:

- o Project preparation and monitoring;
- o Reporting on development;
- o Sector planning and coordination; and
- o Donor coordination.

The Development Coordinator chairs an Economic Planning Committee made up of the Permanent Secretaries of each of the major ministries. For operational purposes, each ministry has a person designated as the "planning focal point" who is the working-level contact for the EDU. Table 10 provides details on the main elements of the ministerial establishment and their respective recurrent and capital expenditure budgets for FY 1983/84.

b) Organization and budget

The authorized staff of the EDU is 29 professional and other staff, but many key positions are not filled. There are, for example, three authorized positions for project officers, but only one is in place now. The Development Economist doubles as a project officer for the education and health sectors and one recently returned officer has been appointed as Economic Development Advisor. In summary, only five out of 12 senior positions are filled. The incumbents are competent people with good credentials and serious interest in their roles as planners. The EDU budget for FY 83/84 is EC\$640,000 of which 78 percent is for salaries.

There is no formal national plan or a long-range perspective plan in being as the Prime Minister and the EDU appear to have been largely absorbed with meeting emergencies since coming to office just after the hurricanes. Sector plans have been prepared as a guide for action but have not been integrated.

Table 10 : Dominica: The Ministerial Establishment and Recurrent and Capital Expenditure Budgets for FY 1983/84

<u>FY 83/84 (ending 6/30/84)</u>				
	<u>Recurrent</u>		<u>Capital</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
	<u>(EC\$ million)</u>		<u>(EC\$ million)</u>	
o Under the direct guidance of the Prime Minister are:				
-- Economic Development Unit)				
-- Establishment Division)				
-- External Affairs Department)	12.28	17.54	1.90	2.29
-- Department of Trade, Tourism) and CARICOM Affairs)				
-- Ministry of Finance	14.88	21.24	.07	0.08
o Other Ministries not directly under the Prime Minister are:				
-- Agriculture, Lands, Fisheries and Marketing	4.28	6.11	19.02	22.96
-- Education, Health, Youth, Sports & Culture	22.31	31.86	5.44	6.56
-- Home Affairs (includes local government and community development)	5.02	7.17	10.34	12.48
-- Communications & Works	6.92	9.88	45.55	54.99
-- Ministry of Legal Affairs (Solicitor General)	.43	0.62		
-- All Other Agencies	<u>3.90</u>	<u>5.58</u>	<u>0.51</u>	<u>0.62</u>
TOTAL	70.02	100	82.83	100

After incurring deficits on the current account in the two years of 1981-82 and 1982-83 of EC\$5.2 million and EC\$3.0 million respectively, a current account surplus of EC\$0.44 million is projected for this year. It may also be worthy of note that personal emoluments and other payments to personnel amount to 59.9 percent of projected total recurrent expenditures.

c) Liaison function

The EDU's role as coordinator of external donor programs is of key importance in a country which has experienced the emergencies that have beset Dominica in recent years and has required much emergency help from a very large number of regional and other donors. Despite the limited staff, with strong support and participation by the Prime Minister the task has been handled well so that the worst ravages of the hurricane are now repaired or provided for and economic recovery is underway. For 1983-84 the unit is managing an overall capital budget to EC\$82.8 million, mainly externally financed, about equally divided between loans and grants.

d) Assessment

The EDU has a limited number of capable and dedicated people but the staff is far below authorized strength. This is a handicap to achievement of all of its functions and objectives. Yet it is doing a generally creditable task, given the volume of activities being carried out to rehabilitate as well as to attempt to develop the economy. The absolutely staggering volume of donor contact and coordination work being handled is a real credit to the Unit. It is evidently being done quite well though many much larger countries have a problem relating to so many donors.

The EDU appears to have a general concept of the country's future development priorities, but we were not made aware of the existence of an indicative plan though sector plans have been prepared. It may be useful for donors to seek an articulated strategy for the future to put resource allocations into a framework. The Unit may need support for this, as it is short of staff.

(2) Ministry of Agriculture, Lands, Fisheries and Cooperatives

a) Principal responsibilities, organization and budget

The Ministry of Agriculture, Lands, Fisheries and Cooperatives (MOA) has a formidable task of rebuilding and diversifying a sector which has been through very traumatic crises of physical destruction

and economic reversals affecting its primary crop, bananas. The Ministry has the normal administrative superstructure under a Permanent Secretary. Its greatest strength, however, is its Chief Agricultural Officer (CAO) who simultaneously holds an extraordinary position of Agricultural Development Advisor. It is in that person that most of the planning and coordination for agricultural programs takes place. Below that level and in the field, little effective coordination occurs. For this reason the CAO is of exceptional importance to the achievement of the whole agricultural diversification program.

The Ministry is organized along traditional lines. Under the Permanent Secretary and the Chief Agricultural Officer is a staff of about 125. Agricultural extension and advisory services, forest administration and lands and surveys have the largest number of staff members, with 37, 30 and 26, respectively. Much smaller staffs (three to eight persons) are assigned to plant protection, land resource development, veterinary services, chemist lab, fisheries and cooperatives development. The MOA's recurrent budget for 1983-84 is as follows:

	<u>EC\$000</u>
Policy formulation and administration	311
Agriculture	2,048
Fisheries development	139
Forest administration, management and education	819
Land and Surveys	762
Development Cooperatives	<u>200</u>
TOTAL	4,279

The allocation for all activities of the Ministry constitutes 6.1 percent of the total recurrent budget of Dominica. In addition, capital projects under the Ministry's jurisdiction are allocated EC\$19 million in 1983/84, of which \$3.8 million is obtained from local funds. \$10.5 million from external loans and \$4.8 million on a grant basis.

b) Programs

The extension service is the main link to assist, train and direct farmers toward the crop diversification which it is intended to achieve as a primary objective. The MOA has 20 "instructors" (extension agents) and five "trainees" to serve some 10,000 farm households. Despite some knowledgeable persons, many of the instructors have too little basic knowledge to be trainable. Moreover, the ratio is just too low for effective outreach. In addition, there is too little specific knowledge to extend. To make matters worse, the travel and supplies budgets have been reduced in 1983/84 to levels prevailing two years earlier when account is taken of the rise in prices. Travel was reduced to \$140,000 from \$220,000 in 1982/83, and supplies cut by one-third from last year to \$100,000.

The result is that the effectiveness of extension outreach is further reduced. More training and effective support for mobility is needed, but some of the older agents are said to be "untrainable." The only reason that the banana farmers get some effective extension service is that there is a separate group of D.B.G.A. extension agents making contact who enjoy better support. The livestock extension system appears to be stronger even though it is also understaffed.

Marketing operations for most products other than bananas are not effective, because the Dominica Marketing Board is inefficient, and although hucksters perform a useful service in export marketing, their operations are sporadic. A larger private marketing operation could be more effective. The MOA section on market intelligence has only one professional and two assistants to gather and disseminate market price and production data. It is very difficult for the Ministry to be effective when marketing does not operate.

Credit is also a constraint. The smallest farmers are not reached by the Agricultural and Industrial Development Bank's agricultural credit programs due to the requirements for collateral.

The Ministry has only two research personnel. This is an area where the smallest farmer is being short-changed, due to the absence to date of research by the MOA on hillside (steep slope) farming systems. The MOA programs are based on specific crops and take little account of the actual inter-cropping practices of the small farmer. Shifting cultivation is damaging to the forest ecology since so many trees were destroyed by the hurricanes. An analysis and research is needed to determine how small farmers operating on steep slopes can continue to gain a livelihood and prevent soil erosion and forest destruction.

The livestock extension program is thinly staffed with only one officer and a foreman to operate the demonstration farm. The budget of EC\$318,000 provides for operation of the farm including labor and materials plus a small allowance for travel. Despite the understaffing, the program is relatively effective in assisting the smallest farmers to improve their livestock, dairy and poultry operations under conditions where very little flat pasture land exists. Small farmers are therefore the sole means for achievement of a livestock production program.

c) Assessment

The Ministry's Agriculture Department enjoys extremely high-quality leadership in the incumbent who presently holds the dual position of Chief Agricultural Officer/Agricultural Development Advisor. He is the key person in any success that is being achieved toward the primary objective of diversification. Unfortunately, as noted above, the extension system is a weak instrument to educate farmers. Its chief problems include:

- o High farmer-to-"instructor" ratio (400:1);
- o Limited number of knowledgeable staff;
- o Undereducated extension personnel;
- o Absence of relevant technology to extend ; and
- o Limited resources to facilitate contact with farmers.

In livestock, the extension picture is better mainly because useful technology and improved breeding stock are available to provide to farmers. Research work in the Ministry itself is crop-specific in focus and very limited in scope, with no work being done on the problems of the steep slope farmer. The programs of the forestry department lack dynamic direction and a clear focus. For example, although timber clearance work is proceeding on the 700-acre rolling upland area of the former Geest estate, no decision has been taken on the use to be made of the land once the trees are removed. This is important as it is one of only three substantial flat land acreages available for development.

The Ministry is fortunate to have a capable CARDI advisor working on farming systems for sedentary small farmers. The CARDI advisor is an effective link to various technical resources. CARDI test plots around the country are made larger than necessary for research purposes and used for extension outreach. Relations are good between CARDI and the Ministry. Good linkages exist between the French Technical Cooperation Agricultural Advisor; CARDI and the top echelon of the Agriculture

Department. This network of resources is important to the country's progress on its high-priority diversification. Other donors are providing useful inputs, including the USAID program to strengthen and train extension staff.

(3) Disaster preparedness program

a) Principal responsibilities, organization and budget

The Disaster Preparedness Program is situated in the Prime Minister's office under the direction of a Senior Assistant Secretary with the support of a junior clerk. The Disaster Preparedness Officer (DPO) is responsible for pre-disaster planning, coordination, warning and preparations (especially for hurricanes), and post-disaster relief and analysis, regarding both natural and man-made tragedies. The officer has good radio communications capacity locally (via police and fire nets), using single-side band radios which also provide a link (with backups) via police nets to the Directors of Meteorological Services in Barbados and Antigua. The main element of the strategy is to provide maximum warning to people in all localities that a hurricane is approaching so that Village Disaster Committees can assist people to relocate to the safest places possible. There are radio links from an Emergency Operations Centre to the local level by way of the District-level communications centers and some amateur radio operators. The various ministries and local agencies have assigned responsibilities in emergency situations.

The reserve equipment in stock for emergencies includes five new, small electric generators, 30 2-burner stoves, and 30 hurricane lanterns. The DPO is aware that these are but tokens, but maintains them to demonstrate the Dominican government's real concern. The DPO feels that a "risk mapping" exercise would pay dividends in Dominica and would like to collaborate with USAID on its execution as a further preparedness measure. Aside from salary, only modest amounts were allocated in the FY 1983/84 budget for travel (EC\$4,000) and operation and maintenance (EC\$7,000).

b) Assessment

The DPO has excellent regional and local communications links for alert and warning as well as post-disaster purposes. For hurricanes, each local community must make its own plans for safety based on local knowledge, so the warning system is of critical importance. It appears to be ready and is being improved with additional equipment. The most critical need is for 4-wheel drive vehicles to move fire, police and medical personnel to disaster sites and to equip them with transceivers for use as mobile command posts. Air-sea capability is virtually non-existent, except for mobilization of private facilities on a volunteer basis and reliance on French Air Force capabilities on Martinique and Guadeloupe.

(4) Ministry of Home Affairs, Local Government and Community Development

a) Principal responsibilities, organization and budget of Local Government and Community Development

The division of Local Government and Community Development (LGCD) is responsible for the administration of many self-help projects, cultural activities, maintenance of playing fields, and overseeing of road projects. Additionally, grants and contributions to town and village councils amount to EC\$547,770 for 1983/84. Funding for most community development projects comes from external sources, primarily the BDD and EDF (see "funding" under Community Development). Presently, these external sources provide most of the financial underpinning for development projects throughout Dominica, and undoubtedly this will have to continue into the medium term.

The division is under the leadership of the Local Government Commissioner, who has an assistant, seven district development officers and five community development assistants. Additionally there is a small business advisor, a self-help assistant and some technical advisory personnel. The Local Government Commission links community development programs, projects and social welfare services to the village councils through the liaison of district development officers and community development assistants. LGCD administration absorbs a fairly small allocation of revenue, considering its functions and role in providing services and the maintenance of local government throughout the island. Estimates for 1983/84 allocate EC\$847,600 to Local Government out of \$5,020,780 allocated to the Ministry of Home Affairs.

b) Local government: organization, program, assessment

Local Government was reorganized in 1975-76. There are ten parishes in Dominica, but more important are the seven district divisions divided on the basis of population and geography. Each district has a district development officer. Within the seven districts there are 30 village councils and the Roseau Town Council, the Portsmouth Town Council and the Carib Reserve Council. Each village council includes village improvement committees which are voluntary and disaster committees, with a membership comprised of representatives of local NGO. There are also seven district councils and the Dominican Association of Village Councils.

Each village council serves for three years; the Carib Reserve Council serves for five. There are eight council members. Five are elected by the people and three are nominated by Government. On the Carib Council sit the Carib Chief and six elected councillors. Roseau Town Council has thirteen members, eight of whom are elected and five nominated by Government. The local authorities are instituted by Acts of Government and are thus legally constituted as corporate bodies. Powers delegated to Local Government by Central Government are defined in several Acts. Presently, the District Council Association is not statutorily constituted, but government is considering the adoption of a comprehensive Local Government Act whereby district councils and local councils would become institutionalized in a two-tier system.

The procedures for election are the same as at the national level and are overseen by the Local Government division. The Local Government division is quite active in working directly with village councils in developing democracy and expertise in proper procedures. The district officers monitor council practices and aid in the establishment of committees. District development officers also recommend the nominated members of the council; the elected members also can make recommendations. Final decisions are made by the Minister.

In Dominica, local government is considered a form of community development, with statutory powers geared to motivate and mobilize the residents to discover their potentialities, achieve certain amenities and solve certain local problems. Village councils identify projects and programs within the community and administer social welfare, community development, and BDD projects. They are responsible for identifying cases needing poor relief, maintenance of roads, buildings, and playing fields, hence liaise with the Ministries of Education and Health, Agriculture, Communications and Works and the Central Water Authority. Liaison also occurs with local NGOs such as the Social League, Jaycees, Credit Unions and MDG. Government is now considering a plan for local government reform which would place all decentralized agencies with the exception of police, fire and water, under one umbrella for the purpose of administration, supervision and development at the local level.

Dominica has gone the farthest of any of the OECS states in decentralizing social services and institutionalizing local autonomy. The establishment of vibrant village councils arose from necessity. Periodically, many villages are isolated from the rest of the country due to flash floods, impassable roads and stormy seas. From a crash program in social welfare, the Local Government administration has become the major vehicle for community improvement, self-help and income-generating schemes, in addition to initiating projects and administering services.

The vibrancy and commitment to community one sees in the villages and the large participation by residents bode well for further development. Youth, in particular, are active in community projects and, hopefully, in the future in Local Government. It is difficult to assess the political ramifications of Local Government. The Minister is responsible for the appointment of nominated members, albeit recommendations come from the District Officer and Council. What working relationships exist between the Government and Councils comprised of Opposition Party members is difficult to answer.

c) Community development: organization, program, assessment

Presently community development assistants are allocated responsibilities by district. There is a move, however, to allocate their responsibilities by specific projects. The role of community development officers is to assist the Village Councils in implementing programs and projects.

Funding for community development projects in the village comes primarily from grants and loans administered by the Central Government through the Division of Local Government. Feasibility studies for village-initiated projects are conducted primarily by BDD technicians on contract to the Central Government. Decision-making for projects is broken down in the following manner:

- o Small - under \$1,500 EC - Local Government Commission;
- o Medium - under \$5,000 EC - Permanent Secretary;
- o Big - \$5,000-\$10,000 EC - Minister;
- o Large - \$10,000-\$15,000 EC-Cabinet Coordinating Committee; and
- o Large - Over \$30,000 EC - BDD.

The majority of projects are funded by BDD and EDF. These projects are primarily infrastructural, principally feeder roads, community centers, public conveniences, water supply. A self-help component is built into the projects, with the donor agencies providing technical assistance, materials, transport to site and a percentage of wages. The community is expected to provide 60% of the labor free. There appears to be some confusion over what percentage is to be donated by residents. As these projects are important, in fact in some areas a major source of employment, the issue can become volatile. BDD self-help projects are said to work very well because they are all initiated from the people and are smaller

and more manageable. Over 400 projects have been developed under the self-help scheme including schools, feeder roads, village roads, community centers, bridges, public conveniences, boxing plants, water supplies and fisheries' coop structures.

Social welfare is also administered through this division. The village councils are responsible for identifying welfare recipients in their areas. The district development officers are so informed and carry out investigations and monitoring of clients. The Ministry of Home Affairs also has field officers who are welfare officers. All social workers of the various ministries are formed into an association of field people; they are extension officers, cooperative officers and community development assistants. This network, however, is informal, not statutory.

The structure of this division is well suited to the Dominican environment. Decentralization of services is a necessity in Dominica. There is a recognition on the part of the people that government is unable to provide and finance necessary amenities. Project identification from the community ensures community support which can be further mobilized through the rubric of village improvement committees.

The merger of Local Government and Community Development is an efficient use of human resources and a logical linkage for the deployment of administrative services. Although duplication of efforts are avoided, nevertheless the Division, especially at the community development assistant level, is very understaffed. It is impossible for five community development officers to monitor all the projects, programs and social needs of the Dominican countryside. Thus, although the organizational structure seems well poised to achieve efficiency and delivery, the potential is being starved due to lack of personnel.

Government is also developing an adult literacy program along the lines of Jamaica Movement For The Advancement of Literacy (JAMAL) and expects to establish an Adult Education Committee in each village. There appears to be some overlap with existing programs sponsored by Community Development and the Social League. Additionally, there are Youth Development Programs pursuing similar activities which are also sponsored by the Ministry and founded by BDD. As yet, there is not proper coordination between the Centre for Adult Education, Community Development and the Social League to achieve sustained results. This must be a priority if all these efforts are not be vitiated.

The major problems of the divisions can be summarized as: the need for more trained personnel in community development and social welfare; new sources of funding from internal resources as projects end; and better coordination and formal networking at the interministerial level and with NGOs such as the Social League and National Development Foundation.

d) The Women's Desk (Division of Home Affairs):
organization, program, assessment

The 1978 the Government of Dominica appointed a Senator with responsibility for women's affairs in line with policy of the UN's Decade for Women. WAND provided recommendations on the structure and functioning of a women's unit, and suggested areas of outreach to best achieve developmental ends of integrating women into the development process. Currently, the Women's Desk has a Director, Program Officer, one Field Officer and a Secretary. The Advisory Committee for the Women's Desk is comprised representatives from both the public sector and NGOs. Ministry of Education and Health, Social Centre, D.P.P.A., Causave, Economic Development Unit, Labour, Housing, Communications, and Social Welfare. The basic functions of the Women's Desk are:

- o To collect, analyse and disseminate data and information on and relevant to women in Dominica;
- o To serve, with an advisory committee, as a means of channelling the needs of women to government agencies and monitoring ministerial programs;
- o To provide outreach programs including income-generating schemes and training programs through the Field Officer and Program Officer; and
- o To act as liaison with regional and international organizations such as CARICOM and the Inter-American Commission of Women

Allocations from the Ministry of Home Affairs for 1983/84 are estimated to be EC\$47,670. The OAS has been supplementing government subventions to the Desk in the sum of EC\$12,000 up to August 1983. The Desk also is receiving funding from CUSO (US\$6,500) and the Inter-American Commission of Women (CIM) for US\$9,484. Funding from the Ford Foundation to the extent of US\$68,054 is presently being sought to continue and expand the operations of the Women's Desk. It is the intention of the Desk to expand its operations by hiring a Program Officer and another Field Officer.

In 1984-85, the Women's Desk plans to engage in more projects of a training nature, including training in appropriate technology and the standardization of products for hucksters and traders. It also hopes to carry out more research on women in Dominica.

Potentially the Women's Desk is an important channel from the ministerial level to community groups. As a division in Home Affairs, with proper lines of communication and liaison with Local Government and Community Development, programs with direct positive impact on women could be established. Working through village council committees and women's groups, women would be able to directly develop programs best suited to their community needs. In Dominica the mechanisms are already in place. They need only to be operationalized. The Desk already liaises well at the national level through its Advisory Committee. The need is now to institutionalize channels at the community level. This is a priority if the unit is to achieve its ends.

The programs contemplated by the unit in training and research are timely and well-conceived. Problems at the moment relate to ability to carry these out, given limited staff, unless the unit utilizes other resource groups in the island at both the national and community level. There is good reason to expect success from the unit, however, given government support, the attributes of the Director and the support of women in the community.

(5) Ministry of Education, Health, Youth Affairs, Sport and Culture

a) Education division: organization, budget, programs

The Education Division of the Ministry has responsibility for 58 government primary schools, eight secondary schools, a teachers' college, a technical college sixth-form program, and a University Center. With some decrease in population in recent years and a leveling of the number of pupils in primary schools, it appears that present school structures are sufficient. However, the possibility of establishing a junior secondary system may require more investment in physical plant.

The Government of Dominica appears hard-pressed to provide necessary funds for educational expenditures. Only 17 percent of recurrent expenditures is estimated to have been allocated to education for the 1983-84 term. Of the amount allocated to primary schools, 97 percent is earmarked for salaries, leaving very little for all other expenditures.

- Pre-primary (ages 3 to 5)

Nearly one-half of Dominica's preschool population is in school, thanks to the effort of the Social Centre with 37 preschool centers in addition to their day care centres. The phenomenal effort has been made possible by grants from the Vanleer Foundation which are due to

expire in 1985. Teachers' salaries are not included, and a very real danger to continuation of the program exists due to Government's inability to finance the operations.

- Primary (grades 1 to 7):

In 1980-81 Dominica had 58 primary schools. At age 11 students sit the Common Entrance Examination which may be repeated up to four times.

- Junior secondary (grades 8 to 10):

The junior secondary system has only recently been introduced into Dominica. At this stage there are many serious problems. The intent of junior secondary schools is to prepare the vast majority of boys and girls for adult life through the teaching of work-related skills. However, this will be a long-term project involving heavy hours of teacher training and curriculum infrastructure and development. Much donor assistance will be needed, particularly in training. Agriculture, which is the basis of the economy, is not developed in the school curriculum. The problem of the teacher shortage is being addressed by recruiting "skill instructors" in the community.

- Secondary schools (grades 8 to 12):

Only about 800 of the 23,000 plus school population are enrolled in secondary schools. After sitting the GCE 'O' level Examinations only approximately 30 percent of the secondary school students go on to Sixth Form College to sit 'A' levels. Thus secondary education remains an elite institution, and one which may not yet be meeting Dominica's needs for trained personnel, given the pre-university content of the Courses. Even within the elite system, however, there are serious problems of untrained teachers and few textbooks, equipment and teaching materials.

- Tertiary education :

Presently the tertiary educational programs in Dominica consist of: Sixth Form College, Teachers' College, Technological School, and University Centre. They are each separate sub-systems which are not united into an overall tertiary educational system. Restructuring of the U.W.I will now necessitate such a system and a Dominica State College is envisioned by the Ministry. Such a college will need to develop programs which will meet Dominica's long-term administrative and technological needs and coordinate with regional bodies such as WINBAN, CARDI and DWI to achieve economies of scale and knowledge interchange.

- Adult education and non-formal education:

Dominica has a number of programs sponsored by NGOs and various ministries which address the need for on-going education and skill development. The Social League, the Community Development Division and the Youth Development Division of the Ministry of Home Affairs are engaged in income-generating projects and continuing education. These need greater Ministerial coordination and integration into an overall national plan.

Adult education in Dominica focuses particularly on the literacy question. As a bilingual nation with a high percentage of the population Creole speakers, literacy is an important problem. The Government has created a Centre for Adult Education charged with developing a community-based literacy campaign. The Centre charges that Dominica's illiterate (as opposed to functionally illiterate) population is close to 40 percent which seems extraordinarily high given the age cohorts of the population. UNESCO estimates that functional illiteracy in Dominica is close to 12 percent.

b) Education division: assessment

The Education program in Dominica has been quite deficient in the past in preparing students to enter the world of work with any more than an "academic" education. Even in that sphere, the standards of performance were weak because such a high proportion of teachers lacked proper training. Steps have been taken to address these most glaring weaknesses, the first of which is developing the Junior Secondary Program to teach skills needed in the community. This will require time to effectively take root, but it is much needed as there are few alternatives to using skills directly in the community at a very practical level through employment or self-employment. The second is to give needed training at the Teacher College to upgrade the qualifications of the average teacher. The Ministry's educational program effectiveness will also remain constrained until there is at least a somewhat larger allocation for supplies and materials and textbooks. As long as the present fiscal constraints prevail there can be little relief.

c) Health department: organization, budget, program

The Department of Health within the Ministry of Education and Health has the primary responsibility for the planning and delivery of health care in Dominica. The Ministry in collaboration with PAHO has prepared a comprehensive National Health Plan for the period 1982-87. It contemplates a fundamental restructuring of the health care

delivery system. The Plan emphasizes the achievement of health for all by the year 2000, based on Primary Health Care defined as "... essential health care made universally accessible to individuals and families in the community by means acceptable to them through their full participation and at a cost the community and the country can afford." It implies a fundamental reorganization of resources to bring appropriate basic health care to all including the poor and the underserved. The Ministry has been reorganized accordingly. It places the responsibility for health care primarily at the community level where, using a team approach, it seeks to provide holistic support to a community-based effort with appropriate secondary care, and specialized referral services essential to provide credibility and technical assistance to the primary levels.

To give substance to this plan, both the 1982-83 and 1983-84 budgets allocated approximately 10 percent of the resources committed to health to Primary Health Care services. At the same time, the administrative system was decentralized so that each District has responsibility under the District Medical Officer to deliver services through the Primary Health Care Units (PHCU), each serving approximately 600 people. The PHCUs are supported by a health center at the next echelon within the District, a general polyclinic and a national referral hospital.

Initially, the structure is being staffed with available personnel. A training program is incorporated to develop Primary Care Nurses (PCN) so that each PHCU may have at least one PCN (with two years training). One or two community residents are being organized to serve as focal points for health matters, to provide first aid and advise residents on the appropriate place to obtain appropriate health care. The Department of Health is organized as shown in Figure 5 (staff numbers for FY 1983/84).

The budget of the Health Department for 1983/84 totals EC\$9.514 million or 11.8 percent of the total recurrent budget for the year. This is approximately the same as the average percentage of the total budget devoted to health in the preceding decade which was 13.5 percent.

The breakdown of the Department's budget is as follows for FY 1983/84:

	<u>EC\$000</u>	<u>Percent of Total</u>
Policy formulation and administration	223.9	2.4
Health and medical care	9,290.0	97.6
-- Health administration	(308.3)	(3.2)
-- Operation of medical stores	(79.5)	(0.8)
-- Primary health care services	(2,843.1)	(29.9)
-- Hospital services and dispensaries	(5,269.9)	(55.4)
-- Dental services	(210.3)	(2.2)
-- Training of nurses and other personnel	(579.0)	(6.1)
TOTAL	9,513.9	100.0

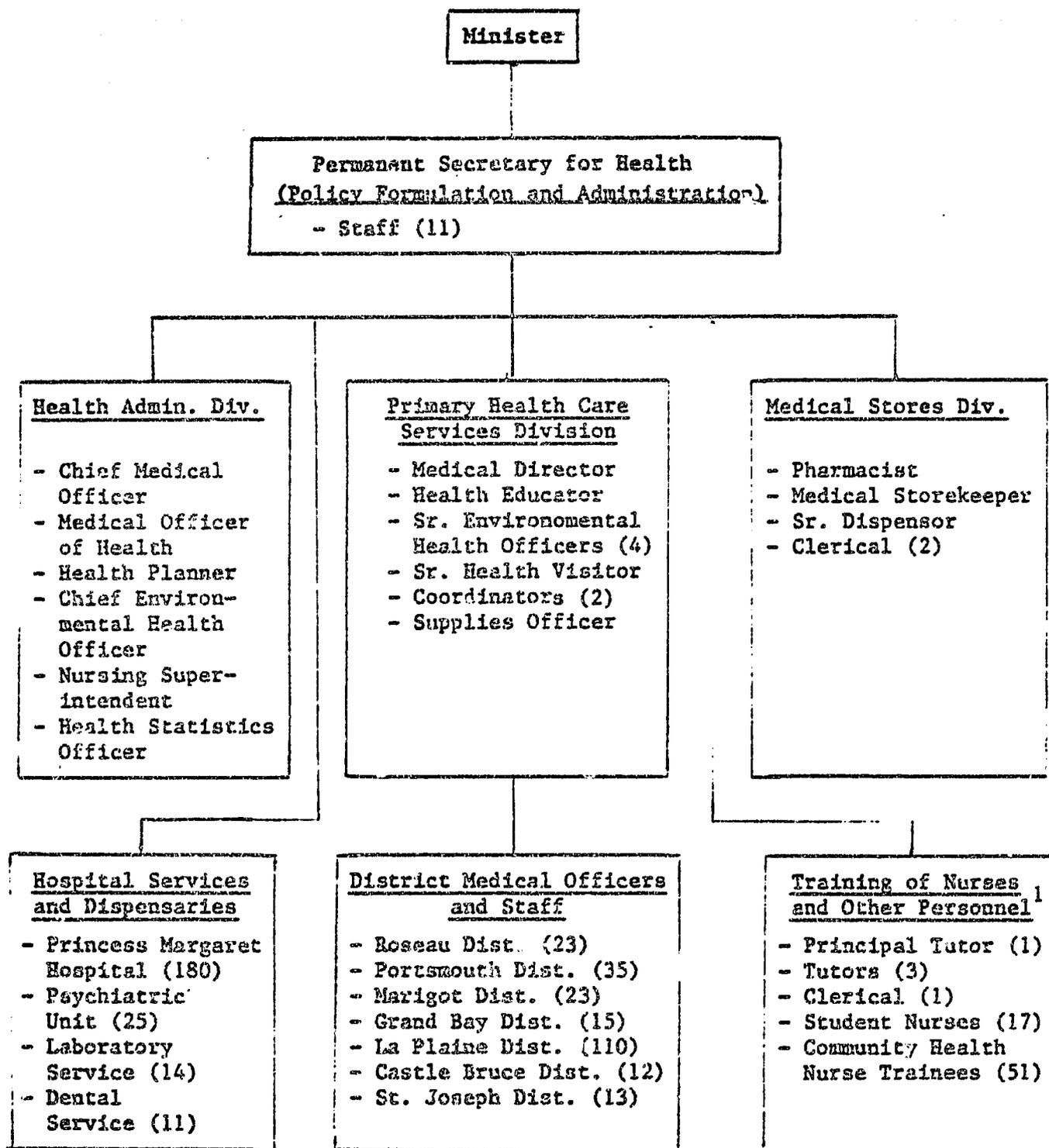


Figure 5 : Dominica: Department of Health Staff Organization

¹ Located at Princess Margaret Hospital, Roseau.

As the plan projects, the Ministry and its Department of Health are setting out to substantially improve the quality, accessibility and coverage of health services and to deal holistically with problems of the health of the population. The system is intended to provide a complex of health and development activities which interrelate with each other at the primary level. Specifically, the main components of the system that need to be developed to achieve the goals of the Primary Health Care program are:

- o Extension of health services coverage and environmental improvement;
- o Community organization and participation;
- o Intersectoral cooperation;
- o Development of appropriate technology and operational research;
- o Establishment of a national system for financing the health care sector;
- o Development of human resources and availability of critical supplies and equipment; and
- o Development of organized health and family life education programs.

The PHCUs (Type I) are designed to provide services for about 600 persons in the areas of:

- o Maternal and child health;
- o Family life education;
- o Communicable disease control;
- o Environmental health sanitation ;
- o Nutrition ;
- o Medical care and first aid;
- o Statistics and records ;
- o Community participation; and
- o Health education.

Type II and III Centers provide local care plus support services to Type I Centers throughout the District. Most Districts have no Type II Centers but only Type III as the headquarters. They are staffed by:

- o Resident medical practitioner;
- o Family nurse practitioner;
- o Health visitor;
- o Environmental health officer;
- o Staff nurse midwife;
- o Community health nurse ;
- o Pharmacist ;
- o Dental auxiliary ;
- o Assistant laboratory technician; and
- o Other staff .

In each district, in-patient facilities will be located at the Type III health center or at a hospital operated by the District as part of the PCH system. The polyclinic is the national referral center for:

- o General medical care ;
- o Accident and emergency surgery;
- o Specialist out-patient services;
- o Dental care ;
- o Diagnostic services ; and
- o Logistic support.

A national referral hospital (Princess Margaret) is the secondary care facility for the nation.

d) Health department: assessment

The National Health Care System for Primary Health Care is in the first stages of involving its programs and developing staff to achieve its basic aims. The Plan and its objectives are excellent as a means of delivering the best quality care within the nation's means. The achievements of the system before reorganization were better than average for the region, with low levels of infant mortality reported (perhaps somewhat more favorable than actual experience) and general morbidity/mortality experience good for the income level of the country. Management capacity is weak and statistics are inadequately maintained and utilized. The system must be developed substantially, staff trained and finance sources developed, to provide the level of health care projected. Supplies have been a severe problem; budgets are overspent and arrears accumulated. The expenditures at the secondary care facility are too large a proportion of the total to allow adequate funding for the Primary Health Care System. Charges for supplies and/or services rendered may be required instead of all services being provided free if the burden on the budget is to be kept within bounds. Another solution may be voluntary community service or contributions and a larger allocation of funding to administration to reduce the burden now borne by trained higher-cost medical personnel. As in other areas of Government of Dominica activity, the proportion of funds allocated to personnel costs is so high as to starve other aspects of the program. This again points to the need for additional sources of funding. Charges for patient services appear to be a feasible solution as the cost of private health care is probably about as large as the cost of the public health care system.

b. Parastatal institutions

(1) Overview

The parastatal bodies in Dominica are engaged in some key roles such as industrial investment and tourism promotion, development lending, banana, coconut and other crop marketing, and port operations. These entities have not always been financially successful most having incurred heavy losses, and some still incurring them. Management has been weak but in some cases has come into a period of greater success (e.g., the AID bank). Others are in need of and/or are scheduled to undergo reorganization to improve their efficiency and strengthen their capacity to perform the roles (e.g., the Banana Growers Association). Since they perform a number of important functions, it is important that they do so as efficiently as possible.

(2) Industrial Development Corporation

a) Organization and functions

The Industrial Development Corporation (IDC) is a statutory body set up in 1974 to promote private foreign investment and administer for Dominica a program of incentives for investors based on the standardized CARICOM plan adopted in 1973. The Corporation has a Board made up of private business people and senior government officials. The Chairman of the Board is Dominica's leading private manufacturer. IDC is directed by a General Manager whose offices are in the same building as the Agricultural and Industrial Development Bank, with which it maintains close contact. The PDAP Advisor is located in the IDC offices. The IDC has a staff of eight and an annual budget of EC\$350,000 which permits only a limited amount of travel and publicity for promotional purposes.

The IDC through its Board makes recommendations for cabinet decisions for the granting of concessions on duties and taxes when application is made by a prospective investor. Concessions may be authorized for a period up to 15 years. IDC also assists investors to identify opportunities, overcome problems and facilitate contacts. IDC's current short-term priority is to expand employment in tourism and manufacturing by 25 percent or more; for the longer term, the IDC seeks to maximize the development of resource-based manufacturing such as agricultural processing, wood products, timber, clay, limestone and bulk exports of fresh water.

The IDC seeks to stimulate the private sector and promote foreign private investment to move towards development modeled on the Barbados pattern. This will hopefully lead to a continuation of the expansion of the assembly and enclave manufacturing industries such as garments, electronics, toys, etc.

In promoting investment, however, the IDC confronts a variety of constraints including a shortage of local capital and capable joint venture partners; high freight-handling costs due to port limitations in handling more than 20-foot containers; the absence of a jet airport; difficulty of internal transport; scarcity and high cost of suitable flat land for factory sites; CDB reluctance until very recently to fund the construction of factory shells until an investor was committed (CDB has now agreed to allow 20,000 sq. ft. of space to be available uncommitted); lack of an industrial infrastructure to service producers' needs; and insufficient economies-of-scale work.

Despite these constraints, however, the IDC appears to be doing a satisfactory job in investment promotion. Essentially one is justified in this judgement by reason of the growth in manufacturing in Dominica over

the past five years. Probably no small part of this is due to the dynamic and influential role of the Chairman who is close to the Prime Minister, and who in turn is also an effective promoter. She has been a regular attendant at the Miami Conferences on the Caribbean. Perhaps one might conclude that personalities have been more influential in overcoming the severe constraints to investment promotion that confront Dominica than has the corporation per se.

(3) Agricultural and Industrial Development Bank of Dominica

a) Organization and functions

The Agricultural and Industrial Development Bank (AID-Bank) was originally established in 1972 to promote the development of the commerce of Dominica and mobilize funds for such development. More recently, the focus of attention has been to promote productive activities. This is carried out under the direction of a manager with 20 staff in four departments -- agriculture, industry (including tourism), administration and accounting. The Bank had always operated at a loss until 1981. It achieved a profitable year for the first time in 1982. Currently, the Bank borrows at four percent and lends at nine percent, whereas up to 1978 it had only a two percent spread which did not cover costs. The Bank is capitalized by a US\$300,000 loan to the Government from CDB to purchase AID-Bank shares. Repayment is intended to be made from dividends. The European Development Bank holds EC\$800,000 of AID-Bank shares. CDB has been the principal source of funds for onlending by the Bank (US\$1.8 million total). Funds have also been advanced to the Bank by OPEC (US\$3 million).

The AID-Bank concentrates its lending program in three areas: agriculture, industry and higher education (student loans). In addition, the Bank is responsible for setting up industrial estates and building factory shells for foreign investors. In doing so it acts as fiscal agent for the GOD. There is a total of 66,000 sq. ft. of factory shell floor space under construction at three locations in FY 1983/84 program. These vary in size from 3,000 to 20,000 sq. ft. in size. There is currently no empty factory space available. The Bank may schedule two more 10,000 sq. ft. shells beyond the current year's target. About 20,000 sq. ft. of space currently under construction is uncommitted.

The AID-Bank's agricultural loan program is for farmers who cultivate five-ten acres (sometimes up to 25 acres) of land. The farmer presents a formal loan application at the headquarters in Roseau. A field officer visits the farm and makes an appraisal. The farmer does

not usually have to have secure title to land to obtain loans up to EC\$6,700 but does need good collateral for larger loans. Farmers may borrow for crop production, inputs, vehicles, etc. The attitude of borrowers concerning repayment has become more realistic than before. They used to treat the money as "government funds" which they felt had no need to be repaid until the Bank made a few foreclosures.

There are three constraints limiting the Bank's ability to perform its tasks. These are: (1) the heavy volume of financial control work requiring a computer which needs funding and technical assistance; (2) financial constraints limiting the ability of the AID-Bank to attract and hold staff; and (3) the Bank's inability to provide operating capital or to finance land or buildings.

b) Assessment

The operations of the AID-Bank seem to be most effectively concentrated on development of the productive sectors rather than placing such a heavy emphasis on housing, as in several of the other development banks. The considerable success of the expansion of manufacturing may not be greatly attributable to the AID-Bank (since it does not finance foreign investors), but by the management of the factory shells and industrial estates program it has contributed. It seems that the Bank might need to increase its lending rate/spread in order to relieve its staffing problem. With such a change the AID-Bank appears to be capable of managing an expanded portfolio. Its relations with CDB, the Government of Trinidad, the European Development Bank and OPEC all appear to have been satisfactory. All have been sources of capital resources and/or funds for onlending. Unlike some of the other similar institutions in the region, the AID-Bank has not accumulated arrears.

(4) Dominica Banana Growers Association

a) Organization and functions

The Dominica Banana Growers Association (DBGA) is a statutory body with a broad membership base but organized to give major control to Government. The Board has eight members, of whom five are appointed by the government and three are elected by the banana grower members. Each eligible member casts one vote for district delegates to the general meeting which elects representatives to the Board. The government appointed a banana grower as Chairman of the Board, a private businessman, an official from the Ministry of Agriculture and an banker. Since the Association has been deeply in debt since the hurricanes of 1979-80, the voices of the government and the banks have been very strong in recent years. Administrative and management difficulties have resulted in serious internal inefficiencies which have complicated the problem at a

time of sever dislocation of the industry. Expatriates supplied by CFTC have been appointed to key positions (i.e., Marketing Development Manager and Financial Manager) in the DEGA, in an effort to improve internal operating efficiency pending some more fundamental reforms.

Hurricane destruction of virtually all bananas in production in 1979-80 was followed by a sharp unfavorable shift in foreign exchange rates and a soft market. Prices in sterling for bananas translated into fewer dollars used to buy inputs. All these factors together produced very large losses over the past three to four years.

A plan is under development to reorganize the DEGA to achieve greater administrative efficiency, but the industry faces continuing problems. The value of sterling in which sales are demonstrated continues to fall against the U.S. dollar to which the EC dollar is pegged. The protected U.K. market is unlikely to grow substantially while competing producers have higher productivity and lower costs than Dominica. As a result, even a well-organized and efficiently managed industry will have difficulties, and returns to farmers may continue to be depressed.

The DEGA is a member of WINBAN, the regional body responsible for banana research and market coordination among the countries in the region. WINBAN is a service body to negotiate selling arrangements (with Geest Industries as shipper and seller in the U.K.), sometimes to purchase inputs, to conduct technical and field research, collect data and information and monitor the market. WINBAN, however, does not have the resources to function as effectively as it must to provide coordinated and relevant research and commercial service to DEGA and to other country associations.

The banana industry in Dominica until a few years ago had a mix of small growers and sizeable estates. The estates are now broken up and have been sold (at EC\$2-3,000/acre) to producers with average holdings of 17 acres. About 40 percent of the estimated 5,200 producers are very small operators with output under one ton per year. Medium and larger producers have undertaken field packing of bananas as a measure to improve the quality of the fruit delivered because heavy damage occurs in moving unboxed fruit to packing plants. This shift involves considerably greater attention to pre-harvest quality control and requires that bananas be sleeved, sprayed according to schedule, etc. The requirements are supervised by quality control officers of the DEGA. By collaborating, groups of medium-size growers can comply with standards and do field packing as large growers do. This is not possible for the smallest growers. They will need to continue to use the boxing plants. The field packing arrangements have caused changes in labor patterns which the unions feel may hurt the lowest-paid workers at the boxing plants. While field packing is advantageous in improving the quality of fruit shipped, it has now gone almost as far as is possible in Dominican conditions.

b) Assessment

The DBGA is in great need of improved operational and administrative efficiency. A process is underway to reorganize/restructure the operations. It will be very important to Dominica that this succeeds as banana exports remain vital to the livelihood of a large part of the population. It is especially essential to increase efficiency. The continued assurance of a cash market is also an essential element in farmers' ability to work toward much-needed crop diversification.

WINBAN is performing important functions but its structure should be modified and its objectives reviewed. It needs to become much more commercial and be capitalized so it can operate to achieve efficiencies of scale in procurement of inputs on behalf of all the Windward islands together. Donors should coordinate to assist the E.C. countries and WINBAN to achieve that objective, by not "tying" the supply of inputs whenever that may be done again as in the past. (Multi-donor financing means multi-source, high-cost procurement if tied.) To do this, central storage capacity must be available to purchase fertilizer in full shipload lots. WINBAN must also be capitalized to perform this function. Research should be reorganized to test better farming systems when bananas are intercropped with other products on steep slopes as small farmers in Dominica (and in St. Lucia) must do. At present all WINBAN research is on flat land. WINBAN should also become an instrument for greater transfer of information and technical knowledge among the several country BGAs.

(5) Dominica Tourist Board

a) Organization and functions

The Dominica Tourist Board (DTB) is a parastatal body, responsible for development of tourism policy recommendations to government and the promotion of tourism on behalf of Dominica. The Board operates under the aegis of the Department of Trade, Industry and Tourism Affairs in the Prime Minister's Office. The Board receives some funds to cover its salaries and expenses and to undertake promotional work. However, it has a small budget that obviously limits the amount of promotional work which can be undertaken.

The Board has adopted a low-key approach in accordance with constraints which confront tourism in Dominica. The Board advertises in such publications as Nature Magazine to attract those who would be most likely to come to Dominica to see its mountains, forests, birds, streams, etc., on "photo safari" visits, both as stay-over visitors and on one-day visits from nearby islands. It is not expected that tourism will expand rapidly.

b) Assessment

Within the limits of the tight budget and the country's constraints, the Board is working effectively to promote the specific type of tourism to which Dominica can effectively appeal at this time. The Chairman of the Board provides effective leadership, but only on a part-time basis. The small staff must rely substantially on ECTA for overseas contacts. This is adequate for the present, given the limited infrastructure. Tourism will continue to be a modest element of the economy of Dominica for the foreseeable future.

3. Private sector institutions

a. Private business sector

(1) Overview

The business sector is a mixed but generally vigorous body of entrepreneurs in Dominica playing a substantial role in the economy. Private activity is the source of about 80 percent of GDP, including the agriculture sector which generates about half of that amount. The private business community is made up of local entrepreneurs who are mainly in trade, tourism and other services, and foreign investors, largely in manufacturing. But Dominica's largest manufacturing firm is locally owned and managed. It is Dominica Coconut Products Ltd. which produces soap, edible oil, glycerine and meal from local and imported copra. Only a few local business people have knowledge or experience in industrial management and technology and, with the exception noted, those who do operate only on a very small scale, e.g., food processing and cigarettes. The local approach to business has been, and in large measure remains, oriented to import and domestic trade with high markups and low volume. Few are ready to undertake joint ventures in manufacturing. Nevertheless, government policy encourages both foreign and domestic private investment and the development of manufacturing to create employment and to diversify the economy.

The primary business organizations in Dominica are discussed and the contribution each makes to the development of Dominica assessed below.

(2) Dominica Association of Industry and Commerce

a) Organization and functions

The Dominica Association of Industry and Commerce (DAIC) is the principal membership organization promoting the general interest of the business community and its development in Dominica. It has been in existence for about 20 years and represents the business community in a

continuing dialogue with government. The DAIC is, however, severely constrained by its tight budget. Dues are very low, because business has been at a low ebb reflecting the depressed state of the economy, but no estimate of the funds spent annually by DAIC is available.

DAIC has responded to government's call to engage in discussion of development issues in a periodic dialogue (monthly with officials and quarterly with the cabinet) and have had some recommendations accepted by government (e.g., income tax adjustments). But DAIC also feels that the government is not understanding of its problems. They believe criticism of business for not being sufficiently export-minded is unjustified. The private sector also complains that it has been given no study grants funded by external donors such as those given in the public sector. DAIC, furthermore, feels that the government's external trade bureau is allowed mark-ups on import items on which it has a monopoly which are more generous than those allowed under price controls in the private sector.

b) Assessment

The DAIC is an organization of the business community which operates reactively. Dominated largely by commercial members, it appears not to have a positive program of its own to promote investment, develop its members nor, actively to improve the image of business or contribute independently in a major way to the development of the community. This is perhaps understandable given the small market and low incomes of people in Dominica. In addition, the recent extreme difficulties the country has passed through in the wake of the 1979-80 hurricanes have presented the business community with many difficulties. Under these conditions most local businesses are just "hanging on." This is not true of Dominica Coconut Products, whose dynamic Managing Director is much more positive and evidently is largely personally responsible for the formation of the National Development Foundation (of which some other members are critical). This individual is also Chairman of the Industrial Development Corporation. In that capacity he appears to build substantial influence and to be pursuing an active program of promoting foreign investment.

(3) Employers Association of Dominica

a) Organization and functions

The Employers Association of Dominica (EAD) is an organization of private enterprises employing larger numbers of persons. The Association represents the employers in negotiation of wage agreements and working conditions. It has a small secretariat which maintains information on wage rates and prices and agreements in negotiation or concluded. The budget of the Association is supported by dues tied to the number of workers employed.

The Association represents employers under terms of an Industrial Relations Act and a Labor Code established in 1975. In the same year a Protection of Employment Act was also enacted. The Employers are generally satisfied with operations of the present system of wage negotiation and dispute settlement. Their view of labor relations is one of recent tranquility resulting from a good government and a tight labor market which has discouraged strikes. There appear to be no real problems from the business standpoint, though contacts with labor suggest a different view, emphasizing a desire for a greater understanding of the stresses of piece-rate wages and of the working conditions the unions believe to be substandard in the manufacturing sector.

b) Assessment

The Employers Association is an effective body in representing employer interests in negotiation with unions. Its views are not unusual among business organizations. They could be the basis for a growing set of tensions with unions and/or with workers depending on future trends of attitudes, prices, wages and employment opportunities. Its leadership is strong and committed and its staff is adequate to perform the tasks for which it is responsible. As an institution with a fairly narrow base, it is nevertheless remarkably stable and has good linkages to government and its membership.

b. Private non-profit institutions

(1) Overview

There are many non-governmental organizations active in Dominica, both local and foreign. However, three of the most important, in terms of their outreach programs and developmental impact, are the Social Centre, the National Development Foundation and the Dominica Family Planning Association. These three are discussed below.

(2) The Social Centre

a) Organization and activities

The Dominica Social Centre is a non-profit voluntary agency founded in 1950 by Sister Alycia who, through the network of Social Leagues, was also instrumental in the development of credit unions and cooperatives. In fact, credit unions are a direct offshoot of the Social League branches of the Centre. There are presently 42 branches in Dominica, and the bulk of the Social Centre's projects are conducted through the branches. The membership of the Social League is overwhelmingly comprised of women over 1,000 strong.

Structurally, the Social Centre is administered by a Director, an Executive Officer, a Secretary, and four field workers. The Social Centre is governed by a Board of Directors, consisting of the Bishop of Roseau, the Managing Director, the Chairperson, Sister Alycia, the manager of the Agricultural and Industrial Development Bank and an Accountant from the private sector. There are four main programs sponsored by the Social Centre: pre-schools, day care, nutrition and the social league.

- o Pre-schools - day care: The Centre runs 40 pre-schools and several creches or day care centres. The creches care for children three months to three years old and for pre-school children ages three to five. The Centre has been operating the pre-school program for eleven years. All pre-primary education is administered by the Social Centre. It has been the intention of the Government of Dominica to assume financial responsibility for pre-primary education and its administration, but the natural disasters of the last three years have delayed their ability to do so. Thus the Social Centre continues to finance and run pre-primary education. Although they are doing a good job, serious problems have arisen with respect to funding. If these are not resolved, the modern, comprehensive pre-primary program could collapse.

Funding for pre-schools has come from European donors, the Van Leer Foundation and CEEMO, a German funding administration. However, finances cover materials but do not pay salaries. The government has not been able to pay salaries either, but has allocated EC\$26,000 in grants to pre-schools. By 1984 the Social Centre will be seriously strapped for funds for both pre-schools and creches. The latter are inadequately funded by a EC\$2,000 grant from Government, and an EC\$3,000 grant from the Roseau Credit Union and from parents' fees of EC\$20 a week. The necessity of charging fees precludes the program reaching low-income mothers.

- o Nutrition project: In January, 1978, the Centre began a Three Phase Nutrition Project implemented through its 42 country-wide branches. The aim of the project was to establish a nutrition education program throughout Dominica that would teach women, who have primary responsibility for subsistence food production and family care, the basic premises of good nutrition, food preservation and modern backyard gardening.

Phase I was implemented with a Nutrition Officer and two Production Aides with an Agricultural background. During this phase, community vegetable plots and individual family gardens were started. Phase II and Phase III were interrupted, due to hurricanes David, Allen and Frederick. By 1980 backyard gardens and plots were reestablished. Phase II was reorganized to establish five model areas, consisting of poultry, rabbit and vegetable projects incorporating discussions and demonstrations utilizing local foods. Phase III will be a food preservation project. Funding is provided by a German donor, EZE.

- o Social League: The community-based Social Leagues are a significant force in the community, cross-cutting income groups and drawing on the expertise of members. The majority of the League's members are middle-aged; over 60% percent are estimated to be heads of households. "Grandmother families" or matri-focal households are the norm in Dominica. Thus members of the League head households of three generations. The majority are estimated to have daughters living at home who have up to five children. The League is involved in income-generating projects, skills training, literacy, and educational projects such as Family Life Education. The League operates a revolving loan fund up to \$500 at four percent interest. Informally the Centre draws on resource people from both the private and public sector in its activities. WAND has been especially relevant in providing Training and Evaluation Workshops.

b) Assessment

The Social Centre is one of the most important development agencies in Dominica. Its effectiveness lies in its ability to liaise across the public and private sector, and in its non-political, ecumenical nature. Long an institution in the communities, the League interacts well with its members and understands their needs. It is not seen as a charity organization imposed from the top. Moreover, income-generating projects of the Social Centre are critical to Dominica's rebuilding efforts in the aftermath of the hurricanes. Additionally, programs such as the pre-primary program are well-institutionalized and expertly used.

The major problem facing the Centre is funding. Administration of the Centre is presently not funded, although the Managing Director has approached IAF for project funds. The Articles of Association preclude the organization from engaging in for-profit activities. Lack of funds for administration and salaries are endangering the continuation of Centre activities. Dominica could not afford the vacuum created if the Centre were forced to curtail its activities. This is the most critical problem facing the Centre and affects all other problems such as expansion of personnel and projects.

Secondly, the Managing Director and Executive Director, as well as field workers, would benefit from management training, project design and evaluation and other management modules. An able administrator who is well-respected in the Community, the Managing Director is overburdened and unable to attend the long-term development of the organization. A deputy is sorely needed. Thus, institutional strengthening and management development are priorities.

(3) National Development Foundation of Dominica

a) Organization and activities

The establishment of the National Development Foundation (NDFD) in 1981 as a private voluntary organization was a step in the right direction of filling an institutional gap in most OECS states. NDFD had the support of the local business community and was begun with a grant from the Inter-American Foundation. NDFD provides the institutional framework for the creation of viable small businesses, with the support network they need in terms of finance, training, monitoring and evaluation over the short-to medium-term. NDFD's target clientele are entrepreneurs who have the expertise and are willing to take the risk, but lack the collateral necessary for commercial bank loans.

NDFD is administered by a voluntary Board of Trustees presently constituted of eight members drawn from the banking and private sector predominantly. Management of the program is under the direction of an Executive Director and three field officers, one stationed in the north-east and two in Roseau. The majority of NDFD's projects are now in the countryside, particularly in the northeast. The administration budget of the NDFD in 1982 was EC\$87,162 for loan administration and for technical assistance to clients.

Historically in Dominica business has meant commerce, dominated by a tightly-knit circle of import merchants and large numbers of "penny capitalists", and mom and pop retail shops precariously subject to every whim of the open economy and constrained by the poverty of their clientele. Diversification

of the economy and regional and local policy regarding micro business are providing a more encouraging climate for small entrepreneurs. In Dominica many businesses will always be constrained by the limits imposed by terrain and Dominica's underdevelopment. Nevertheless, these businesses have a vital role to play in providing employment and generating local capital as well as providing a base for future economic growth. NDFD's program appears to understand both the possibilities and the constraints of Dominica's unique socio-cultural context.

NDFD provides assistance to small businesses defined as enterprises with assets up to EC\$25,000, owned by one or more persons employing one to 20 persons. Specifically targeted are firms which are not eligible for commercial bank loans. In order to receive assistance a business must:

- o Create new employment;
- o Utilize local raw materials creatively;
- o Produce new products;
- o Be of productive value to the community; and
- o Help stimulate exports or reduce imports.

Priority is given to those enterprises which are agro-industrial and those which utilize forestry products. Artisans and craftsmen, especially those engaged in maintenance and repair, are also encouraged. Funds are also available to hucksters and traders. This policy makes good sense as artisans, hucksters, traders and agro-industrial activities are based on resources available in Dominica, and assistance to this sector of the population would have wide-ranging social effects in improving the quality of life for significant numbers of the population.

NDFD utilizes the existing infrastructure and network at the local government level to identify projects. Village councils have application forms and information on NDFD and the organization liases with the Village Clerk utilizing the latter's services at this first stage. Between January and October, 1983, NDFD approved 113 loans, 70 percent in the countryside. The average loan was about EC\$2,500.

Coordination and cooperation exists between NDFD and the Ministries, particularly the Co-op Division, Women's Desk and Youth Division. There are also referrals and dialogue with other NOCs such as CAN SAVE, OAS-ISAID Small Projects Assistance Teams and the AID Bank through IFAD loans. These lines of communication are informal and probably need to be more structured

and strengthened. NDFD also utilizes the small business programs developed by local and regional institutions such as BIMAP and CDB. This aspect of the program will need to be expanded with the growth of NDFD recipients.

b) Assessment

As NDFD has only been in operation for two years it is difficult to assess the organization's development potential and impact. NDFD's goal for 1983 was to lend EC\$600,000 through the mechanism of the Village Councils, with a total loan portfolio of 200 clients and an average loan size of EC\$4,000, creating and/or supporting 600 jobs. Although they have not reached that target, the organization has made an excellent start. NDFD processed 98 loans in 1983, 35 of which went to women in hairdressing, shopkeeping, baking, sewing, coconut oil production and catering.

The major strengths of the NDFD are its backing from the local community as well as donor agencies, its utilization of regional and local resources in training and its targeting of a growth potential sector heretofore lacking financing. There are areas needing attention, however. NDFD needs to expand field personnel and better utilize field personnel of other NGO's and Ministries, and to follow through to stabilize fledgling enterprises. It also needs to raise the component of loans to women.

(4) Dominica Planned Parenthood Association

a) Organization and activities

The Government of Dominica in conjunction with UNFPA institutionalized family planning assistance in 1973. The Ministry of Health is responsible for all Maternal and Child Care Programs, and the Ministry also runs all clinics where contraceptives are distributed. Contraceptives are only distributed through health clinics and pharmacies, both of which close at four o'clock p.m.

The Dominica Planned Parenthood Association (DPPA) is largely an information and education program. Staff for the DPPA includes an Executive Director, secretary and full-time driver/projectionist. The present Executive Director is dynamic and well-known in the community, having served both as Head of the Youth Division and the Women's Bureau. In January the DPPA expects to add two Family Life Educators to the staff.

b) Assessment

The DPPA is actively involved in information and education (I and E), traveling throughout the country and utilizing community forums for Parent Effectiveness Programs as well as the Youth Centre of the Youth Division. Key targets of outreach are women workers and youth. Hence the DPPA has rightly targeted secondary schools, factories, and youth centres for the bulk of their I and E Program. The Director relates well with youth and women, and plans to utilize peer counselors and a program called "Teenage Forum" to get at aspects of the problem of teenage pregnancy.

The DPPA does not feel that the Ministry of Health's family planning program is meeting the need of the people. Main problem areas are hours of operation of clinics, problems of communication and rapport with district nurses, unavailability of contraceptives to minors and Effective Family Life Education Programs. Dominica is a predominantly Catholic country and it appears that members of Cabinet are wary of full implementation of Family Planning Programs, particularly to youth. DPPA argues that this section of the population is the necessary target population for all the usual social reasons, including a high rate of abortion.

DPPA is performing the critical tasks of information, education and peer counselling, and under the present administration with adequate funding, the program should meet with success.

(5) The cooperative movement

a) Organization and activities of the Cooperative Division

In Dominica, the historical development of relatively isolated communities as well as present problems of transport and communications appear to be factors positively affecting the viability of the cooperative movement. Both production cooperatives and credit unions operate to a greater degree in Dominica than in any of the other OECs states. Studies have found that a large percentage of the population favor the expansion of cooperatives for the purpose of collection and marketing of produce. The latter is critical to small farmers, as more than 50 percent live up to ten miles from the nearest marketing depot. The Government of Dominica fully supports the development of cooperatives. The Ministry of Agriculture is responsible for the Cooperative Division which in 1983 consisted of 64 registered societies and 20 Cooperative Study Groups. The Cooperative Division is divided into four sections -- administration, audit, education and training, and field services. It views its role in the development of the Cooperative Movement as primarily a supervisory one. The division

through its auditor and field staff supervises coops, audits the societies' accounts, draws up the societies' by-laws, settles disputes submitted for arbitration and oversees the registration and liquidation of societies. The Division sees its responsibilities as concentrating on the promotion of Cooperative Banana Boxing Plants, as well as fishermen's, copra production and industrial cooperatives. It also seeks to raise the standard of management of cooperatives generally. The majority of the coops today are run by farmers.

b) Cooperative Banana Boxing Plants

In 1983 there were 14 cooperative boxing plants operating in Dominica. Both the Cooperative Division and cooperative members agree that cooperative boxing plants are a necessity and have been a boon to small farmers. While district BGA plants were convenient for overall BGA economies, they were not convenient to many villages. Cooperative boxing plants began to be organized in 1975 to cut down on time, cost and banana damage to small farmers. Before that, many small farmers had to wait for hours for BGA trucks to carry only a dozen bunches a good distance; many farmers had to wait overnight at boxing plants as well. Congestion at district boxing plants also resulted in significant losses to crop.

Banana cooperatives throughout the country are servicing the communities in which they operate. The coops will take the bananas of individual farmers who are not coop members, providing the service for individuals while realizing greater shares for cooperative members. As inputs are assessed on the basis of production, cooperative members benefit from the boxing of non-members and hope that the service will encourage others to join.

The Cooperative Division envisages an expansion of boxing plants and greater productivity when the island is divided into eight districts with increases in staff to supervise local coops. The 14 coops banded together in February 1983 into an umbrella group which liases with the BGA. Coop units also provide members with farm inputs on the spot rather than through BGA depots.

c) Copra cooperatives

Coconut by-products, largely because of the expansion of Dominica Coconut Products Ltd. under the essential oils protocol of CARICOM, have become a major export industry of Dominica, responsible for about half of total exports. Copra cooperatives, however, are struggling against great odds. Coconut production is concentrated in the northeast and eastern coast of the island, and this was the area most devastated

by the recent hurricanes. Copra cooperatives have received loans from CIDA as well as capital from their shares in Dominica Coconut Products (DCP). This capital is being utilized in the rebuilding of copra dryers, but at the moment copra cooperatives are not functioning as significant producers in Dominica. Besides the usual problems of organization the main difficulties are: 1) the source of production is at a substantial distance from the main buyer (DCP) which is located on the west coast; and 2) problems of economies of scale. To be cost efficient dryers must produce two tons of copra per batch which is the equivalent of approximately 9,000 nuts. It is often difficult to sustain that level of throughput. Many families in the district are watching the coop to assess its viability. Most are wary after sustaining heavy losses during the recent hurricane era. A high percentage of the members are young and educated residents of the Carib Reserve. The Senior Cooperative Officer works very closely with the membership and is cautiously optimistic of success.

There has been heavy replanting of coconuts on the east coast by individual farmers. The crop fits well into Dominican patterns of intercropping. Additionally, the market potential for copra is good. The region only produces ten percent of its fats and oils demand, while the CARICOM Essential Oils Agreement provides a sure market.

d) Bay Oil Cooperative

There are over 400 members of the Bay Oil Cooperative in Dominica. Bay production is concentrated on approximately 1,150 acres, mainly in the southeast. The struggle of the Bay Oil Coops to gain control over the market is seen by many to be of great socio-political significance. Bay Oil producers were the vanguard of the cooperative and community development movement of the early 1970's. The peasants waged a better struggle with Roseau merchants and won. They are now the sole exporters of Bay Oil. However, it appears to have been a pyrrhic victory.

The main problems of Bay Oil are two: (1) Pricing -- the price of Bay Oil has not moved from \$9.00 per pound since the 1960's, while diesel fuel for distillation has increased from .36 cents a gallon to \$5.00; (2) Market -- it appears to have been saturated, and Dominica is the largest producer. However, Government has taken a strong interest in the future of Bay Oil producers whose areas of production stretch over four constituencies. The Economic Planning Unit states that feasibility studies indicate that substitution of bay oil by patchouli, also used in perfume, is a viable proposition and a priority of the present administration.

e) Fishing cooperatives

Fishing cooperatives in Dominica have not been very successful for a number of reasons, including poor fishing conditions in the immediate area around the island (a narrow insular shelf with jagged peaks and deep troughs making fishing uneconomical) the unwillingness of young people to take up such uneconomical and very hard work, the fact that deep sea fishing resources are beyond the capabilities of most fishermen, and limited fisheries extension services that rely on the services of one officer. Additionally there are problems of maintenance and spare parts, particularly outboard engines, and little fishing infrastructure. It is estimated that there are approximately 1,000-1,500 small fishermen in Dominica, most of whom are multiply employed, mostly in agriculture.¹ Only about 40 percent of the boats, which are mostly log canoes, have outboard engines. Of those that do, the majority, even in the coops, are not in use because of maintenance problems, high cost of spare parts, and high cost of fuel. Presently, of the three fishing cooperatives, only two are active. Government hopes to build up the Fisheries Coop Association as a major wholesale depot near Roseau, providing refrigeration and other infrastructure. This cooperative has made a turnaround in the last year due to strong leadership and financing from the Governments of Dominica and France. CDB is presently funding a project to provide both a consultant and deep freezers at fishing centers. Once fishing centers are established throughout the island it is expected that they will be run by coops.

f) Secondary cooperatives

The most successful coops in Dominica have been craft and manufacturing coops. Island Craft Cooperative handles the production and marketing of coconut and raffia products, while Home Industries is a highly successful furniture-manufacturing coop employing 27 craftsmen.

g) Service cooperatives

The only service coop is the Hucksters Association. This organization is encountering much difficulty in establishing itself. Although hucksters are the largest factor in the distribution sector of Dominica, and a sizeable percentage of exporters to the regional market, their size and diversity are causing organizational problems. Members' efforts are directed toward financing and toward the purchase of a vessel. Advisors disagree and urge the development of the necessary organization and internal network as a first stage. The potential and the

¹ Rashid Ahmed, The Past, The Present and The Future of the Fisheries Cooperative Association in Dominica (Dominica: Ministry of Education, Youth Affairs and Co-operatives, 1978, unpublished).

need for such an association is great. NDFD has been aiding individuals with financing and training; but perhaps the association itself needs greater monitoring and other assistance.

h) Multi-purpose cooperatives

Several coops have tried to combine consumer with production activities. One such coop is Caye-in-Boncs Cooperative which began as a youth coop. It is now engaged in agricultural activities and in running a disco/entertainment centre in Marigot. Other coops which have tried to combine activities, particularly consumer outlets, have failed. The main problems affecting consumer coops have been community pressure for credit, improper record-keeping, and insufficient monitoring.

i) Assessment

Cooperatives in Dominica have historically suffered from problems endemic to coops elsewhere. There have been problems of leadership, problems sustaining a collective spirit, problems with book-keeping and finance. The Cooperative Division and its hard-working and committed registrar and officers recognize these problems and have been developing strategies to deal with group dynamics.

While the cooperative movement is growing, it is struggling with serious problems of technical competence and underfinancing. Older cooperatives, such as Castle Bruce which is run as a collective, are in serious financial and organizational trouble. The more recent cooperatives under the guidance of the Cooperative Division are faring better and need more assistance. Some of the most successful coops are those whose membership is based on those who participated in youth programs of the 1970's. In fact, two of the coop officers are "graduates" of these programs and relate very well to youth and coop problems. This may be an area to further examine the role youth groups can play in developing qualities and patterns of behaviour relevant to the success of cooperative endeavors.

However, it is also important to note a psycho-sociological factor prevalent in the Dominica community. The series of catastrophes, political and ecological, in the last ten years, coupled with such heavy out-migration, seem to have produced in the minds of many a wariness, distrust and dependence mentality. Coop officers know the coop movement is "on trial", with many in the community assessing its effectiveness. Many of these coops are beginning from nothing and hence the failure rate is bound to be high without additional sources of funding. Yet the Cooperative Movement is potentially poised at a take-off stage and needs constant nurturing at this point as it remains one of the best institutional mechanisms for development in Dominica.

Despite the success of the coops, the institutional framework of the Cooperative Division is weak due to insufficient resources. The efficiency and effectiveness of the Division is hampered by terrain and staffing needs though the Division has made recommendations to divide the island into districts each serviced by coop officers. There is also need for further training for both Division officers and cooperative societies' and credit union officers. All coops, including credit unions, are community-based hence local coop officers often are more highly-educated members of the community. Coop Division staff must have skills to match, as democratically constituted society officers change frequently. There is also a need for permanent staff (currently there are four Peace Corps Volunteers in important positions: two in audit and two in management). Finally, the financing of the Division's is inadequate to meet needs of monitoring and supervising, let alone expansion to keep pace with cooperative development.

(6) Credit unions

a) Organization and activities

The 24 registered credit unions in Dominica are community-based credit unions. Herain lies their support, for they draw on the expertise of leaders in the community, people who are respected and trusted by the community. Secondly, unlike occupationally-based credit unions, they are not limited in their growth by the size of the unit, but can continue to grow with the community. All the credit unions are affiliated to the Credit Union League, which is itself established as a cooperative credit union, duly registered, with its own by-laws and directors. Funds invested in the League by the local credit unions are being used to finance developing credit unions. Thus funds are being plowed back into the credit unions themselves.

The Credit Union League operates on the principle that whatever service credit union members require, if the resources are there, the credit union should supply the service. As credit unions became more entrenched into Dominican Society, they gradually have taken on a larger financial role in the community. For example, in Marigot the community-based credit union with a membership of 2,000 has assets of EC\$620,000 and share capital of EC\$582,000. \$524,000 has been lent in loans which have a five-year repayment period. The credit union has been in operation for 26 years. It has become such an institution in the community that it forced Barclays Bank to relocate. It is now presently housed in the former Barclays building. Marigot's services now include banking services such as checking accounts and foreign exchange.

The Roseau Cooperative Credit Union is the largest union in the country. Roseau has a fixed deposit service as well as checking accounts, foreign exchange and mortgage loans. Productive loans for construction, land and agriculture, followed by provident, vehicle, and trade and business equipment loans have come to constitute the largest component of loan services.

Roseau Cooperative Credit Union in 1982 had 2,638 loans outstanding totaling EC\$8,301,309, with the average loan at EC\$3,147. Within the urban area the Roseau Credit Union is financing a high percentage of small businesses: hucksters, small garage and repair shops, dry goods, and the Home Industries Furniture Coop. While there is no fixed interest the rate varies from ten percent to 12 percent. More and more people are using the Credit Union for productive purposes rather than banks.

b) Social implication

Besides the obvious social importance of raising money locally and reinvesting it productively in the community, and the important factor of control over capital generated, the credit unions in Dominica reflect an important historical process. First, the movement developed out of the work of Sister Alycia and the Social League in the 1950's. Hence, from its inception the credit union movement has been community-based and community-controlled. In its early stages it was overseen by the Social League and hence irregularities were rare. Second, based in the Social League, the credit union movement has involved women from the very beginning. This is of great significance, for historically one of the main factors impeding women's participation in the development process has been their lack of access to credit and capital and their unfamiliarity with accounting practices. The credit union movement in Dominica has actively involved women on the local Board of Directors. The Credit Unions are thus the logical choice of channelling funds to women in development projects and credit unions need to be made more aware of their role in this process.

Third, developing out of the Social League, the Sisters established savings societies in schools which have expanded into full-fledged credit unions. There are presently four school-based credit unions in Dominica. These should be encouraged and expanded. One of the main impediments for school-leavers is sources of credit to set themselves up in business and trade. The credit union movement is instilling good bookkeeping practices in children from a young age as well as providing them with the necessary collateral to begin their adult life. This is another factor which should be more fully developed, relating so keenly to the problems of under-employment of youth at the present time. Dominica is building a base upon which a more secure future can be planned through the success of the credit union movement. Recognition of its vital role needs to be more widely understood and better integrated into the overall development process.

c) Assessment

The credit union movement in Dominica today is, along with the cooperative movement, the most dynamic factor in development. Not only are credit unions financing economic activities of a significant percentage of the population, but because they are community-based in the most democratic fashion possible, the local communities are controlling and directing their internal development. They are promoting grass roots leadership development, especially among young people. The credit union movement has now reached a stage of maturity where it can finance sizeable projects and provide financial stability to the community. The Credit Union League becomes a logical channel for receiving development assistance, as well as DFC's, and promises to become the banking centre of the community in the not-too-distant future.

IV. ANTIGUA AND BARBUDA

A. Introduction

1. The setting and brief history

Antigua and Barbuda were among the first plantation sugar economies established by the British in the seventeenth century. Both islands were covered with forests. In a particularly rapacious manner, Antigua was quickly stripped of its woodland cover, creating a continuing drought problem. During the heyday of sugar in the eighteenth century, Antigua was a premier sugar colony with nearly all its arable land cultivated in cane. The protection of such a valuable possession, coupled with the fact that Antigua is strategically located at the point of entrance to the Caribbean basin, prompted the creation of an important military outpost with a complex at Shirley Heights and a British Navy Dockyard at English Harbor.

While Antigua developed into a classic slave plantation society, the separate island of Barbuda was the private reserve of the Codrington family who did not plant cane in Barbuda, but rather used the island as a provision ground for their Antigua estates. It is alleged that slaves were bred in Barbuda for estates in Antigua. Barbuda was also known to profit from ships salvaged after drifting onto its coral reefs. Hence, Afro-Barbudan society, spared the devastation of slave labor on plantations, developed into a well integrated creole community of skilled workers, sailors and fishermen fiercely determined to prevent erosion of their privileged status in a slave society.

The post-Emancipation period in Antigua witnessed few social changes. There was no available crown land for settlement, and with the exception of Liberta, very few freedmen villages existed. Thus, the majority of the black Antiguan population had no choice but to continue to work on the sugar estates. With no bargaining position and little land for subsistence cultivation, the lot of Antiguan laborers was grim.

The post-Emancipation period occasioned constitutional problems on the status of Barbuda. Leased to the Codringtons, the island had belonged to the Crown although all slaves, buildings and stock belonged to the Codringtons. After Emancipation, there were many disputes between Barbudans and the Codringtons and between the Codringtons and the British Government. Finally, in 1860 an Order in Council was passed declaring the island a dependency of the colony of Antigua. Starting with the latter half of the nineteenth century, neglect of the island by lessees allowed the development of a peasantry isolated from the larger economy. This peasantry

developed a system of shifting cultivation well suited to the drought-prone scrub vegetations of the island and supplemented their needs by hunting and fishing. Common "ownership" of land, shifting cultivation and open range livestock practices characterize Barbuda up to the present. Until air service started in the 1970's, Barbuda remained isolated and unique. Tourism now being planned may finally disrupt a pattern of life in existence since the nineteenth century.

There are several aspects of the colonial legacy in Antigua which affect present socio-political configurations. First, the base of the economy was sugar and the overwhelming majority of the population were sugar workers. This polarized the society between white, largely expatriate owners, and black Antiguans. Village life was an extension of the plantation. Hence, the movement to liberation of necessity intertwined trade unionism, politics, racial identity and the nationalist struggle. However, the expansion of the service economy, with its attendant social changes, is creating a new balance of forces which will bring about new political alignments in the near future.

Second, Independence, which finally came in 1981, was accomplished in a piecemeal fashion and with many departures in constitutional arrangements. This seriously affected the administrative and institutional development of all the former Associated States, but the effects were particularly evident in Antigua. While the MDC's since the 1940s moved slowly but surely toward independence, the Leeward and Windward Islands were stagnating in the Crown Colony system, their politico-constitutional development some twenty years behind the larger territories. Federal ventures and attempted associations only further confounded and delayed effective administrative leadership. There were continued political confrontations in Antigua between the elected representatives of the people and the nominated members of the Crown, who in the main represented oligarchical sugar interests. In Antigua, the inherited pattern of authority and mode of administration has been highly centralized and personalized.

Third, the monocrop nature of the economy in Antigua, dominated by corporate entities who also controlled the Government, created a skewed social pattern with a very small middle class and business community somewhat independent of the corporate plantation economy. Commerce was tied to serving estates and linked especially (until the arrival of Syrians) with the estate oligarchy. Development of a tourist and service economy dominated by expatriates has not facilitated the rise of the indigenous black entrepreneur. State acquisition of sugar land which has not been subdivided further hinders the creation of an entrepreneurial base.

Fourth, given the nature of the economy and society until quite recent, migration was the only option available to Antiguan to advance themselves. Migration also provided a safety valve for the system, which in a declining sugar economy could not have sustained a growing population without serious social unrest. However, in Antigua the "brain drain" seriously impedes the country's ability to embark in vibrant new directions. Throughout the highest echelons of Government, there are vacancies which cannot be filled. Returning immigrants either do not have the necessary skills or will not work for government salaries. The educational system does not appear capable of providing a new generation of much needed technocrats.

In sum, although Antigua and Barbuda has moved radically away from a sugar monoculture and has tremendous potential with a large underutilized land mass and numerous beautiful coves and beaches, her economy remains underdeveloped and hampered by a host of social, political and financial problems. Like all of the OECS states, the country supports the complete bureaucratic and ministerial superstructure of a nation state on the slenderest of economic bases. Antigua has moved from sugar monoculture to tourist monoculture in a relatively short space of time. Manufacturing is still a relatively small and precarious sector. The attendant shift has not been able to solve problems of employment, and emigration has continued.

The Government of Antigua and Barbuda, controlled by a party whose base lies in the trade union movement, has committed itself to following modern social welfare policies and has provided the country with a sound infrastructure. It appears constrained, however, by a lack of qualified personnel, fiscal weaknesses and problems within CARICOM. The inability of a viable Opposition Party to sustain itself and contribute to the development dialogue is also a constraint to Antigua and Barbuda's balanced socio-economic transformation.

2. Major elements of the economic structure

a. Overview

The economy of Antigua and Barbuda has undergone a radical transformation from the dominance of sugar as a monocrop in the sixties to the replacement of it by tourism as the leading sector after the collapse of the sugar industry in 1972. The growth of the economy in the seventies rested on the continued expansion of tourism and the rapid development of light manufacturing. In the late seventies, the Antiguan economy achieved an 8 percent annual average growth despite a stagnant agriculture sector contributing a declining proportion to GDP. All of this dynamic change occurred in Antigua. Barbuda's small economy continued to depend on traditional agriculture, fisheries and a very limited volume of tourism.

In the early eighties, the growth rate slowed to 2-3 percent in response to world recession. Tourism remained the lead sector and a source of somewhat seasonal employment for about 10 percent of the labor force. Other activities indirectly associated with tourism (e.g., transportation and other services) account for a substantial portion of GDP. Although the rate of growth of manufacturing declined from 33 percent in 1979 to 6.5 percent in 1982, its share in the economy increased from 6 percent in GDP in 1978 to 10 percent in 1982. Agriculture, on the other hand, declined from 9 percent to 6 percent during the same period. Table 11 indicates the changing patterns of sectoral growth and development in Antigua and Barbuda.

Government services grew as a share of GDP from 14.6 percent in 1978 to 16.4 percent as the volume of employment in the public sector expanded from 5,843 persons in 1978 to more than 7,000 in 1982 (see Table 1). These changes in the role of government as employer of an increasing share of the labor force, together with the deterioration of the government's fiscal, external debt and arrears position, are significant. They have reduced the ability of public sector institutions to deal effectively with development needs and to furnish services to facilitate a social transformation that would match the major economic changes which have occurred in recent years.

A brief examination of the fiscal and financial position of the public sector is sufficient to confirm how great a deterioration has occurred in recent years. According to the World Bank, the Central Government's direct and guaranteed external debt more than doubled between 1978 and 1981, and a further increase in 1982 brought the total to US\$58.8 million or 43 percent of GDP. About half of that debt is at market rates of interest, reflecting a large volume of non-concessional borrowing in the last several years. The overall deficit of the public sector (including the increase in arrears of EC\$20.6 million) for 1982 is estimated at EC\$63.9 million or 17.3 percent of GDP, compared to EC\$1.7 million in 1978 (see Table 12). Between 1978 and 1983, the proportion of GDP expended by the public sector (on current and capital accounts) increased dramatically. As a result, the public sector has become a very dominant factor in the economy at the same time that its fiscal position has weakened. The country's credit worthiness needs to be restored through a rapid reduction in arrears on external debt service payments, but this will involve substantial austerity in public and private consumption.

The prospects for economic growth, however, could offset some of the difficulties that lie ahead if government takes actions and pursues policies to take advantage of opportunities that exist. Tourism has prospects for renewed growth as the recovery in the United States increases, but a more vigorous promotional campaign by government could be

Table 11: Antigua and Barbuda: GDP at Constant Factor Cost by Sectoral Origin
(millions 1977 EC\$)

	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>Projected 1983</u>
GDP at Factor Cost	152.8	165.1	176.4	180.2	185.1	188.9
Agriculture, livestock, forestry, and fishing	13.9	12.9	13.9	10.8	11.9	12.5
Mining and quarrying	1.3	1.5	1.6	1.7	1.8	1.8
Manufacturing	9.4	12.5	15.6	16.9	18.0	20.1
Construction	10.3	11.3	12.8	14.1	12.3	10.5
Electricity and water	2.3	2.7	2.4	2.5	2.8	3.0
Transport and communi- cations	26.9	30.7	31.1	32.5	33.4	34.4
Trade	18.7	20.7	21.0	21.6	21.8	22.2
Hotels and restaurants	17.0	19.8	21.1	21.1	21.9	22.8
Banking	10.3	10.3	10.4	10.8	10.9	11.0
Ownership of dwellings	19.3	19.5	19.4	19.9	20.0	20.2
Government services	22.3	22.3	26.6	28.2	30.3	30.3
Other services	7.6	7.7	8.0	8.2	8.3	8.6
Less: Imputed banking service charge	-6.4	-6.9	-7.4	-8.1	-8.3	-8.5

Sources: Ministry of Finance (Statistics Division); EECM Secretariat;
and Fund staff estimates.

Table 12: Antigua and Barbuda: Summary Operations
of the Central Government

	1978	1979	1980	1981	Proj. 1982
(In millions of East Caribbean dollars)					
Current revenue	43.7	52.3	62.0	76.4	84.3
Current expenditure	44.9	52.8	65.3	87.5	92.4
Build up of arrears	0.5	6.7	6.1	8.5	16.1
Current deficit <u>c/</u>	-1.7	-7.0	-9.4	-19.6	-24.0
Capital receipts	0.1	0.1	0.2	0.5	0.4
Capital expenditure	3.0	26.7	23.0	36.0	40.9
Net lending	2.7	0.8	1.2	0.5	-0.6
Overall deficit <u>c/</u>	-7.3	-34.4	-33.4	-55.6	-63.9
Foreign grants	3.9	5.1	11.0	9.7	4.6
Foreign financing	0.2	24.2	9.5	19.7	16.1
Drawings	(3.4)	(25.3)	(17.2)	(45.1)	(22.5)
Amortization	(-3.2)	(-1.1)	(-7.7)	(-25.4)	(-6.4)
ECCA loans	0.5	—	2.7	0.6	0.6
Change in foreign assets	0.1	-0.3	-0.5	-0.2	—
Domestic financing	2.6	5.4	10.7	25.8	42.8
Commercial banks	(4.7)	(5.3)	(0.3)	(6.3)	(8.0)
Other public sector	(2.8)	(3.0)	(2.2)	(3.0)	(0.6)
Insurance companies	(—)	(—)	(0.8)	(0.5)	(—)
Build up of arrears	(0.5)	(6.7)	(6.1)	(8.5)	(21.3) ^{a/}
Other private sector including unidentified residual	(-5.4)	(-9.6)	(1.3)	(7.5)	(12.9) ^{b/}
(As per cent of GDP)					
Current revenue	23.6	23.9	21.5	22.8	22.8
Current expenditure	24.6	26.1	24.8	25.7	28.3
Capital expenditure	1.6	11.7	8.0	10.8	11.1
Current deficit <u>c/</u>	-0.9	-3.1	-3.3	-5.9	-6.5
Overall deficit <u>e/</u>	-3.9	-15.1	-11.6	-16.6	-17.3

a/ Includes EC\$5.2 million of amortization arrears.

b/ Includes EC\$8.0 million purchase of land paid with a promissory note to a private individual.

c/ Includes build up of arrears.

Sources: Ministry of Finance; Treasury; IMF staff estimates; and mission estimates.

required to maximize that potential. The difficulties in the CARICOM market highlight the need to adjust incentives to manufacturing in order to provide greater encouragement to exporting outside of the region. If new investments are vigorously promoted with the U.S. and other non-CARICOM markets, a renewal of growth in manufacturing is possible. Otherwise a period of retrenchment in the manufacturing sector may occur. Government programs to support these areas of potential growth and recovery probably deserve the highest priority in terms of policy adjustment, filling vacant positions in these fields and providing required funding for promotional efforts.

b. Agriculture

The sugar industry, the basis of Antigua's economy for two centuries, continued its decline and finally ended in 1972. Since that time, most land in Antigua has been idle or used only as grazing land for free ranging cattle, sheep and goats. The land is declining with the encroachment of brush. Only rudimentary information on land evaluation exists and plans for use of this resource remain to be developed. The Government owns most agricultural land, but procedures for one-year renewable tenancies and longer term leases are slow and cumbersome. In the mid-fifties, 9,000 hectares of land was under sugar. Today, cassava and a wide range of vegetables are grown on small farms, but probably occupy no more than 300 hectares. Long a staple, sea island cotton is grown on less than 40 hectares and surput has fallen to 20,000 pounds. Pineapple production has increased considerably, and bananas and other fruits are produced in the area of higher rainfall. A program to produce sugar for local consumption has faltered due to the scarcity and high cost of labor.

The Ministry of Agriculture has formulated plans with the assistance of CARDI and the UN (CARDATS) for the development and expansion of livestock, vegetable and tree crop production. Whereas earlier efforts were made to base programs on large projects, the current plans are based on the small farmer, with extension and other services to be delivered by the Ministry and inputs being provided by the private sector. Small dams and ponds are seen as the best means to extend the growing period into the dry season. For vegetables, a basic element of the strategy is the production of a limited range of crops for export on a relatively large scale to establish overseas (extra-regional) markets. The Ministry also hopes to expand production-oriented livestock programs (primarily beef and some dairy cattle) and poultry and pigs to the extent that cheap feed is available.

Constraints to the success of these programs are recognized by the Ministry. These include the difficulties in creating a successful marketing system, satisfactory price incentives and the provision of good management. In addition, a positive program to foster the adoption of farming as a way of life and the elimination of bottlenecks to obtaining credit and longer term land leases are essential. Offshore fisheries are also an area the Ministry hopes to expand for a tripling of fish production. With these efforts, the Ministry expresses the hope that the role of agriculture and fishing in the economy could be expanded from the present level of 7 percent to 15 percent of GDP in about 10 years.

c. Tourism

Tourism is the most important economic activity in Antigua and Barbuda. In addition to contributing 19 percent (directly and indirectly) to GDP, tourism produces 6 percent of the revenue from taxes plus other revenues from duties on imported goods, etc. Few linkages exist between the tourism sector and other sectors in Antigua. Moreover, the net foreign exchange earnings from tourism are less than might be expected because of leakages such as importation of supplies, repatriation of foreign investor's profits, transfer of wages of expatriate personnel and management fees. Gross tourist expenditures in 1982 were nearly US\$50 million and are expected to be somewhat higher in 1983.

Antigua is well placed among Eastern Caribbean countries by having an airport capable of taking jumbo jets, a modern air terminal and direct air connections to Miami, New York, Toronto and London. Airline capacity is not a limiting factor on the number of stay-over arrivals. The deep-water port at St. John's permits cruise ships to come directly to the pier. Cruise ship calls appear to have revived in 1983 after a slump. Hotel accommodation capacity has been expanded in recent years and does not constrain the number of stay-over visitors. Government is pressing to increase hotel capacity in the belief that greater capacity would increase earnings. This belief is not shared by private hoteliers who believe a gradual expansion of capacity based on smaller hotels is more consistent with Antigua's tourism strategy of an "up market" image and with effective management, quality of service and sustained profitability. A gradual approach seems also to be more sound in relation to available infrastructure (roads, water and power), to keep tourism in better balance with other sectors and to minimize unfavorable social repercussions of an even greater dependence in tourism.

d. Manufacturing

The manufacturing sector experienced very high rates of growth in the late seventies. Although the rate has slowed, the sector has continued to grow in the eighties and contributed 9.7 percent to the country's GDP in 1982. The manufacturing sector currently employs over 1,700 people or 7 percent of the labor force. Antigua's investment incentives afford a high degree of protection even for products with low value-added. Importation of a number of products is prohibited, including many manufactured locally. These include reconditioning tires, specific clothing articles, bedding, furniture, stationery, paints, stoves, refrigerators and batteries.

Growth appears to have slowed down mainly because the time of easy import substitution has come to an end. During 1983, many of the firms situated in Antigua ran into difficulties because production is mainly for the CARICOM market MDC's where serious foreign exchange restrictions have been imposed. By the end of the year, some firms expect to have to close unless some relief can be obtained. A period of retrenchment may be in the offing. Under any circumstances, it appears to be time for government to develop a set of policies to encourage greater value-added, more use of local raw materials and a stronger orientation to non-CARICOM markets. This is especially appropriate if the CBI incentives provide significantly easier entry into the U.S. market for goods from the Caribbean.

B. Social Profile

1. Overview

During the last twenty-five to thirty years, Antiguan society has been transformed from one based on agricultural production to one based on provision of services. Changes in the forms of social organization and social life have accompanied changes in the basis of the economy. The changes have been rapid and comprehensive. For purposes of description, three periods can be identified: plantation society, post-plantation society and services society. There are indications that Antigua today is on the verge of another series of changes, the outcome of which is difficult to see.

Sugar and cotton produced on estates dominated the economy and shaped society throughout the colonial period and until the 1970's. Sugar production traditionally employed most of the labor force. For example, in 1946 it directly employed 46 percent of the labor force. In addition, human settlements evolved based on the requirements of the sugar industry. The capital, St. John's, contained the commercial

and administrative populations, while the 26 villages distributed around the countryside were located near the sugar estates. People who resided in the villages were primarily wage laborers on the estates and secondarily gardeners who produced food for their own consumption and some for sale. Land use was tightly controlled, and the estates allocated only land not suitable for sugar production both for housing and for gardening. Other supplementary occupations included artisan work in the larger villages and fishing for those near the coast line.

Within this environment, sugar workers had very limited options, the most important of which was migration to work where the pay and the working conditions were better. However, advancement for a very few could be obtained on the island through obtaining a certain amount of education, leading to work in the civil service or commercial activities.

In 1967, the Government of Antigua not only bought the assets of the sugar estates, but took over management of the sugar industry. "There were some 10,000 people who depended directly or indirectly on sugar for their livelihood. Many knew no other employment since from childhood they either worked in the fields or factory, some acquiring skills or semi-skills along the way which were all put to use in the industry."¹ Government's takeover of the failing sugar industry can be seen as symbolic of the role that it came to play as the plantation society finally ended after over 300 years of shaping and dominating the society. The government became the employer of the largest percent of the labor force. It also became a much stronger force in social, political and economic life. As the sugar industry declined throughout the 1960's, there was growth in the tourism sector, which in turn generated work in construction, transport and allied services. There was also some growth within the manufacturing sector, but it was the public sector which absorbed most of those displaced from sugar. Though the sugar industry had long been in decline, its end was abrupt when the government decided to close it down in 1972.

Thus, the economic base on which village life had been founded was fundamentally altered. Village life and organization had centered around agricultural work on the estates and on family plots. In a short period of time, these forms of social organization lost their relevance, since the new economic activities all took place away from the village. Villagers found work wherever they could, which for many meant emigration from the islands. The economic arena for those who remained was broadened to include the entire island. Thus, the villages became dormitory communities where only the very old and very young could be found during the day.

¹ Novellie H. Richards, *The Struggle and the Conquest Part II: The Locust Years* (Antigua: Benjias, 1982), 31.

The resulting changes in the pattern of human settlement have been described as growing "urban sprawl." Upper-income people moved away from the urban center of St. John's to exclusive residential areas. Lower-income people live in the capital as well as in the villages. The villages, however, remain mixed as people from the villages who work elsewhere have continued to reside in the villages despite the fact that they have achieved middle-income status. This is due to several factors: land is difficult to buy because of rising costs and lack of availability of land to purchase; villages near prime tourist spots have become highly valued residential areas; and ease of transport makes it feasible for persons who can afford their own transport to live anywhere in the island. What is emerging is a society stratified by income levels and corresponding life styles which are reflected in residential differentiation.

Throughout the decline of the plantation society, emigration became increasingly important for growing numbers of people as the only alternative to limited work opportunities within Antigua. During the sixties and early seventies, a large number of people migrated to the U.S. Virgin Islands, the United Kingdom, Canada and the United States. Most of the migrants were young people who would otherwise have been unemployed in Antigua. Their emigration contributed to an easier transition from a plantation to a services society.

The quality of life in Antigua and Barbuda may be measured by certain economic and social indicators. The World Bank estimates that in 1981 Antigua and Barbuda's per capita GNP was \$1,550 but that this represented a real per capita GNP growth rate of -1.7 percent over the decade of the seventies.¹ While the Physical Quality of Life Index (PQLI) is not available for Antigua and Barbuda, it is a scale based on the average of life expectancy, infant mortality and literacy rates. The life expectancy rate for Antigua was 62 years (in 1961); the infant mortality rate for 1980 was estimated at 32 per 1,000 live births and the literacy rate at 89 percent (in 1960).² Thus, Devres' estimate of the PQLI for Antigua would be approximately 80.

¹World Bank, 1983 World Bank Atlas (Washington, D.C., 1983), 24.

²U.S., Bureau of the Census, World Population 1983 (Washington, D.C., forthcoming publication).

2. Population

a. Current situation

In 1980, the population of Antigua and Barbuda was estimated by the Government to be 75,231 persons. Reliable population statistics, however, are not available for Antigua and Barbuda. Current estimates are based on 1970 census figures and a questionable annual growth rate of 1.3 percent since 1972. During the 13 years since the last census, social and economic changes that affected society, especially migratory flows, have had considerable effect on the demographic characteristics of the population. For example, crude birth and death rates during 1971-1980 show a 1.1 percent annual growth rate. However, if migration statistics are taken into account for the period 1976-1980 (years for which data are available), the annual growth rate is 3.15 percent. Thus, adding the natural increase and immigration increases between 1976 and 1980 to the 1976 figures, the estimated 1980 population would be 81,772, almost 5,000 persons above the government estimate for that year.¹

b. Future trends

If the immigration statistics (derived from statistics of resident arrivals and departures) are reliable and if the trend continues, a historical trend of emigration that has had considerable impact on Antigua will continue to be reversed. This will mean changes in age group composition and birth and death rates, as well as a very high annual rate of population growth. With an annual growth rate of 3.15 percent, the population would double in just 21 years and would reach 111,550 by 1990.

Since both birth and death registrations and migration records are generally regarded as accurate, these estimates suggest demographic trends different than those solely based on natural rates of increase. These trends point to a population growth due mainly to return migration by Antiguan residents, many of whom may have emigrated in previous years. The composition of these immigrants in terms of their age and sex is rapidly altering the demographic characteristics of the population. Thus, there is a clear need for a concerted effort to gather accurate population statistics as a basis for planning effective development strategies and programs.

¹Data in this paragraph is derived from: Antigua Barbuda Statistics Division, Ministry of Finance, Statistical Yearbook 1982 (Government of Antigua and Barbuda, 1983), pp. 5-10.

3. Labor force and the nature of work

An analysis of Antiguan society has to include review of how people make a living and the ways in which upward social and economic mobility are possible. Labor force data from the Labour Department will be supplemented with data obtained from the records of the Social Security System. The latter are not only reliable and among the most comprehensive, but also the only source of relatively recent information on the population of Antigua. However, it should be noted that Social Security records cover only those persons registered with the system. They do not include people who are self-employed (about 2,000 people) and people who work for non-registered employers.

The main differences between the two sources of data lie in the numbers of the self-employed and persons counted as part of the agricultural sector. The problem regarding estimates about numbers involved in agriculture is one of classification and double counting, since Labour Department figures include mostly part-time gardeners and livestock keepers who derive their livelihood elsewhere.

a. In agriculture

Peasant or small-farm agriculture never developed in Antigua since land was never available. Whatever non-estate farming existed was gardening in small plots mainly for supplementing the food supply, helping families to survive during the slow season in sugar production. Sale of the garden or yard produce was also an important, though small, source of income. Neither peasants nor small-farmers ever became a significant part of Antiguan society.

Today, although the farm registry lists some 2,000 people (or 10 percent of the labor force) as being in agriculture. The number of people who actually work full-time or derive most of their income from agriculture is estimated to be about 100. The rest own as little as one cow, work a garden or derive some income from gardening during part of the year. Some of the two thousand "farmers" are women and men who used to work for the sugar estates and who still tend their plots in the traditional way.

The transformation of the economy of Antigua is reflected in the figures on the composition of the labor force for 1946 and 1979 (see Table 13). Although there may be some differences in classification by occupation, the change has been dramatic. Thus, while in 1946 the single largest employment sector was agriculture (which meant work for wages in the sugar industry), by 1979 it was almost non-existent. By 1979 most people were employed in the provision of public and private services. Transport and construction are related to the service sectors as well. Manufacturing, which employs only 7 percent of the labor force, emerges as the only alternative to work in an economy dominated by services.

Table 13: Antigua: Distribution of Labor Force by Major Occupational Categories, 1946 and 1979

<u>Occupational Category</u>	<u>1946</u>	<u>1979</u>
	(percent)	
Agriculture, fishing, livestock and quarrying	46	2.9
Manufacturing	14	10.2
Construction	3	10.3
Transport	3	6.7
Trade and services	30	63.9

Sources: Antigua and Barbuda Economic Planning Unit with Technical Assistance from the UNDP, Antigua Territorial Plan--1975 (1975), 27; Antigua and Barbuda Social Security Board of Control, First Statistical Abstract 1976-1981, 20-29.

b. Outside of agriculture

Labour Department data indicate that Antigua and Barbuda's labor force is 28,378, of which 22,491 are employed and 5,887 or 20.7 percent are unemployed. This is of a total population of 75,231, with 50,643 sixteen years or older.¹ However, these figures are based on 1970 census data which, as has already been pointed out, are no longer a reliable base for projecting current patterns. Social Security estimates that 21,261 persons are in the employed labor force, including an estimated 2,000 persons who are self-employed (19,261 were actually registered as employed).²

While the total employed labor force in 1980 was approximately 22,000, there are indications, as will be shown below, that the number of the unemployed may be much higher than the figure given by the Labour Department.

The first classification of the employed labor force is by public and private sector (see Table 14). Provisional data from the same source show employment in the public sector for 1981 and 1982 remaining at about the same levels, 7,961 and 7,792 persons respectively.³ These figures, which show that nearly 40 percent are employed in the public sector, underscore its importance as a source of employment. They also indicate that there is a significant difference in employment by sex between the private and public sectors, women being 38 percent of those employed in the public sector and 45 percent of those employed in the private sector.

A second major classification is by type of occupation within each sector (see Table 15). Within the private sector, employment in all kinds of services accounts for 66.3 percent of the total number of employees, manufacturing and construction account for 16.4 and 15.7 percent respectively. If both public and private sector employment are considered, the number of people employed in all services account for 70.4 percent of the total number of persons employed. Manufacturing only accounts for 10.2 percent. As was noted before, these figures include over 90 percent of all people working in Antigua. (The other 10 percent are the self-employed.)

¹ Antigua and Barbuda Statistics Division, Ministry of Finance, Statistical Yearbook 1982, 5.

² Antigua and Barbuda Social Security Board of Control, First Statistical Abstract 1976-1981, 19, 59.

³ Antigua and Barbuda Social Security Board of Control, Provisional Wage and Employment Tables 1981 and 1982.

Table 14: Antigua and Barbuda: Employment by Public/Private Sectors and by Sex, 1979

	<u>Public Sector</u>			<u>Private Sector</u>		
	<u>Male</u>	<u>Female</u>	<u>Total</u>	<u>Male</u>	<u>Female</u>	<u>Total</u>
Number of persons	4,662	2,890	7,552	6,485	5,224	11,709
Percent	61.7	38.3	39.2	55.4	44.6	60.8

^aTotal employed: 19,261

Source: Antigua and Barbuda Social Security Board of Control, First Statistical Abstract 1976-1981, 20-38.

Table 15: Antigua and Barbuda: Employment by Sector and by Type of Activity, 1979

<u>Type of Activity</u>	<u>Public Sector</u> ----- (number of employees) -----	<u>Private Sector</u> ----- (number of employees) -----
Agriculture, fishing, livestock	403	105
Stone quarrying	--	70
Manufacturing	45	1,927
Construction	1,295	1,843
Electricity, gas, water	552	--
Wholesale/retail sales	71	1,634
Hotels, guest houses, restaurants, bars, night clubs	--	2,522
Transportation, storage	88	1,205
Communications	129	147
Financial institutions, insurance, real estate, business services	196	566
Public administration	2,124	--
Sanitary and similar services	790	--
Social and related community services	1,752	408
Recreational/cultural	96	299
Personal household services	--	865
International organizations	<u>11</u>	<u>118</u>
Total	<u>7,552</u>	<u>11,709</u>
Grand Total, Public and Private Sectors		<u>19,261</u>

Source: Antigua and Barbuda Social Security Board of Control, First Statistical Abstract 1976-1981, 20-38.

Out of a total employed population of about 22,000, only 20,000 are accounted for by the Social Security records (the remainder being self-employed). Yet, as the analysis above shows, only 12,602 person-years are represented by these statistics. Thus, in person-years, only about 63 percent of the total number of persons employed worked a full year. This is far below what the labor force figures imply at first sight. This underscores the extent of both unemployment and underemployment that characterize Antigua's service economy.

What is clear is that work in Antigua is intermittent in nature and that considerable numbers of people are adversely affected by this. In this context, work in the public sector is the only option for some and for many others it is the employer of last resort. This accounts for the amount of pressure on government to create work and to distribute it among the unemployed and especially the underemployed. Work for even a day a week provides some income on a fairly regular basis.

The need to create more work is also evident from the sections above. How long the government can afford to employ such large numbers of people and what alternatives exist are key questions for those responsible for future planning and development to consider.

Finally, as was mentioned earlier, there are an estimated 2,000 persons who are self-employed. On the basis of one study, the majority of these are professionals, technicians and business persons who account for 59.4 percent of the sample. The rest are distributed among fishermen and farmers (11.5 percent), taxi drivers (9.5 percent), and street vendors (10.8 percent). However, even if this count of the self-employed is an underestimate, there are far greater numbers of unemployed and underemployed people than are suggested by the data in this section. Remittances received from relatives who have emigrated seem to be the only other explanation that accounts for the fact that most people get by. But emigration trends have been reversed, and if emigration continues to slow down, the pressure on the existing, limited sources of work will increase. This fact emphasizes the importance of economic growth in productive areas.

For the bulk of the population, especially those in the lower income brackets, earning a living in Antigua and Barbuda continues to be a difficult task which demands flexibility and adaptability. Their chances depend not so much on the land and agriculture, but on the acquisition of the skills needed by a service economy, which itself needs to grow and diversify and to create many more work positions.

When the sources of the data given in the previous section are examined carefully over time, the picture that emerges is one of instability and considerable underemployment.¹ Work for a large number of people continues to be seasonal, despite the changes in the type of work available. A closer look also indicates a far higher rate of unemployment than the official estimates. Making a living is not only difficult, but incomes are lower than what they may seem at first, and the gap between income levels seems to be growing.

The manner in which statistics are collected and reported tends to inflate employment figures. Statistics are reported on an annual basis and include everyone who has worked, whether for a week or fifty-two weeks. In an attempt to better understand the situation, the Social Security office took one month in 1982 as the basis for extensive data collection and analysis. The results of this study are a dramatic illustration of the seasonal nature of work in Antigua and Barbuda. In 1982, the total employed labor force was estimated at about 23,000. Of this number, roughly 20,000 were included in the Social Security records: 7,792 employed in the public sector and 11,700 in the private sector. However, the number of people actually employed during December of 1982 was only 14,213: 5,825 employed in the public sector and 8,388 in the private sector. Thus, only about 71 percent of the number reported as employed in the annual total were actually employed in December. The employment figures are also inflated since the Social Security records show the number of positions filled and not the number of people employed. This is because a significant number of people hold more than one registered job or work in two or more jobs in sequence during a year. For example, in 1979, the year for which data exist, while the total number of positions was 19,261, the number of people employed was only 17,600.

A second indicator of high underemployment and the seasonal nature of work is the number of weeks worked in a given year. In 1979 the average number of weeks worked by all the people who worked was 36.2 and 32.5 in the public and private sectors respectively. In terms of person-years worked, which are obtained by dividing the total number of weeks worked by the total number of employees by 52, the results are as follows: 5,263 in the public sector and 7,339 in the private sector, compared to 7,552 and 11,709 employees respectively. Even these figures are inflated since Social Security records are kept by week but do not necessarily mean that whole weeks of work are represented. For many people who work a few days of a week the records imply that they worked a whole week.

¹Data for this section derived from: Antigua and Barbuda Social Security Board of Control, First Statistical Abstract 1976-1981, 20-61, and from Provisional Tables on Employment for 1980, 1981, 1982 compiled by the Social Security Statistics Department.

4. Role of women

The data on employment in Antigua suggest that women are entering the labor force in increasing numbers as the economy shifts from one dominated by agriculture to one dominated by services. Of the approximately 40,000 women in the islands, over half are estimated to have been in the labor force sometime during the year. However, unemployment for women is estimated to be as high as 20 percent.

In 1979, a year for which data are available, 42.1 percent of the total number of the employed were women. There is a significant difference, however, between employment rates in the public and private sectors. Of the total employed in the public sector, women account for only 38.3 percent, while women account for 44.6 percent of those employed in the private sector. Within the private sector, the industries that employ the largest number of women are hotel and guest houses (1,086), garment industry (1,015), retail trade (687) and domestic services (675). These four sectors employ 3,463 women or 66.3 percent of the total number of women employed in the private sector. Of those women employed in the public sector, over 40 percent are found in social and community service, mostly in clerical positions. Data gleaned from Social Security documents and other sources indicate that wages for most women workers are quite low. Moreover, much of the work women do is seasonal and they have difficulty finding supplemental work during the low season.

Although there are no systematic evaluations or surveys on Antiguan working women, the following problems are suggested as being the most common: lack of training and skills to qualify women for better paying jobs, shortage or absence of child care, inadequate public transport, and the interrelated problems of teenage pregnancy and female headed households. The result is that women lack opportunity to complete their education to qualify for jobs but have a larger than equal share of responsibility for child care and related expenses. Perhaps the most serious problem, however, is the seasonality of work for large numbers of women which translates into lower incomes than would appear if hourly or daily rates are taken as a guide.

There is also now evidence to suggest that older women still residing in the villages are among the most disadvantaged group in the society. Many of these women, like many men, lost their main source of income when the sugar industry closed down. Since then, the ones too old or unable to make the transition to a new job have been subsisting on their garden plots and occasional government work. Their incomes are among the lowest, if not the lowest, in Antigua today.

Teenage pregnancies have received attention in Antigua and Barbuda in recent years because of their consistently high percentage (32) of the live birth rate. A recent study, conducted under the auspices of the IPPF and USAID, found that the incidence of teenage pregnancy is higher among the working class and that it is inversely related to the degree of stability within the working class family. Also, it appears that the community does not penalize teenage parents in any way and that child fathers do make an effort to support their progeny. Generally, parents do not provide children with the sex information they need and misinformation is more prevalent than knowledge. The problem is all the more serious because it is a problem of multiple childbirths; over one-third of all second births are occurring to girls 15-19. Family planning programs have been successful in reducing fertility rates in more mature women but as the programs were not geared to teenagers, they have had little impact.

Given the ratio of teenage pregnancy and the age structure of the population, increases in teenage pregnancy will further aggravate the age structure of the population with disastrous socio-economic effects. Not only are the health hazards of teenage pregnancy worrisome, but the effects of increasing numbers of uneducated, unskilled, female workers who are school drop-outs will further exacerbate the high unemployment, lack of skilled personnel human resource base of the present. The social problems created by teenage pregnancies are already more than the social welfare agencies can handle.

Donors may wish to examine the possibilities of relieving some of the difficulties faced by women, particularly teenage girls, but care must be taken not to try to overload government capacities in the process. It might be possible for government, however, to offer incentives for private provision of a more organized public transport system with the GOAB simply setting standards. In dealing with child care problems, encouragement might be given to organizing community-based child care rather than government-funded centers. Likewise, PVC's could be assisted to develop remedial education and/or skills training programs for young mothers. Perhaps older women could be motivated to provide child care as a means of supplementing their meager incomes, thus making a contribution to the solution of two problems simultaneously. Also, a more intense campaign against teenage pregnancy needs to be mounted.

5. Health and education

a. Health

Antigua and Barbuda has six main district health centers and 17 subcenters. These centers provide maternal and child care, geriatric, dental and family health care, as well as education and general medical services within the community at a rudimentary level. There were 4.33 doctors per 10,000 in 1981--or approximately 32 serving a population of 78,200. In 1983 the crude birth rate was estimated at 16-17 per 1,000 and the death rate at 6-7 per 1,000. While there were about 100 trained nurses in 1981, only four worked as Family Life Nurses at the community level. Therefore, family planning services to people in the countryside are severely limited. The number of live births in 1981 was 1,177, down from 1,522 in 1976. Of the 1,177 births, 950 were out-of-wedlock.

There are actually fewer hospital beds available now than there were in 1976. Given the slowness of expansion of health teams and paramedics to the outlying districts, access to medical care may actually be declining.

b. Education

Education is compulsory for all Antigua and Barbuda children aged 5 to 16. The majority of these children attend government schools. Of the 10,660 students in primary and post-primary schools in 1980, 7,798 were enrolled in public schools and 2,862 in private schools. Of the 4,526 students enrolled in secondary schools, 3,761 attended public schools and 765 attended private ones. The largest numbers of students are in the 7 to 14 year old age levels.

The chief obstacle to providing a quality education appears to be the educational budget, which amounted to only 11 percent of government expenditures in 1981. Many schools do not have minimally adequate physical conditions necessary for learning. Textbooks and other educational supplies often are unavailable. Four major weaknesses of the educational system have been identified:

- o Inadequate overall government planning relating education to manpower needs and development goals;
- o Lack of adequate direction from the Ministry of Education, Youth and Culture;

- o Poorly paid, inadequately trained staff (one-half of the 461 primary school teachers were identified as untrained, as were 107 of the 318 secondary school teachers); and
- o Serious under-financing of the educational sector.

C. Institutional Profile

1. Overview

Antigua and Barbuda is at a delicate point in the evolution of a successful mode of development. Like other countries in the Eastern Caribbean, Antigua has undergone a set of major economic changes and social transformation in the past two decades. These will severely test the ability of the public and private sector institutions to deal adequately with stresses which flow from these changes.

Adjustment is still in progress to a set of far-reaching recent events. These include the final collapse just over a decade ago of the sugar industry; the rapid increase over the past twenty years in the role of tourism; the emergence of light manufacturing to a position of significance in the economy; the stresses associated with the oil price increases of the seventies; and the world recession of the early eighties with attendant fiscal and foreign exchange repercussions. Likewise, the shifts in social patterns related to economic changes, in migration trends, in community functions and in employment opportunities, alter significantly the demands on people and the institutions designed to serve them. Political developments have also introduced some stresses. Therefore, despite its relatively high per capita income (by Eastern Caribbean standards), Antigua is confronting economic problems and social stresses to which its institutions are having difficulty responding.

In the public sector, external financial and economic problems combined with internal pressures have caused dislocation. Economic growth has slowed over the last four years, from about 8 percent in 1976-1979 to 3.3 percent in 1982 and probably less in 1983. This decline is less severe than it might have been if Antigua's tourism industry were not geared largely to the more recession-proof "up-market" trade. More recently, the introduction of trade restrictions in the MDC markets of the CARICOM region are impacting manufacturers unfavorably and threatening some new economic stress. At the same time, public sector expenditures have been at very high levels and the overall deficit in 1982 was 17.3 percent of GDP. In part this was due to government's continuing effort to offset a substantial proportion of the unemployment problem by providing employment to approximately one-third of all persons now working.

The government debt increased by 14 percent in 1982, reaching U.S.\$58 million by the end of the year, about half at market rates of interest. Major adjustments in GOAB policies are needed to redress the budget deficit, restore greater equilibrium to the balance of payments and gradually reduce the arrears on external debt. Carrying out these needed reforms will add to the stresses in public sector institutions responsible for social and economic development programs already starved for funds.

Economic management will call for a careful balance between the need for fiscal restraint and the funding of programs to restructure the economy (e.g., expand agricultural output) and facilitate the adaptation of the society to continuing change, for which it and many of the institutions on which it depends are ill-prepared.

Over the past two decades, Antigua has successfully attracted a sizeable volume of private foreign and domestic investment, primarily in the tourism sector and more recently in the light manufacturing field. The present government, which has been in power since 1976, has maintained a positive program of incentives and encouragement to private business. But with respect to infrastructure, the picture is mixed. Today the assets of a modern jet airport, a deep water port, and generally serviceable roads are offset by poor power and water facilities as investors consider development in Antigua.

Government's financial management in the face of mounting economic strain has created a set of conditions in Antigua that have eroded the climate for private investment. The result is that some mistrust of each party by the other has emerged in the relationship between the public and the private sectors. Manufacturers would like more support and protection from the government in today's difficult market conditions inside CARICOM. Government officials, however, complain that business (both hoteliers and manufacturers) are reluctant to expand to provide more private employment, so government is taking direct action to expand hotel capacity. For the present, the investment climate appears to have deteriorated somewhat in Antigua.

2. Public sector institutions

a. Ministerial establishment

(1) Overview

The ministerial establishment in Antigua is made up of the following Ministries:

- o Prime Ministry and Ministry of Defense ;
- o Ministry of Planning, Economic Development, Industry, Trade, Tourism and Energy (Deputy Prime Minister) ;
- o Office of the Attorney General and Ministry of Legal Affairs ;
- o Ministry of Agriculture, Lands and Fisheries ;
- o Ministry of Health ;
- o Ministry of Finance ;
- o Ministry of Labor and Housing ;
- o Ministry of Local Government ;
- o Ministry of Education, Youth and Culture ; and
- o Ministry of Public Works, Public Utilities and Communications and Information .

Statutory boards and other parastatal bodies are semi-autonomous entities with their own budgets, salary scales, etc., and are outside the civil service establishment. They deserve mention here only because they are in all cases responsible to a particular Minister.

The Ministries of the Antigua Government are organized in the traditional Westminster structure, with a Permanent Secretary (PS) reporting to the Minister and responsible for overall direction and administration of the Ministry. The PS may be assisted by one or more Assistant Permanent Secretaries for Administration, Accounting, etc. Each Ministry has its own separate structure of technical staff, typically headed by a person with a title such as Chief Medical Officer, Chief Agriculture Officer, or Chief Education Officer, with persons in charge of departments such as Extension, Livestock, Research, etc., as in the Ministry of Agriculture.

The GOAB is constrained, however, by a significant number of vacancies in key positions. This appears to have stemmed from the tight budgets in recent years leading to failure to replace personnel who are dismissed or retire. Dismissal evidently has occurred with some frequency as personnel fall out of favor with this Government which has held power since the election of 1976. It was returned to power in 1980. Also, as budgets have become increasingly constrained and deficits have become a serious problem, salaries have become a steadily larger proportion of recurrent resources available. As a result, the effectiveness of ongoing programs in such areas as health, education and agriculture are reduced, and it is difficult to find resources to initiate new programs.

(2) National planning and management structure

(a) Overview

The Ministry in the GOA/B responsible for planning and overall national management is the Ministry of Planning, Economic Development, Industry, Trade, Tourism and Energy (MOPED). As the name implies, the portfolio which is held by the Deputy Prime Minister (who is also Minister of Foreign Affairs) covers not only the planning/management functions, but also most major productive sectors of the economy (with the exception of agriculture). Those sectors generate a large part of the GDP and employ the majority of the work force (most of those not employed directly by Government). The Ministry is therefore nominally one of key importance.

(b) Organization and budget

The Ministry of Planning is administered by a Permanent Secretary, with three departments, including development planning, industrial development, and tourism. The top positions in each of these departments is vacant, as are a number of other established senior management and technical positions. The Development Planning Unit (DPU) is authorized to have six staff members including four economists. Currently, five positions are vacant.

According to the 1983 Budget of the Government of Antigua, the Development Planning Unit has a total budget of EC\$101,778 for the year. Of this amount, \$95,258 is for salaries and related expenses to cover cost of a total of 6 professionals and 3 other staff. But as noted earlier, most positions, including that of the Director, are vacant, so it is clear that far less than this amount was actually spent.

It is apparent from the above tabulation that the DPU is in a weak position to formulate national plans and monitor or evaluate sector plans and programs though it is charged with these responsibilities. It also has responsibility for external donor coordination which it cannot perform very effectively with its present limited staff. Instead, it must rely on the sector Ministries.

The Industrial Development Agency consists of 6 authorized positions, only one of which is filled, namely a Development Administration Officer. Essentially, then, this body exists only on paper, though it purports to sponsor interministerial meetings on industrial planning (One such meeting being publicly announced during the visit of the team responsible for preparation of this SIP.)

The Tourism Department is without a Director, though it is the agency of Government responsible for the promotional activities for the sector of the economy which generates directly approximately 12 percent and indirectly another 7 percent of GDP. The Assistant Director and the small staff of tourism officers are not capable of providing the direction or the representation needed to achieve accelerated growth of the very important tourism sector or to promote private tourism investment effectively. The Deputy Prime Minister is effective in this role but is so heavily occupied with a wide range of other responsibilities (with little staff to support him) that he cannot devote a great deal of time to this important function. Other Ministry staff and officials nevertheless spend a substantial amount of time and effort on the planning, design and financing of new hotel facilities the government is eager to build. Their contention is that this is essential to expand tourism earnings and employment, although to do so seriously strains the financial resources of government and threatens its credit worthiness. This reflects the lack of overall balance in the management of governmental resources.

(c) Programs

The MOPED maintains offices for investment and tourism promotion in London, New York and Toronto. These offices are responsible to the Minister (who is the Deputy Prime Minister) in the absence of senior officials in the two offices in the Ministry which would normally provide direction for their activities. The private sector observers of the programs for which these offices are responsible do not feel their efforts are effective. It may, however, only be fair to note that Antigua did not suffer as severe a setback in tourism in the 1980-82 recession as some other countries did. This may be due as much to the market to which Antigua appeals as to good promotional efforts. The "up market" clientele are usually the last to be affected by recessions.

In the energy field, the Ministry maintains a "desk" which is nominally covered by an Assistant Research Officer. He is the first to admit that he is not qualified to deal with the complex range of technical and economic issues which should be covered there. As a result, there is no one in the Ministry to provide overall direction on the variety of energy-related issues of such great importance for the economic future of Antigua. (This is all the more surprising given the heavy impact of oil price rises in Antigua as the largest per capita energy consumer in the Eastern Caribbean.) Instead, such planning and assessment that is done appears to fall to senior staff of the Antigua Public Utilities Authority. That body appears to be alert and eager to make good decisions on the major issues affecting electricity generation and related water (desalination) questions. There is no evidence, however, that anyone competent to address the issues is looking at the continuing high level of use of foreign exchange to purchase an unusually large number of new automobiles and the fuel they consume while there is not an organized system of public transportation in the country which might reduce the demand for cars if properly provided for.

The Ministry of Planning indicates that it operates with the support of an advisory committee including business, labor, church groups, grass roots organizations, etc. Available evidence, however, suggests that this dialogue is quite limited. It is also characterized by considerable suspicion between business and Government, each feeling that the other is unresponsive to its needs and requests. Business views are not unanimous but many feel Government does not provide adequate support, and Government feels that business is unwilling to seek to create additional employment. Government also feels that business is often dominated by non-Antiguans and hence does not have the same objectives as Government. The historic role of two different unions as the base of support for the principal contending parties makes business an "outsider" irrespective of which party is in power. As a result of these tensions and the limited amount of forward planning currently actually being done by the Ministry, the effectiveness of this consultative process is questionable. Government has no apparent plans to intensify the process in the near future.

(d) Assessment

By almost any standard, the Ministry of Planning has to be seen as inadequate. Specifically, there is need for a number of key jobs to be filled with the most competent candidates available. The Ministry and others say that the economy must be restructured and diversified. The financial constraints confronting Antigua are severe. Therefore, resources will have to be deployed carefully. The international financial community has urged that Antigua refrain from making additional financial commitments. Some political compromises may be

inevitable, but if judgments are made with less than adequate assessment of the costs, mistakes could be made that the country can ill afford. Government's present position is that expenditures cannot be reduced because unacceptable political risks are involved. Its position is that if Government does not employ people directly in the numbers now covered (nearly 40 percent of the labor force by its own count), or indirectly on Government-funded projects, e.g., hotel construction (which the private sector is unwilling to undertake at the present time), then unrest could occur. This clash of concepts is not being resolved satisfactorily, because either the government is not being adequately advised or lacks the necessary political will or both.

Another area in need of attention from the DPU is mobilization of a serious effort, including human and material resources, to expand and diversify agriculture. It is widely agreed that this is important for improved performance of the Antiguan economy in terms of growth, employment and better balance of payments as well as linkage with tourism. The Ministry of Agriculture has laid out the main elements of such a program. What is lacking is a prioritized allocation of resources to give it reality. This will require positive, coordinated resource allocation and support. So far this has been lacking in terms of central DPU decisions. This leaves a major gap in carrying out an effective development program.

A critical issue in Antigua is the degree to which the public sector provides effective support to private development and a climate conducive to private sector investment. Growth of manufacturing, agriculture and tourism are essential to employment creation, the preservation of reasonable equity and prevention of the emergence of widespread support for radical change. At present, most business activity is private, although the Government is investing in new hotels to achieve capacity expansion and a higher level of tourist earning. Government hopes to turn over the new hotel facilities to private management, but the high cost and large size of these facilities calls into question their financial soundness. This is not supportive of the private tourism sector. At the same time, government strongly supports private development in principle. Again, one must conclude that policy and action are not being satisfactorily reconciled. The Ministry, its staff and its leadership must share part of the responsibility for this disturbing dichotomy.

From the investor's viewpoint, the system of investment incentives (tax holidays, import duty exemptions, serviced industrial parks and factory shells for rent) seems to be adequate. At times, excessive concessions may have been granted to manufacturers whose operations were not linked to the local economy and have provided little value-added. The structure of the incentive system has a built-in bias against non-CARICOM exports. This has perhaps led to particularly heavy dependence on the regional market in the case of Antigua's manufacturing sector.

From a development viewpoint, it would be desirable to evolve a more effective set of incentives. These would give premiums to higher value-added, greater use of local materials and exports to non-CARICOM destinations. This may only be possible if negotiated in CARICOM, as one major problem is the uniform application of the common CARICOM tariff. The Ministry and the Development Planning Unit have apparently not addressed this issue.

Some of the infrastructure (ports, roads, airports, communications) is quite good and goes far to meet the needs of existing business and prospective investors, but serious problems of power failure and water shortage exist and are a constraint to investment and growth of all kinds. Plans are underway with U.S. and other external assistance to replace water mains and expand ground water exploitation to relieve the constraints of water supply. This is vital for both existing hotel and manufacturing operations and essential to future expansion. Likewise, rehabilitation of the electricity transmission and distribution systems is being undertaken to relieve the problems now being faced by users who experience frequent outages due to line failure, and to reduce serious transmission losses. Present generating capacity is adequate, but additional capacity needed in 1986 must be ordered in 1984 for which financing is under negotiation. Some experiments with wind generation are getting underway to determine if this system could reduce Antigua's energy import bill. Planning for these developments is largely carried out by the Public Utilities Authority in lieu of capacity for such work in the Ministry.

Labor union-based politics and a past record of fly-by-night investors leaving the country despite having been given large concessions make Government suspicious of business. Some private entrepreneurs are disturbed by political events, economic mismanagement, a belief that Government provides too little support and is not understanding of its problems. The feeling cannot be avoided, however, that both sides need to modify their positions if the best interests of the country are to be served. Soon Government must face the financial realities that have brought about deficits and debts which are a serious problem. It must also recognize that employment not based largely in productive activity cannot be sustained, and that political patronage undermines productivity. For its part, business needs to be more self-reliant, less dependent on Government and to adopt a more positive outlook. There is evidence that the Chamber of Commerce is attempting to do this (though it has a distance to go), but the Manufacturers Association appears to be in retreat due to its recent CARICOM market reverses. Perhaps the economy's over-dependence on tourism is symptomatic of the general malaise.

A confrontation with the international financial agencies over deficits, debt and inadequate economic management is building rapidly to a climax. The Ministry is ill-equipped to either deal with the consequences of continuing on the present path, facing up to a moratorium or ceiling on expenditures, or to carry forward a well-conceived development program (assuming the resources could be found and the incentives were present to initiate it). This is true even if reliance is placed on the private sector for major segments of the program as it must be if there is to be any hope of success.

In sum, the DPU and the Ministry need to be strengthened and organized to address more adequately a range of development issues that have been seriously neglected or managed quite inadequately in recent years.

(3) Ministry of Agriculture, Lands and Fisheries (MALF)

(a) Principal responsibilities, organization and budget

Historically, Antigua had a monocrop agricultural sector with private sugar estates occupying virtually all the land. The industry suffered steady decline during the sixties as tourism was on the increase. By the early seventies, when the sugar industry was finally closed down, it represented only about 7-8 percent of GDP. Not only was the world price of sugar a deterrent to continuance of the sugar industry, but laborers became increasingly reluctant to work in the fields as options of work in the tourism, construction and service industries became available. When sugar was finally closed out, there was in effect no agricultural sector.

Even today, more than a decade later, the land is almost totally empty except for the large number of tethered or free-roaming cattle, some 400 hectares in sugar cane intended for local consumption, and a few farmers and gardeners producing vegetables and tree crops on a total acreage of about 800 hectares. At present, therefore, the agriculture sector is miniscule in terms of acreage, employment and production. Fishing is still largely an inshore artisan activity. In large measure, therefore, the Ministry's task is to support the development of the potential for agricultural and fisheries production.

The Ministry of Agriculture, Lands and Fisheries (MALF) is organized along traditional lines. The PS directs the operations of the lands division and the agricultural division. The director of agriculture is responsible for fisheries, cotton, research, extension, animal husbandry and chemistry/food technology. There is a total of 132 persons. It operates on a budget (1983/84) of about EC\$5 million of which the

agriculture division receives about one-third. The Ministry budget for recurrent costs is 4.2 percent of the total projected 1983/84 expenditure on current account for the Government of Antigua of EC\$106,371,017.

(b) Program

The Permanent Secretary of the Ministry of Agriculture is located in St. John's. The Chief Agricultural Officer is situated outside the city at a distance of some 3-4 miles, making communication difficult. Extension is under a Director who is professionally trained, but of the nine field extension personnel (3 in each of 3 districts), only one has a two-year agriculture diploma. The Extension Department is required to perform regulatory and service functions (even including "gunmen" to shoot roving cattle) and there is confusion in the minds of farmers as to which function personnel actually perform. A survey conducted in 1982 found that farmers, extension agents and community leaders all believe that a disproportionate share of time is spent on regulatory and statistical functions and little on advice to farmers. Antigua has no training or communications officer in extension and only two vehicles to service the whole island. Housing facilities for staff are also scarce. Some improvement in extension programs can be expected, as 4 members of the staff are to complete the one-year Diploma in Extension program at UWI in the years just ahead.

The MALF in Antigua has only two staff members engaged in research. They receive support from CARDI which has a representative resident at the Cotton Station. Programs to date have focused on vegetables (especially legumes) and fruits, and look to the expansion of gardening on household plots rather than development of farming systems as such. Nevertheless, some valuable results have been obtained and these would assist farmers/gardeners if they could be extended.

The Ministry proposes to develop a nucleus planning unit. At present, it does not have such a capacity, though it is badly needed to examine broad issues (e.g. ecosystems) as well as specific project feasibility and program priorities. Such a group could also be a nucleus for the systematic collection of production statistics, marketing information, etc.

In fisheries the MALF has only one officer to coordinate a program of major potential. At least two (2) assistant fisheries officers and a management specialist are needed to coordinate the development of fishing off-shore using modern deep sea boats and equipment. Both CFC and CDB have provided financial assistance directed toward this program and the South Korean Government has provided a fishing advisor.

Relations with regional organizations are vital to the realization of a revival of agriculture in Antigua. Given its situation in staffing, finance, training, etc., it cannot hope to initiate progress without external help. This is coming and/or is planned to come from CARDI (research), UWI (extension and training), CDB (sugar development), CDB (fisheries), and CDB (livestock. In addition, the OAS is assisting in land leasing systems and will support the conduct of an agricultural census early in 1984. In addition to regional organizations, EDF is assisting in fisheries development and the UN (CARDATS) in vegetable production and marketing.

(c) Assessment

This ministry is in a very weak position to proceed with cropping, livestock and fisheries programs which are being externally funded or to absorb the institution-building technical assistance which is underway through CARDI and UWI with USAID support. Ministry programs undertaken in the past (large-scale corn/sorghum production and livestock development) have not been successful due to implementation and management problems. The services it was ostensibly established to provide (e.g. extension and custom plowing) it has great difficulty delivering to small farmers, because of management and technical personnel shortages. In the final analysis, the fact that the land remains largely unutilized more than a decade after the termination of large-scale sugar production is the main testimony to the Ministry's weaknesses. Today, however, its problems are complicated by the tight budget limitations imposed by a fiscal crisis. Even with outside technical help and funding for capital costs, the Ministry will continue to have difficulty seizing the opportunities that are offered by a large underutilized land area until both its personnel and funding constraints are relieved. The Ministry has indicated it is prepared to make changes on a policy level that would be most useful, including making provision for relief from livestock price controls, arranging for procedures to facilitate long-term leases of land for livestock and crop production, and the development of suitable marketing arrangements for the export of expanded vegetable production. These are the kind of steps that will indicate when finally taken that government will not allow narrow political considerations to dictate the approach to programs with major national development potential. In that sense, they are a most welcome sign of a renewal of serious intent to deal more effectively with development issues. Support is also needed from the DPU and Finance, however, to successfully carry these ideas out.

(4) Ministry of Education, Youth and Culture

(a) Education division: responsibilities, organization and program

The Education Division of the Ministry of Education and Culture (MOE) is directed by the Permanent Secretary and the Chief Education Officer (CEO) at the coordinate level responsible to the Minister. Essentially, the PS is responsible for personnel, finance and logistics, while the CEO is in charge of all educational program activities, including examinations, curriculum, planning, primary and secondary schools and subject matter supervisors. In addition to the Ministry's activities, the discussion which follows covers the Antigua State College and the University Center in Antigua related to UWI.

For 1983-84, the allocation for education under the recurrent budget is EC\$15.46 million, or 12.9 percent of projected total expenditures for the year (\$119.66 million). Sixty (60) percent of the funds for education are absorbed in payment of salaries and wages alone, leaving inadequate amounts for other program expenses. This pattern has persisted in recent years. Physical facilities have deteriorated and educational supplies are inadequate to meet minimum standards for learning. In 1981, for example, only EC\$2.06 per pupil was available for the provision of textbooks in primary school which government had committed itself to supply free. In 1983, each student must supply a chair upon registration in order to be accepted. The public has voiced great concern, and education officials agree the problem has reached crisis proportions as the inadequacy of funding is affecting every area of the educational program.

To assess properly the quantitative demand for education, data on demographic patterns and trends are required. The absence of a census since 1970 is therefore a serious deficiency in assessing the situation. According to figures in the Antigua and Barbuda Statistical Digest (1982), total primary and secondary school enrollment has declined from 17,060 to 15,186 between 1978 and 1982. There is compulsory education for those in ages 5 to 16, and the Ministry of Education reports attendance at 80-85 percent. It is not feasible to relate the number of school leavers to the labor force on the basis of available data but, with unemployment roughly estimated at 70 percent, it is evident that new entrants face a difficult problem of finding employment.

On a qualitative basis, the performance of the educational system is cause for concern. In 1981, only 8 percent passed the London GCE exam; only 36 percent passed the Cambridge exam. Only 5 percent of those were able to obtain enough passing grades to qualify for the "A" level exams. This suggests that the schools are preparing few students adequately for higher education and leadership roles in the society. No simple assessment of technical education performance is available, but Government and donors alike agree that students completing technical and vocational training in junior secondary school are ill-prepared for jobs.

There is no policy governing non-formal and continuing education programs. Community Development is responsible for some programs, the State College for others and University Center for others still. A coordinating body to oversee continuing education needs to be established. Government plans to integrate all continuing education under the authority of the State College, although this is being resisted. In the interim there is inefficiency, duplication and insignificant support. University Center is the main provider of adult evening classes in Antigua/Barbuda. The Center's courses range from G.C.E. Certification courses to vocational training in sewing, accounting and home economics. Under the Extra-Mural Department of UWI, University Center also provides first-year courses in Social Science and is likely to soon offer first-year courses for the B.A. degree. The Center also sponsors courses for nurses in English, Sociology and Biology in conjunction with Holberton Hospital.

Training in child development for staff of pre-schools also takes place at the Sir Luther Wynter Pre-School Child Development Center. Funding is provided by a number of donor agencies, including UNICEF and the Government of Venezuela. Funding of Extra-Mural activities in continuing education is a problem for the Center. Government has only allocated EC\$5,000 in 1983. Most of the funding for the continuing education programs comes from the Mill Reef tourist colony, US\$5,000 a year. At the present time, it is difficult to see how the Government of Antigua and Barbuda could take over the University Center's programs and integrate them into Antigua State College. Many more details on curriculum and staff would have to be worked out with UWI concerning degree programs. In the short-to medium-term, the University Center as presently functioning is serving important needs in the community and needs to be subsidized, as UWI is not providing adequate financing.

Non-formal education is being sponsored both by public programs through the Women's Desk and Community Development, and by NGOs such as the Antigua Planned Parenthood Association. As in continuing education, with which a successful program should be linked, there is the need for a coordinating body to give the programs direction and monitoring and to avoid duplication.

As for vocational and technical training, the Government implemented a program in the 1970's along comprehensive lines to address the needs of the majority population for vocational and technical training. At the junior secondary level, courses are offered in agricultural science, metalwork, woodwork, domestic science and secretarial skills. The technical college, now merged into Antigua State College, opened in 1972 with courses in hotel training, carpentry, masonry, plumbing, mechanics, basic engineering, electrical installation, refrigeration and commercial studies. However, vocational and technical training at all levels, particularly the State College, is heavily dependent on expatriates, mainly Peace Corps Volunteers. Agricultural development continues to be hampered by inadequate attention to practical agricultural science at the secondary level. The CXC program, while important, is biased toward passage of examinations, which most students will not take. Hence, CXC may not be relevant to Antigua and Barbuda's needs in agricultural training. The private sector continues to complain, as do the school leavers, that as constituted vocational technical training is not meeting their needs.

(b) Education division: assessment

It is difficult to see how Antigua and Barbuda can expect to solve its problems in the educational sector by depending on external assistance. Donors will not cover recurrent costs and Government, which is already incurring large deficits, cannot adequately fund existing programs. The primary solution to educational problems in Antigua and Barbuda lies in agricultural restructuring, effective management and Government's commitment of a greater percentage of the domestic budget to education for the improvement of the quality of education. There also needs to be greater coordination between the Ministry and the Economic Planning Unit and Cabinet to identify manpower needs within a clearer set of development goals. Additionally, institutional weaknesses in the Ministry itself that are hampering effective educational delivery need to be corrected. More funding is needed as is a decentralization of management. Additionally, steps need to be taken to expand and upgrade the technical/vocational offerings in the school curriculum and provide work-oriented skills and training for unemployed groups; establish a substantial agricultural education program in the schools and in the community; increase and expand the teacher-training capabilities of the Antigua State College; establish a fully functional Curriculum Resource Center which could enable teachers to improve the quality of instruction, and increase opportunities for adult education through non-formal techniques, in practical and cultural pursuits.

(c) Community development division: responsibilities, organization and program

The villages of Antigua/Barbuda were developed primarily in the post-Emancipation period as tenancies of plantations and "bedrooms" for estate workers. There were villages, however, which developed from churches and schools established by several denominations, notably Moravians. This pattern of life existed for the majority of the population until the 1950's. Village life declined in the post-war years as a result of emigration, and the development of the trade union movement and political parties which widened people's loyalty beyond the village context. Local councils, which up to the 1960's were relatively vibrant institutions, have withered away. So too have the programs and festivities they used to sponsor. Hence, at the moment there are no local government bodies coordinating services and amenities in the communities. Community services are supplied primarily by NGOs, particularly church organizations.

Problems of over-centralization are exacerbated by the recent break-up and reorganization of the Ministry of Community Development which has been subsumed under the Ministry of Education, Youth and Culture. The program for Community Development is currently organized under the direction of the Minister of Education. There is a PS of Culture, Community Development, Youth and Sport. In addition, there are 13 community development officers, including the chief, a social welfare officer and a handicraft organizer. The Youth, Sport and Culture sections have their own officers distinct from this section of the Ministry.

EC\$385,712 has been allocated to the Community Development Division for 1983/84 of which EC\$132,452 is for personal emoluments and EC\$253,260 for programs and activities. A breakdown of program expenditures includes the following: EC\$51,000 for needy welfare cases; EC\$50,000 for community sports and games, and EC\$7,500 for youth services and EC\$2,000 in grant assistance to youth organizations.

Social welfare responsibilities are included in this division of the Ministry. However, the social welfare activities are diffused among various agencies including the Ministry of Health and NGOs. For example:

- o The Salvation Army in effect operates a probation service in Antigua.
- o A Board of Guardians, funded by Government but staffed by citizens supported by Government, operates the bulk of social welfare programs in Antigua.

- o The Viennes Institute, funded by the Government of Antigua, is responsible for the destitute and senior citizens, and is now under the Ministry of Health.
- o The Christian Council, which is affiliated to the Caribbean Council of Churches (CCC), also performs a number of social welfare as well as income generating activities.
- o The Home for the Poor is operated by a Ministry of Finance Board.

Although there are avenues for formal and informal coordination among the myriad semi-statutory bodies, NGOs and government divisions and sections, their dispersal throughout the Ministerial structure makes it difficult for the administration to assess social welfare operations systematically. Within the Division, the Social Welfare Officer, who is also acting as Chief Community Development Officer, is the only social worker with a degree. The primary responsibility of social welfare in Antigua is to investigate referrals from U.S. immigration authorities on child maintenance questions.

Given the paucity of assistance (\$7 a week child maintenance; \$12 a week assistance for adults) and the dispersal of activities, it is difficult to see social welfare even scratching the surface of Antigua's social needs at the community level. Officials expressed anxiety at the volume of client needs, particularly abandoned children and senior citizens, and the lack of personnel and resources/programs to deal with the situation.

With the disbanding of village councils, community development program functions depend on the ability and zeal of community development officers and the dynamism of individual communities and their leadership, a very haphazard operation. Most community development activities, whether community projects or income-generating activities, have been taken over by the NGOs and in St. John's, by the Women's Desk. All activities at the community level depend on volunteers within the community there being only three community development officers (instead of the 7 authorized) who have experienced serious transport and communication problems. Morale is extremely low and many staff have left in frustration.

The Community Development Department at this stage does not appear to be initiating programs; rather most of its programs have been removed from them. Those remaining are initiated mainly by the villages themselves at community meetings called by community development officers.

(d) Assessment

Given Antigua's small size, one can appreciate how overcentralization developed in the last twenty years. Nevertheless, decentralization is a necessity if the large section of the population which resides outside of St. John's is to be helped to achieve a decent standard of living and quality services. At the moment, the Ministry of local government simply oversees the administration of Barbuda. It is often argued that Community Development was dismantled for political reasons. Whether or not this is true, a crisis is emerging in the countryside where there are no recreational facilities, no employment opportunities, few amenities, and little local decision-making except in the church organizations and party branches. Youth in particular chafe at the lack of options and limitations at the community level. The institutional framework needs to be rebuilt, goals and strategies developed in dialogue with the communities, and linkages established through the creation of community councils or at least viable community committees.

(e) Women's Desk: organization, program and assessment

The Women's Desk appears to be highly supported by the Government in efforts to establish income-generating Training Programs for unemployed young women. In fact, institutionally, the Women's Desk appears to be developing as a replacement of Community Development. Many of Community Development's programs are now run by the Women's Desk. Unfortunately, located in St. John's, with no branches in the communities, this organizational structure does not meet community needs, although the department and the programs have much potential. The Women's Desk coordinates a variety of programs including income-generating activities of the Ministry of Education and Culture; workshop programs in home gardens (funded by CIDA and the Ministry of Agriculture), managing small business/accounting, bookkeeping (supported by WAND), pattern-making (with Venezuelan assistance) and clothing construction; communications activities in radio, television and newspapers; and the organization of beachvendors.

The Women's Desk has set up a Revolving Fund to assist women in establishing themselves in business. Income derived from the garden sales to hotels is put back into the fund. The Desk hopes to develop an outlet for crafts being done by women, particularly during the tourist season. This, however, is an aspect which calls for better linkages with NGO income-generating activities throughout the country. The Desk is also producing a magazine which is very comprehensive and includes articles by women in all sectors of the society. Proceeds will go into the Revolving Fund. No official funding for publication has yet been provided.

The Desk has developed growing numbers of income-generating projects. Non-formal training programs are underway, but there is no overall planning and coordination of non-formal education. This is necessary if program effectiveness is to be maximized. Also, in terms of marketing products created by these various programs, a centralized outlet is necessary to avoid unnecessary competition and to achieve economies of scale. Linkages exist with the Women's Desk at CARICOM, and the Desk cites WAND as being especially helpful in training seminars and providing organizational guidance.

While many of these programs are of short-term benefit, they need to be supported, especially since the economy of Antigua is unable to generate adequate numbers of new employment opportunities.

(5) Ministry of Health

(a) Principal responsibilities, organization and budget

The Ministry of Health is organized to deliver community-based health services. From the Minister authority runs to the Permanent Secretary for finance, personnel and logistics functions, and to the Chief Medical Officer for direction of the health care system, health education and family life, the World Food Program, all the support staffs and major institutions.

The budget of the Ministry of Health amounts to EC\$14,178,318 or 11.8 percent of recurrent expenditure for 1983/84. This allocation demonstrates the priority that Antigua and Barbuda is placing on expanding its health delivery system to the population. Personal emoluments amount to EC\$5,440,297 or 36 percent of allocations to the sector. A breakdown of other projected expenditures includes: EC\$41,300 for maternal and child care services, EC\$30,000 for maintenance of creches, and EC\$100,000 allocated for Antiguan to receive medical care abroad. EC\$4 million has been allocated to the Central Board of Health for environmental health administration and services.

The Government of Antigua and Barbuda stresses that its goal is to create an effective community-based program of Primary Health Care. There are six main district health centers and approximately 17 subcenters in Antigua and Barbuda. These centers are equipped to provide maternal and child care, geriatric, dental, family health and education, and general medical services within the community at a rudimentary level. Through USAID funding, a module of team health has been established which includes a dispensary and laboratory. The Government of Antigua would like to expand and replicate this structure but has so far been unable to do so due to the lack of funds.

According to official statistics, Antigua and Barbuda had the following health delivery capacity per 10,000 population in 1981:

- o 4.33 doctors ;
- o 0.53 dentists;
- o 13.51 trained nurses ;
- o 1.97 public health inspectors;
- o 0.26 radiographers ;
- o 0.92 chemists and druggists ; and
- o 0.79 laboratory technicians .

These figures indicate that Antigua faces a difficult personnel constraint to effective health care. Equally worrisome is the fact that the number of hospital beds per capita appears to be declining. In 1976, there was a total of 215 beds or 332.2 people per bed; by 1981 this had eroded to 205 or 371.8 people per bed. Given the slowness of the expansion of health teams and paramedics in the outlying districts, access to medical care may actually be declining.

The institutionalization of Family Life programs has been impeded by inter-ministerial differences over control of the program. There appears to have been serious disagreements between officers in the Ministry of Health, Ministry of Education and the Youth divisions over lines of authority. There was also disagreement amongst staff and hence the program is only now at the stage of actual take-off. The family life program of the Caribbean Family Planning Association (CFPA) looks promising as the Executive Committee comprises individuals active in the community and committed to the goals of the program. However, the committee may be too "top heavy", and seems to lack well-trained staff to carry through on the programs.

There also appears to be some Government ambivalence to the program, particularly with respect to youth outreach projects. In some cases, Cabinet approval has not been given, or signed, although monies had been allocated. Some Government Ministries appear not to be convinced of the need for the program for distribution of contraceptives, or that a problem, particularly among adolescents, really exists. Also, the lack of institutions at the village level which would facilitate inter-sectoral cooperation within the communities slows progress. Everything radiates from central bodies in St. John's, which impedes effectiveness. A long-term goal of the project is to train local bodies to run Family Life programs, but at the moment the institutional framework is missing.

The chief administrator of the program is highly motivated and committed to its goals but is in an acting position. PAHO has agreed to fund the program through 1984 and project proposals are now being submitted for 1984-1985. Although the Government agreed to take over funding of salaries from 1982, UNEFPA has had to supplement this in order that staff be paid. Good working relationships exist with CFPA and PAHO. CFPA has been particularly effective in lobbying government to develop policy and programs on family life education. Thus, in sum, the family life project appears to be seriously hampered by administrative difficulties and problems of commitment from Government. Implementation will be an uphill task and further public relations are necessary to convince people of the need for such a program both at the community level and at Cabinet level.

(b) Assessment

Health administrators are aware of the gaps in health administration and delivery. Inter-sectoral cooperation is necessary for a successful health program. Not only should there be a review of health policy, with a view to greater concentration of resources on community health programs, but those community health committees which use health people as reserves should be expanded. Presently, there are only about eight such committees.

Areas of concern are geriatric care (there are no day centers for the elderly) and mental health care which health administrators would like to see be community based, school immunology programs are also a focus of concern. Government hopes to achieve 100 percent immunization within the next two years. The hours of operation of clinics reflect staffing problems which also inhibit effective community health care. Health centers are only open between the hours of 8-4:30, whereas doctors are always on call at the hospital. Hence, the central hospital continues to provide a higher percentage of basic health services than is desirable. These services could be more effectively provided in the community.

There are only four Family Life nurses operating at the community level, and they are operating as paramedics. The Cabinet has not yet made a decision whether to expand this vital service to all communities. Hence, family planning services are retarded in the drive to reach and counsel men and women in the countryside.

(6) Ministry of Local Government and Barbuda Affairs

(a) Responsibilities, organization and budget

The Ministry of Local Government and Barbuda Affairs oversees the administration of the Barbuda Council, which governs the estimated 1,200 people living mainly in the capital, Codrington. The population is estimated to be a youthful one, about 45 percent under the age of 15. The labor force is estimated to comprise around 500, or 42 percent of the population; of this number an estimated 300 persons are employed.

Social and economic life in Barbuda revolve around a close-knit community, nearly endogamous, with a large overseas resident population. Residents are heavily dependent on remittances from relatives living primarily in New York. As the island abounds with fish and wildlife, the population largely subsists on garden agriculture, hunting and fishing. There are few commercial agricultural enterprises, with the exception of the harvesting of fresh coconuts to export to Antigua and a lobster enterprise. Lobster enterprises have tremendous potential, and a good market has been established with the U.S. Virgin Islands and Puerto Rico. Other employment opportunities are in the civil service and in the two hotels on the island.

The Barbuda Council in effect operates along the lines of a Town Council. The Council administers an agriculture program, public health and sanitation, public works and social security for the island. For 1980, administrative costs including personal emoluments for the Council's operations totalled EC\$919,750. The Council constantly encounters liquidity problems. In the past, it has advanced payments to teachers who are engaged in Central Government functions. Reimbursement has often been delayed. The Council chafes at what it feels is "scep-sister" treatment and there are periodic cries for secession.

A serious issue to Barbudans involves the land issue which has festered for years and goes back to Barbuda's unique colonial history. Barbudans claim that the land is held in common by them. There are no individual property rights. The Council, it is claimed, holds the land in trust for Barbudans. The Antigua Government cites 19th century Orders in Council which give right of eminent domain to the Central Government of Antigua/Barbuda. This issue has erupted several times and has impeded attempts to modernize Barbuda through the construction of several hotels. Barbudans are very wary of attempts to irrevocably change their lifestyle, particularly when it originates from Antigua.

Recently, the Government of Antigua and Barbuda announced the formation of the Barbuda Development Agency, which will function as an arm of the Ministry of Economic Development. Included on the Committee are a member from the Ministry of Local Government, an appointee of the Barbuda Council and the Parliamentary Representative for Barbuda. It has been stated that US\$1,000,000 has been allocated to the Barbuda Industrial Development Agency from funds received from OPEC. The Agency has listed six projects as priorities. These include: a 25-room guest house, acquisition of a 75-passenger boat, the establishment of an edible oil factory which would entail expansion of the existing coconut plantation and researching feasibility of peanut cultivation, fish farming and a 50-room luxury hotel. It remains to be seen what formal lines of communication and administration will exist between the Barbuda Council and the Agency. Given the already conflict-prone situation, this is a matter of urgency.

Presently, although there are discussions taking place inter-ministerially, the Ministry of Local Government is virtually confined to Barbuda Affairs as there is no institutional framework for Village Councils in Antigua. This is a serious problem of local government which needs to be addressed in Antigua, given the steady depopulation of the countryside. Effective delivery of social services is greatly impeded by the over-centralized nature of Antiguan administration.

(b) Assessment

The Ministry of Local Government fulfills a useful but limited function of liaison between Antigua and the Town Council of Codrington, Barbuda. The tensions which exist between the two islands are of historic origin and not mainly a matter of administration. At the same time, it is very apparent that more efficient administration could help smooth those relationships. The administrative problems stem largely from Antigua's tight financial position. It is to be hoped that a new initiative might set in motion the development of local administration within Antigua to help diminish the trend toward centralization, which thwarts effective local social service delivery programs and local initiatives in rural Antigua.

b. Parastatal institutions

(1) Overview

The parastatal institutions described in this section primarily serve the productive sectors directly and/or provide supporting services to the private sector. Primary attention is focussed

on the Antigua and Barbuda Development Bank and on the Antigua Public Utilities Authority. In addition, brief discussions cover the Antigua Port Authority, the Public Works Department, the Central Marketing Corporation and the National Health Insurance Scheme.

It should be noted that there are some fairly consistent patterns among Antigua's public sector institutions. Almost all of the statutory bodies are encountering problems in capturing sufficient revenue to cover their costs and provide for new investment. This is because they charge inadequate rates for service, or are unable to collect charges for services rendered and due from the public or the Government, or both. Where they are not self-financing, Government budget allocations are inadequate. In a number of instances, arrears have accumulated in meeting their debt service obligations. Most suffer from significant shortages of technical and middle-management staff, often due in part at least to low salary scales. Some are unable in part for this reason to provide the level of service needed to serve important segments of the economy. Needed reforms include: upgrading of salary levels; increasing rates for services to cover costs; obtaining payment against billings (notably from Government); rescheduling and/or writing off debts; and working out orderly programs for reconstruction, investment and maintenance.

(2) Antigua and Barbuda Development Bank

(a) Organization and functions

The Antigua and Barbuda Development Bank (ABDB) was established in 1974 as a statutory body to on-lend funds from the CDB and other primary sources of funding, for financing mortgages, locally-owned industrial, tourism and agricultural projects and student study overseas. The Bank is also the agent for the Government in carrying out the CDB-financed industrial estates and factory shells programs. The Bank functions under the general direction of a Board while the General Manager is responsible for operations. The General Manager returned from the United States a few years ago after some years as manager of a suburban branch of a commercial bank in New York State.

The principal areas of activity of the Bank meet important needs in the society. Mortgage lending is currently given the highest priority by the Bank. It seeks to assist low-income borrowers (household income of less than EC\$100 per week) to acquire new homes and to expand or improve existing dwellings. Outstanding loans in this area increased by EC\$1.07 million or 30.5 percent in 1982. Lending for various industrial and agricultural projects was up by EC\$1.26 million or 28.3 percent in 1982. The General Manager expressed a strong interest in supporting the Government's agricultural programs and the two Farm Improvement Loan Officers

are collaborating with the Ministry of Agriculture in efforts to expand vegetable production with support from the UN Adviser for the CARDATS project.

The ABDB reports that more people are now moving into farming on a part-time basis. Younger people are the main new group entering farming, with 60 percent of agricultural borrowers under 40 years of age. Most are seeking to produce vegetables and fruits on plots averaging approximately 3.5 acres, but a few applications come from people interested in livestock. Interestingly, ABDB reports that even artisan fishermen consistently earn more income than most farmers. This undoubtedly reflects the difficulties faced by farmers as a result of water problems and input supply and marketing difficulties.

(b) Assessment

Financial performance of ABDB has been weak. Arrears on sub-loans totalled EC\$832,000 as of June 30, 1982, as sub-borrowers have failed to maintain payments. ABDB has therefore been unable to keep its payments to the CDB current and was in arrears by EC\$150,000 on June 30, 1982. On the other hand, ABDB was able to achieve a small profit by the end of 1982 after two years of losses. The Bank is taking steps to improve its performance on collections through adding to its legal staff to take more cases to court, arranging for debt service through direct salary deductions wherever possible, and requiring collateral on all loans.

ABDB is a small but useful source of lending for housing and for productive activities in agriculture, industry and fisheries. It is an institution worth nurturing and should gradually build up its capacity. It needs to have greater capacity to extend free or low-cost technical assistance to entrepreneur borrowers to ensure their long-term viability.

(3) Antigua Public Utilities Authority

(a) Organization and functions

The Antigua Public Utilities Authority (APUA) is a statutory body charged with provision of water, electricity and telephone service in Antigua. These are all of very great importance to tourism and manufacturing--the mainstays of the Antigua economy--as well as to other sectors. It is a semi-autonomous body operating under general guidance of the Minister of Public Works, Public Utilities and Communications and Information.

The General Manager is presently supplied under a technical assistance arrangement by the Commonwealth Fund for Technical Cooperation. A Manager is responsible for each of the departments for electricity, water and telephone. Each department has its own management, technical and support staff, while a common accounting group serves all the departments. The APUA suffers from technical staff shortage (largely due to non-competitive salaries), especially in the electricity and water departments and, to some extent, in accounting. Too many members of the staff had inadequate technical background on entry into employment with APUA and have difficulty keeping pace with changing technology. The staff is also deficient at middle-management levels. While there is a continuous staff training program, it cannot keep pace with the needs, especially because there is no one to serve in the capacity of full-time training officer, a position which is urgently needed. CIDA has been assisting with technical assistance in staff training and development.

In addition to staff problems, the authority suffers from the failure by the Government to carry through a proposed but only partially implemented reorganization which was to have set up three separate bodies for water, electricity and telephone activities. This has now apparently been shelved, but leaves the authority with some residual administrative difficulties. In recent years, APUA evidently has operated just above or below the break-even point on an accrual basis, but only if arrears on interest due are not taken into account. The authority does not have control of its billings and accounts receivable and has had problems with arrears on collections including those from Government. The situation is believed to have improved with better accounting in 1983.

The firm electrical generating capacity in Antigua is 15.7 megawatts while peak demand is currently 11.7 megawatts. The generating capacity consists of three plants with installed capacity as follows (all diesel powered generator sets):

- o 4 generators of 2 MW each;
- o 3 generators of 1 MW and 3 of 0.9 MW each; and
- o 2 generators of 6.5 MW each.

This is believed to be sufficient to meet demand until 1986. The lead time required for new capacity is such, however, that negotiations now underway must be concluded soon for concessional financing for the procurement and installation of additional capacity. Under consideration is the purchase of 2 (two) steam-turbine generators of modern design of 5 MW each, which are capable of producing 1-2 million gallons per day of desalinated water to meet a portion of Antigua's demand for domestic and related uses as a measure of relief for an inadequate supply. In

the meantime, although total electrical generating capacity is adequate, the supply is unreliable due to the large size of the last two units purchased in relation to normal load, so that there is heavy dependence on one unit. At the same time, transmission facilities are weak and subject to outages, system losses are equal to nearly 20 percent of net generation, and there are difficulties in regulating the voltage of electricity supplied to St. John's. Staff capability and cash flow problems interfere with the performance of proper maintenance. The cumulative effect of these problems on consumers is a discouraging factor for new investment and serves to raise costs for manufacturers and hotels.

Similarly, problems in the Water Department lead to the lack of an adequate water supply of acceptable quality which is a major bottleneck affecting tourism and manufacturing development. Projects are underway with external assistance to overcome a 700,000 gallons per day (gpd) shortfall from the estimated water demand of 2.3 million gpd, by rehabilitation of the system and the tapping of groundwater resources. Equally essential is the improvement of the financial performance of the Water Department by improved collection of billings, expanded metering of users and adjustment of rates. If these problems can be overcome, the performance of the Water Department could be substantially improved in the future by relieving some of the financial constraints which have prevented satisfactory operation and maintenance performance in recent years. The benefits to the economy would be considerable.

The Telephone Department of APUA is in a more satisfactory state than the others since it enjoys greater autonomy, has more adequate technical and managerial staff and is not faced with such serious arrears as have affected the other departments. There is a backlog of unsatisfied demand for telephone service by 2,500 urban and rural subscribers, which the department wishes to meet, but borrowing to obtain the necessary facilities may overextend future available cash resources. If payment could be obtained from the Government for telephone services on which no payments have been received since 1980, most of the arrears would be eliminated and the cash flow position eased. Adjustments in rates to account for cost increases and cover debt service are a continuing requirement; and increased salaries are needed to permit more effective recruitment and retention of staff.

(b) Assessment

The public utilities are vital to an economy badly in need of improved production and employment, which can only be realized if steady improvement in electricity, water and telephone service can be delivered. As noted above, the APUA has serious constraints in achieving this objective. First, its staffs in all departments are inadequately trained, especially in the electricity and

water departments. The results are: inadequate operation and maintenance resulting in shortened equipment life and frequent interruptions of service; high costs due to excessive equipment breakdown; serious negative impact on the capacity to maintain tourism and manufacturing earnings due to inadequate and/or interrupted supplies of electricity and water; and discouragement to new investors. The country's precarious financial situation makes APUA totally dependent on obtaining concessional financing, and this complicates its already serious problems of funding for replacement and expansion. Government's failure to meet its payment for services rendered has helped to constrain the APUA's financial capacity and, hence, its ability to make reforms in its pay scales which increases its staff recruitment and retention difficulties. With all of these problems, it is apparent that APUA cannot satisfactorily meet its commitments until improvements can be affected.

(4) Public Works Department

(a) Organization and functions

The Public Works Department (PWD) is a semi-autonomous organization responsible for road construction, for the maintenance of a 600-mile road network in Antigua of which 210 miles is paved and the remainder unpaved, and for the operation of a vehicle maintenance workshop. Its most urgent priority is the maintenance of the roads essential to the tourist industry and for agriculture. Its ability to maintain the road network and the heavy equipment to carry out this work is limited by scarce funding, due to central government budget limitations. Nevertheless, the PWD is a major vehicle of Government's achieving its goals of providing employment through non-established positions. At the same time, the Department cannot retain skilled workers because wage rates are too low. This situation is symptomatic of similar problems in many institutions in the public sector. The road system is in reasonably satisfactory condition. Improvements in this area must be made if PWD is not to become a future constraint to growth through poor infrastructure maintenance.

(b) Assessment

PWD is a creature of and is caught in the larger problems confronting the Government of Antigua. Its performance to date has been reasonably satisfactory in its main task of road maintenance. But it is accumulating problems for the future as it is being allowed to expend its capital through deferred maintenance and replacement. It is also in increasing difficulty in maintaining competent technical staff due to low salaries. The future performance of PWD is being jeopardized, and it could become a future source of difficulties for the economy.

(5) Antigua Port Authority

(a) Organization and functions

The Antigua Port Authority (APA) is responsible for the operation and maintenance of the deep water port which serves freighters and cruise ships in the port of St. John's. As such, it is of considerable importance to tourism and the movement of general cargo in and out of Antigua including entrepot trade. Port congestion has been a problem in the past and could be again if port activity (including cruise ship calls) resumes its earlier pace. Port improvements including new equipment to facilitate the handling of containers and a separate finger pier for cruise ships, have been under consideration for some time. The port is intended to be self-financing from fees charged for various services, but it had accumulated deficits before 1979 (EC\$3.8 million as of the end of 1981) and has accumulated arrears on its debt service obligations due to revenue shortfalls.

(b) Assessment

The difficulties faced by the APA are largely in the financial field. Capital improvements are needed by the port to benefit the economy at large. If government were operating on a more balanced financial basis, it would be easier for APA to obtain concessional financing to carry out the needed modernization and expansion programs and stay competitive as an entrepot for the region. It is largely up to the Government of Antigua to effect the necessary changes to make this more feasible. It would be in the best interests of the country at large.

(6) Central Marketing Corporation

(a) Organization and functions

The Central Marketing Corporation (CMC) is a statutory body established in 1973, to provide a marketing channel for agricultural products and to import and provide inputs to farmers. It was formerly under the Ministry of Planning and Economic Development but has now been transferred to the jurisdiction of the Ministry of Agriculture. It has expanded its activities to the importation and retailing of non-agricultural commodities and has recently been given exclusive rights to import sugar and rice. In many respects, it competes directly with private traders.

(b) Assessment

The Corporation has incurred losses every year since its founding and its financial performance has recently deteriorated badly. Farmers sell to CMC only as a last resort when their products face a glut, and hoteliers prefer to deal directly with farmers to avoid CMC fees. The operations of CMC are notoriously inefficient; it is chronically short of working capital and, although some measures have been taken recently to improve its performance, there is little justification for its continued operation under present arrangements. Its inability to supply inputs to farmers has a negative impact on an already-constrained agricultural sector. Unless Government can arrange to supply the CMC with needed credit and working capital, it cannot perform. At the very least, it would be advisable to eliminate its retail operations in non-agricultural commodities.

(7) National Health Insurance Scheme

(a) Organization and functions

Antigua and Barbuda established a National Health Insurance Scheme in 1978/79 to which both employers and employees contribute. Health services as well are free to all under 16 and over 60. All medicines at Government clinics are free, hospitalization is free and medical fees are partially paid. Government also provides assistance to those who may need to seek medical care abroad. According to Government statistics, 4,788 persons applied for sickness benefits in 1981, 753 for maternity benefits and grants under Social Security. Social Security Benefit expenditure has jumped from EC\$190,499 in 1976 to EC\$953,483 in 1981.

(b) Assessment

The National Health Insurance program benefits those who are relatively well off, i.e., those who are employed. For those persons, it is a great benefit in the situations which are encountered by people everywhere facing financial problems in moments of adversity. As noted elsewhere in this paper, however, other social benefits for those who are really poor are far less adequate.

3. Private sector institutions

a. Overview

The private sector and the organizations which it has created are of prime importance to Antiguan economic life. Private enterprises and organizations of business people are especially valuable to Antigua. The non-governmental organizations and private voluntary sector play a significant role, but less so than in some other Eastern Caribbean countries.

The business sector is organized. Some parts of the private community have recently begun to show greater recognition of the need for greater initiative in its relations with Government and for the improvement of its membership than was the case earlier. Government is the source of a larger proportion of employment and gross domestic product in Antigua than in other Eastern Caribbean States. In addition, because Government plays a large role in employment, and because its fiscal and financial policies are such a critical factor in determining the pattern of future economic development, the influence of Government is likely to remain exceptionally important for some time. This puts an even greater premium on the private business sector's vitality and institutional strength.

b. Private business sector

The most important institutions in the private business sector are the:

- o Antigua Chamber of Commerce;
- o Antigua Manufacturers Association;
- o Employers Federation of Antigua ;
- o Antigua Hotel and Tourist Association ; and
- o Antigua Commercial Bank .

With the exception of the latter, each of these is, of course, made up of enterprises in a wide range of sizes and with different structures. The effort to create an umbrella private sector organization has been set aside, after consultation with Government which counselled against such an institution being formed, evidently because of sensitivity in relation to its primarily labor-union base of support. Two other organizations of private sector persons which deserve mention are the Cooperative Farmers Association and the Small Farmers Association. No organization of small business has been formed to date, but the Chamber of Commerce makes an effort to meet the needs of that group.

(1) Antigua Chamber of Commerce

(a) Organization and functions

The Chamber of Commerce (COC) is the oldest business organization in Antigua. It has 78 members, including a few who are also members of the Antiguan Manufacturers Association. The member enterprises are in such areas as trading, services, insurance, banking, shipping and manufacturing. The Chamber's main objectives are to look after the interests of the members and promote the well-being and development of the country. In seeking to support the interests of its members, the Chamber seeks to review and influence legislation, promote the development of an environment with security and stability for business, provide training for staff and management of member firms, and promote public education and awareness of the contribution of the business sector.

The Chamber is currently seeking to put more life into the organization and its programs. It has recently hired a full-time Executive Secretary who has been in training abroad. With this staff in place the Chamber believes it can have a strong program underway next year. It will seek to represent small businesses and attract them to membership since there is no special association to represent their interests. It is especially interested in developing a formal Training Institute with an active program for in-service training of member company personnel in management, accounting, marketing and other business skills as well as economics and statistics. This is especially important because most larger firms in Antigua still employ foreigners as managers. This includes banks, insurance, trading, hotels and manufacturing enterprises, and involves a measure of social tension between the business community and employees, Government and the society that must be reduced.

The Chamber feels it is important to develop a greater awareness of what is possible in development of the nation. It is seeking to mobilize information useful to business people in planning projects because information is scarce and inaccessible. It wishes to identify low-capital technologies by which employment-generating activity could be expanded. There is an opportunity to provide profiles of potential activities through presentation to clients in collaboration with the commercial banks. The Chamber is cooperating with PDAP in the investigation of joint ventures with foreign investors. It is regularly represented at the Miami Conferences on the Caribbean. It is collaborating with its sister Chamber in Rochester, New York, to prepare a slide and sound promotional presentation on Antigua as a tourist destination and place for investment. The Chamber is the local affiliate of CAIC and receives assistance from CAIC, as do its members through participation in training seminars and similar programs.

In general, the Chamber believes that the Government of Antigua is supportive of private enterprise, but it is aware of Government's concern about the large number of expatriate executives in many of the country's business enterprises. There is similarly some difference of view with Government about the Central Marketing Corporation (CMC). Business believes that it is an inevitable loser, but Government is unwilling to withdraw its monopoly on certain imports and exports with a view to assisting farmers because government sees farmers as voters who would support CMC.

Any assessment of the Chamber would have to acknowledge that its plans represent an ambitious effort to become more effective than in the past.

(b) Assessment

For the Chamber to achieve the goals already set will require members to commit time and money to an organization which is commonly regarded as having been almost moribund until very recently. Much will depend both on the effectiveness of the new Executive Secretary and the support of the members in the business community. It was not possible to make any direct assessment of the person recruited to fill the position as he had not yet returned from training. A substantial part of the revitalization effort appears to be a response to the stimulus of the CAIC, through its seminars and the visit of U.S. business leaders to the Chamber in the EC region in 1982 sponsored by CAIC. Since no "private sector organization" seems likely to come into existence soon, it may be especially desirable to develop a closer working relationship among the three main private sector groups. For the time being, however, the interests of the Chamber and the Antigua Manufacturers Association appear to be somewhat divergent. The PDAP officer for Antigua occupies space leased from the Chamber so that a closer working relationship than in the past may develop. Most Chamber members lack sufficient experience, however, to be strong partners in joint venture undertakings.

(2) Antigua Manufacturers Association

(a) Organization and functions

The Antigua Manufacturers Association (AMA) is made up of manufacturers, most of which are owned and/or managed by non-Antiguans. Generally, they have been set up to take advantage of the incentives offered by the CARICOM arrangements and the concessions provided by the Government of Antigua. With the exception of two enclave

garment manufacturers, they generally produce for the more developed country (MDC) markets within CARICOM and to a lesser extent the Antiguan and other Eastern Caribbean LDC markets. In addition to garments, the product lines includes plastic packaging, mattresses, soft furnishings, furniture, printing, distilling, hosiery, electrical appliances and a few others. They are largely located in the Coolidge Industrial Estate near the airport, in factory shells provided by ARDB under CDB financing. (Virtually all of that space is now occupied. A new industrial estate will need to be created to accommodate more factory shells for future expansion if and when it comes about.)

The Association has a Board of Directors with six members assisted by a part-time Executive Secretary. Perhaps reflecting the developments of recent months, which have witnessed a set of steadily growing restrictions and adverse exchange rate developments limiting access to their principal markets, they hold some strong views and seek some major changes to improve their market situation.

The financial resources of the member firms of AMA are not inconsiderable. They have operated successfully and expanded their operations over a number of years -- some for as long as 10 years. Yet, they in fact plead substantial poverty and an urgent need for financial assistance as a group. They are, no doubt, suffering under current circumstances, however.

The AMA holds a number of strong views about the local situation in Antigua. They believe that:

- o the GOAB should make more effective representation to the CARICOM countries (the MDC's) to re-open their markets to Eastern Caribbean manufacturers;
- o the GOA should be more sympathetic to their problems of poor electrical service and should undertake urgent action to eliminate the difficulties;
- o the ABDB is dominated by Government and its operations are not sufficiently responsive to manufacturers needs;
- o the commercial banks in Antigua, with the notable exception of the private, locally-owned Antigua Commercial Bank, are not interested in supporting manufacturers. The ACB, however, is very much constrained by liquidity problems; and that
- o manufacturers have little in common with the interests of firms engaged in trade who are members of the Chamber of Commerce.

Regarding CARICOM, the AMA believes that it is essential to obtain concessions from the MDCs for easier access, or to close the EC/LDC markets to MDC goods to preserve the market solely for producers within the LDCs, and that OECS Governments should be pressed very hard to negotiate. Regarding CAIC, the AMA feels strongly that the organization is dominated, on the one hand, by the corporate interests of trade-oriented (not manufacturing) enterprises, and on the other by the interests of the more developed CARICOM countries. They also believe that the Caribbean Manufacturers' Council should have a separate but parallel secretariat inside CAIC to assist and represent manufacturers, and that a private manufacturers' organization for OECS countries should be established to strengthen the hand of Governments in that group in negotiations with other CARICOM countries. (This concept has been coordinated with other private manufacturers' groups in other EC countries; and the St. Lucia Manufacturers Association in particular agrees with AMA.)

Concerning donor assistance, the AMA believes that too much money is spent for consultants from metropolitan countries and too little reaches the region itself to support development, and that there is very little consultation with the private sector in developing countries in preparing programs. The AMA would like to receive direct support from donors for such purposes as preparation of promotional materials and related travel. They also believe donor funds should be a source of investment funds accessible to the existing private manufacturing firms in Antigua for modernization and expansion. They would prefer that it be available through the Antiguan Commercial Bank and not through other commercial banks or the ABDB.

(b) Assessment

The Manufacturers Association in Antigua seems to have strong, clear views as expressed to the SIP visitors. These views undoubtedly reflect their concern over the inaccessibility and threatened loss of their principal markets in CARICOM, and that they are structured very much in response to Antiguan concessional arrangements which do not give much emphasis or incentive to maximization of value-added, or to export to markets outside of CARICOM. It also seems clear from some contacts that the official AMA view as outlined above is not shared fully by all member firms in AMA, some of whom prefer to meet competition on the basis of quality and price rather than seek so much protection from Governments. Contacts also suggest that not all EC private sector business groups share the AMA views on CAIC, donor assistance or the lack of broad common interest between local Chambers of Commerce and the local manufacturers (witness especially the views and common action programs in St. Kitts). Without doubt, however, the AMA is a serious group of business people, and their views should be given consideration.

The AMA is made up of a group of entrepreneurs whose contributions to Antigua are mixed in terms of their being a committed, stable part of the business community. Some have a strong tie to the country, and a deep sense of interest in and commitment to their employees (e.g. Sealy Mattress). Others perhaps want minimum roots, quick profits and do little to develop their employees. But as a whole, they were a major factor in the fast growth of the manufacturing sector in the late 1970s which continued at a slower pace into 1983. If they have suddenly become protection-minded, it reflects largely the current CARICOM trade problems which are a source of distress and controversy in many countries in the region. They are a resourceful group of business people who by their nature are "survivors" and will probably be "up" again soon. They are an interesting contrast (in terms of outlook and joint commitment) to the more vibrant, optimistic and unified business community in St. Kitts. The AMA no doubt has funds, but they made much of their need for more adequate financial help -- downplaying in the process anything that had come to them in the past (i.e. in the form of USAID funds from CAIC on a reimbursement basis -- as the Executive Secretary pointed out).

(3) Employers Federation of Antigua

(a) Organization and functions

The Employers Federation of Antigua (EFA) has been in existence for nearly 20 years to support and represent employers in negotiations with unions and Government and in the proceedings of the Industrial Court. The Federation is composed of private companies in all fields who employ significant numbers of workers; the principal issues in which the Federation is normally involved are wages, hours and working conditions.

For some years, Antigua has had a Labor Code which was drawn up by a well-known ILO adviser. The Code set forth laws and practices governing employer-employee relations and established an Industrial Court whose decisions are binding except on points of law. Such points only may be appealed by a Court of Law. The Code is widely respected by all parties, and under its jurisdiction few strikes have occurred despite the strong political orientation of the labor union movement in Antigua.

The EFA is managed by a Director who came from Guyana in 1964 and has been employed there ever since. He provides effective leadership. The Federation staff consists of 3 professionals and 2 clerical persons in addition to the Director. It occupies modest but adequate quarters suggesting that it does not have a large budget.

(b) Assessment

The EFA is a specialized private body serving the larger employers in the country. It is well staffed by a small group of knowledgeable people who serve the interests of business well. At the same time they perform a useful and effective service to the larger community by assisting the conduct of labor relations in a professional and orderly way. As a result, there is probably significantly less labor strife than would otherwise be the case.

(4) Antigua Hotel and Tourist Association

(a) Organization and functions

The Antigua Hotel and Tourist Association (AHTA) represents about 20, mostly medium-sized, private hotels which constitute about 75 percent of the total first-line tourist hotel capacity in Antigua (most of the balance being the Government-owned hotels). The Association believes that Antigua has established a reputation and an image of an "up market" prestige tourist destination. They believe there is great risk in any departure from continued pursuit of that strategy such as promoting bulk travel, package tours, etc., and the development of more than one or two large hotels. This concept is related to the "prestige market" strategy and to the limitations imposed by Antigua's infrastructure.

The Association is concerned about the Government's hotel construction program for two reasons: (1) it expands capacity more rapidly than the market is likely to justify; and (2) it is a high-risk activity because large hotels must have high occupancy rates to be profitable, whereas the high capital cost of the designs proposed may price them out of the market, unless a cut-rate (and consequently unprofitable), package travel approach were adopted. It is the AHTA's belief that a gradual expansion program, based on top-quality, medium-sized hotels, is best for Antigua's tourist industry and preservation of the environment, both for its own sake and as a tourism asset.

The President of the Association is convinced that the Government of Antigua is basically well-disposed toward private enterprise, especially at the highest levels. He is aware that there are voices in Government who are detractors and who believe that private enterprise (hoteliers and manufacturers) are not actively pursuing expansion of employment-creating objectives. This is the reason Government is persistently pursuing the construction of additional large hotels.

The AHTA is the major supporter of promotional programs for tourism in Antigua, far outstripping the Government program. The Association does not gainsay the work of ECTA, but believes that each country involved in ECTA has its own special interests and that all the countries are to some degree competitors. Despite a limited budget, AHTA maintains offices for promotion in New York, Toronto and London, and a small office in St. John's with support staff only (3 secretaries). In its programs, the AHTA promotes the special "shoulder season" and off-season events which are a special concern of Government, such as Tennis Week in the early January slack time, Women's Tennis Week, Carnival and Sailing Week in late October. These are all designed to increase business in slack periods.

There are few linkages between tourism and other sectors, because agricultural production is small and erratic, though a few vegetable producers meet the hotel demand successfully. Only one manufacturer seems to have a significant interest in hotel sales, namely the bedding, furniture, soft furnishings firm, Sealy Mattress Co.

(b) Assessment

The AHTA appears to have a sound set of concepts underlying its strategy and its promotional efforts. It appears that Government may be running rather high risks in the hotel investments it has been pursuing, both in terms of the financial viability of the particular ventures and of potential negative effects on the vital Antigua tourist trade generally. The sector is so important to the viability of Antigua, in its present circumstances where no other major growth area may be expected in the near term, that it should not be jeopardized. The steady growth and strong performance of tourism, based on the long standing "up market" strategy with a continuing lead role for AHTA, appears to be a sound basis for continued success. Government would do well, however, to undertake a stronger promotion program using proceeds from the increased hotel occupancy tax approved in 1982. ECTA does not seem likely to have much more than a peripheral role in promotion on behalf of Antigua.

(5) Antigua Commercial Bank

(a) Organization and functions

The Antigua Commercial Bank (ACB) is the only indigenous, private, full-service commercial bank in the Eastern Caribbean. There are national commercial banks in other countries which are government-owned. There are also private cooperative banks (which came out of

the "penny bank" tradition) but these have not developed into full commercial institutions. The ACB began in 1955 with the title of "Cooperative Bank, but was really more like a U.S. savings and loan institution. By 1969, it began the transition to a commercial bank and is now fully established as such, even if its resources are constrained.

The ACB follows standard banking concepts but is willing to extend credit for longer periods than most commercial banks. Its customers include individuals and businesses who borrow for a variety of purposes. The Bank staff is made up entirely of Antiguan or people who are long-time residents. The General Manager is in the latter category, but the Assistant is Antiguan. ACB has more than 4,000 shareholders. The Bank is continuing a long-standing program of educating its customers about finance, and seeks to assist business borrowers to understand the need for and to prepare sound loan proposals. Most now do not even keep books, so there is a great deal of education needed.

(b) Assessment

The ACB is not a major force in the economy. There are a number of other banks which people can and do use. Its broad indigenous ownership and local control, however, make it an institution worth noting as it strives to contribute to the nation's development. Its operations can be said to build self-respect, self-reliance and thrift, and its advice is designed to strengthen the financial well-being of the bank and the customers alike.

(6) Small Farmers Association

(a) Organization and functions

This group is a small and still struggling group of farmers who have banded together to serve their mutual interests which are probably not altogether free of political motivation. They seek to promote the use of modern inputs and moisture-conserving farming practices. They are providers of some custom plowing services, using a tractor recently provided by CIDA. While this is far from a major force, it is worth some notice in view of the very limited farmer base in Antigua relative to the potential that exists for agricultural development. Potentially, it could be nurtured into a means of promoting more interest in and wider entry of young people into agricultural careers.

(b) Assessment

The Small Farmers Association is a group of farmers who are experimenting with mixed fruit/vegetable and field crop operations on a small scale but using hired labor. They are parts of a very small group who are making a bare beginning in the redevelopment of agriculture in Antigua.

c. Private non-profit institutions

(1) Antigua Planned Parenthood Association

(a) Organization and functions

The Antigua Planned Parenthood Association (APPA) carries out three main projects: Community Based Distribution; Medical and Clinical Services; and Information and Education Programs. According to APPA Statistics, acceptors have remained fairly constant in the last 3 years, thus suggesting a need to further intensify information and education programs to overcome lack of enthusiasm for using contraceptives on a continuous basis.

Community-based distribution and medical and clinical services are performed by APPA. However, the Ministry of Health has incorporated these services into its community health program. APPA primarily offers these services at its headquarters in St. John's, where it has built up a large clientele who come for counselling as well.

Although the Ministry of Health has recently set up a Family Life Education Officer, APPA continues to play a major role in information and education. In 1982, APPA sponsored a program in training and family life education for teachers at the University Center. Arising out of this workshop was the creation of a Family Life Education Committee. Also in 1982, APPA put out a documentary series on television on family planning and family life.

(b) Assessment

Although statistically Antigua and Barbuda's growth rate is fairly stable, both APPA and the Caribbean Family Planning Association which is located in Antigua are greatly concerned with the steady rise in teenage pregnancies. A study of a low-income area has been analyzed in the section on Women and Development. It is evident that existing programs are not yet adequately reaching the population, as a high percentage of births (32 percent) are occurring among young women under 20. Thus, efforts will have to be selectively concentrated on reaching adolescents and young adults.

The APPA and the Ministry of Health and its National Child Care Program and Family Life and Education Program are engaged in on-going dialogue to work out lines of demarcation in terms of sales and service. Through the mediation of the CFPA, a National Information and Education Program is soon to be launched.

In the past there has been considerable squabbling over "fiefdoms" between Ministries and with the local FPA, although informal lines of cooperation exist. These problems are further discussed in the section on the Ministry of Health. It is crucial that these problems be resolved expeditiously in order that a viable outreach program can be speedily implemented. In the short to medium term, there may be additional problems with the public sector programs, due to Government deficits and inability to provide funding.

(2) Credit Unions

(a) Organization and functions

As in other Caribbean societies, Antigua and Barbuda had its cooperative institution called "Lifts" and its credit societies called "Box." However, the former institutions have been eroded with the extinction of the village-based sugar plantation economy and the development of mass political parties and the trade union movement.

Modern credit unions were established in Antigua in the 1950's, initially through the efforts of Roman Catholic individuals. In fact, Sister Alycia was instrumental in forming the early credit unions of both Antigua and Dominica. Following from the first credit union, St. Joseph's came two professionally-based credit unions, the Police and the Teachers. These credit unions were registered. Other credit unions were formed along branches of the Antigua Labor Party (ALP). Most of these were not registered, though some are still in existence.

However, these early credit unions did not grow and become dynamic institutions. Rather, many of them failed because of lack of education, lack of training and bookkeeping skills, inadequate scale to maintain themselves and to provide services, and lack of confidence of people placing their money in the credit unions. Also, the growth of banking institutions, particularly the Fenny Bank, The Antigua Commercial Bank, whose expressed lending policy centered on small borrowers, detracted from the credit union. Eventually, expatriate banks, particularly Bank of Nova Scotia, were forced to adopt liberal lending procedures for small loans. In the early days of tourism expansion, the two banks financed many Antiguans, particularly hotel/guest house owners. Hence, the climate was not favorable for credit union development.

Presently, the Credit Union League is concentrating on building up St. John's Credit Union as a strong nucleus from which to establish a movement. There are seven active, registered credit unions in Antigua; five are community-based, including Uslings, Bendals, Old Road, Liberta and St. John's Co-operative Credit Union. The other two are the Antigua Police Credit Union and the Teachers Credit Union.

CCCU is financing training in bookkeeping and accounting for three years, while Antigua has been designed to CUSO base for the Leeward Islands and will receive shortly a volunteer from Canada. At the moment, the member credit unions are not stabilized enough to support a league, and so the movement still depends heavily on grants from the CCCU, even for salaries. The CCCU convention is being held in Antigua in 1984. The League, under its experienced Manager and former Permanent Secretary in the Ministry of Community Development, is working hard to attain voting-rights membership of 1,100 members by the date of the convention. They are confident that the tide has turned in favor of credit unions in Antigua. Membership in St. John's Credit Union has tripled this year between May and November to 160 members. The share capital as of August 1983 for the credit unions stood at \$297,938 and loans totalled \$369,619.

(b) Assessment

The credit union movement is struggling in an uphill battle of poor historical record, good lending options at commercial banks and disintegration of communities. Nevertheless, in a period of liquidity problems, the heavy campaigning of the fledgling league is beginning to pay off. The credit unions should find a niche in society providing small loans for business and provident purposes. Given the Manager's record in community development, community-based credit unions seem to have the right leadership. Additionally, over half the membership of the credit union are women, thus the programs being developed for women. However, given the political allegiances of various persons involved in these programs, linkages to related institutions will not develop without encouragement.

V. ST. KITTS-NEVIS

A. Introduction

1. The setting and brief history

St. Kitts (St. Christopher) and Nevis, two islands in the Leeward chain of the Antilles, are rich in both history and contrasts. St. Kitts holds the distinction of being the first West Indian island to be colonized by the British and French in the 1620's, and one of the first colonies to switch from small farmer tobacco and cotton production to slave plantation sugar production.

St. Kitts, a volcanic island with three groups of peaks rising each higher from the sea to heights of nearly 4,000 feet, is the more fertile and wealthy of the two islands. St. Kitts is blessed with smooth slopes and valleys suitable to cultivation and enhanced by an annual rainfall of around 20". Nevis, only 36 square miles, almost circular in shape is dominated by its cloud-capped peak of 3,200 ft. and is also of volcanic origin. However, the island is boulder-strewn with a heavy clay soil in many areas and several parts of the island are prone to drought. These ecological factors have been important to subsequent socioeconomic changes which continue to distinguish the two islands.

In the aftermath of slavery, and the changing futures of sugar on the world market, the methods of production and survival patterns of the inhabitants differed significantly. In Nevis, the planters were unable to rationalize production with the introduction of fresh capital in the form of technological improvements and machinery, and reverted to "metairie" or sharecropping to maintain the old-fashioned muscovado sugar production. Kittitian planters lost their estates to British companies, who nationalized production by amalgamation into large units and the introduction of machinery and steam mills. At the same time, planters attempted to coerce the majority of the population to labor on the estates for low wages through the mechanism of repressive legislation, strict control of the land and the threat of ejection. Thus, from the mid-nineteenth century Nevis gradually became an island of smallholders and sharecroppers, while on St. Kitts factories in the fields prevailed under the most repressive conditions.

Both islands came to be characterized as migrating societies in the post-emancipation period. Despite planters' attempts to force the people to remain on the estates working for low wages, large numbers of men, and many women as well, left St. Kitts and Nevis initially for the lower sugar islands of Trinidad and Guyana and later for Santo Domingo, the oil fields of Curacao and Venezuela, and the United States, Virgin Islands, United Kingdom and Canada. Migration as a cornerstone in economic and social patterns cannot be overstated and remains up to the present an important configuration in GNP, social relations and family life.

Social relations have been determined by these patterns which in turn have influenced political developments initially within each island and with each other. Both islands have been involved in a federal arrangement since the 1870's, first in the Leeward Islands Federation which included Antigua, Barbuda, Montserrat and Anguilla, and with each other in the state known as St. Christopher-Nevis-Anguilla which terminated with Anguilla's secession in 1967. Federal constitutional mechanisms were fought with disagreements, battles and antipathies that remain to this day. Nevisians have never forgotten how they were arbitrarily forced into a union with St. Kitts under British Colonialism and the constitutional ties binding the two islands at independence are very tenuous and dependent completely on political alignments.

Political parties have had different origins in the two islands. Politics of confrontation historically characterized Kittitian relations with the political party concretizing the institutionalization of labour-management struggles from the 1930's. The trade union struggles merged completely with the political struggle in St. Kitts and the mass of the population overwhelmingly identified with the St. Kitts Labour Party under the leadership first of Robert Bradshaw, then Paul Southwell, for over sixty years.

In Nevis, on the other hand, sugar ceased to be manufactured by 1957, but even before this, the bulk of sugar production had been carried out by smallholders. Cotton was the principal cash crop. Inter-island disagreements which were economic in nature continued to plague Legislative Council sessions. By 1960, a secessionist organization, the United Nevis Movement, was formed to mobilize the population to demand secession from St. Kitts. This naturally translated itself into confrontation politics with the St. Kitts Labour Party. In 1970, another political party, the Nevis Reformation Party (NRP), was founded to press Nevisian issues and continued opposition to Labour Party rule in St. Kitts-Nevis.

In the 1970's, some diversification of the economy of St. Kitts had taken place resulting in expansion of employment in commerce, manufacturing and services. Expansion of government services also occurred with a resulting increase in civil service positions. Remittances also provided opportunities for entrepreneurs to establish small businesses. During this period, a new political party was formed, the People's Action Movement (PAM). The coalition between the PAM and the NRP in 1980 and their victory at the polls paved the way for successful independence talks and the creation of the unitary state of St. Kitts-Nevis in September 1983.

Thus, the world's newest independent state is a precarious union of two islands, historically distrustful of one another, whose patterns of social relations are distinctively different. Presently, St. Kitts is undergoing considerable socio-economic change with decline in sugar production (now wholly state owned) and the incipient development of enclave manufacturing and tourist sectors. Nevis remains an underdeveloped small-holder society with a dwindling population and an economic base largely predicated on remittances. Both islands are among the poorest of the West Indian islands in terms of social services and standard of living and the present government faces severe tests in its ability to maintain a unitary state in an era of serious economic and social challenges.

2. Major elements of the economic structure

a. Overview

Sugar was historically the dominant feature of the economies of both St. Kitts and Nevis. A long period of decline led to the termination of sugar production on Nevis in the 1960's, but it has continued as the most important if steadily diminishing sector of St. Kitts' economic activity. The fluctuations in sugar prices and production in recent years have caused growth to be uneven, but overall it has been satisfactory at a little more than 2 percent annually since 1977. The small non-sugar manufacturing sector has grown steadily in those years to about 8 percent of GDP, though not sufficiently to offset the decline in the contribution of the sugar manufacturing sub-sector. Tourism is also a fast-growing sector beginning to make a significant input to the value added in the economy. The latest estimates suggest that all tourism-related services may have contributed as much as 17 percent to GDP in 1983, but earlier data suggest that this estimate should be discounted. The most disappointing element of the St. Kitts economy is the very limited diversification of the agriculture sector. Little increase in non-sugar production is observable. Sugar cane production has shown a steady decline in real value (constant 1981 prices) from EC\$29.6 million in 1977 to EC\$22.8 million (projected) for 1983. The very poor performance

in 1983 reflected not only the low price of sugar, but also drought and much absenteeism in the cane fields. The growth of government and other services have accounted for a major share of the modest growth offsetting the decline in the sugar industry (see Table 16).

b. Agriculture

(1) The sugar industry

The combined contribution to GDP of St. Kitts-Nevis from sugar cane and manufacturing of sugar and molasses declined from 47 percent in 1977 to 30 percent in 1983. A recovery of world sugar prices could produce a reversal of this trend. The sugar industry nevertheless faces a series of difficulties which will not be easily resolved. Labor is increasingly reluctant to engage in cane-cutting, causing extended periods when the mill is without cane (600 hours during the 1983 season), increasing the tons of cane processed per ton of sugar and resulting in leaving cane uncut in the field at the end of the season (7,000 tons were left in 1983). In these circumstances, sugar production costs go up and its production becomes less and less economical. The long period of decline has discouraged modernization as little new technology has been introduced. Current foreign exchange rates exacerbate the problem as sugar sold for sterling produces fewer EC dollars. Sugar is therefore being sold below cost, despite the allocation of a U.S. sugar quota to St. Kitts of about 15,000 tons roughly equal to the EEC quota. Production of sugar in 1983 was only 27,000 tons, one of the lowest on record, so that St. Kitts was unable to fulfill its quota. Solutions to this set of problems are highly essential to the well-being of the economy as is diversification of agriculture to create a broader base of production.

(2) Other agriculture

Although the Government has stated that it accords high priority to the allocation of land to the production of fruits, vegetables and tree crops for the domestic and export markets, little or no land has been taken out of sugar. Since virtually all arable land is now devoted to sugar, little progress can be made until land can be re-allocated. Reportedly, some 2,000 acres of the 12,000 now in sugar could be re-allocated and still have a viable basis for sustained sugar production. Credit, extension and irrigation are equally important ingredients to the achievement of agricultural diversification, but institutional and resource constraints as well as ineffective implementation of the stated policy have so far prevented it. St. Kitts is spending about 20 percent of its import bill on food, a substantial part of which it could produce.

Table 16: St. Kitts-Nevis: GDP at 1981 Market Prices by Industrial Origin

	<u>1977</u>	<u>1981</u>	<u>1982</u>	<u>Projected 1983</u>
Agriculture	29.6	25.9	27.3	22.8
Sugar cane	(21.7)	(18.1)	(18.7)	(14.2)
Other agriculture	(7.9)	(9.0)	(8.6)	(8.6)
Mining	0.2	0.3	0.3	0.3
Manufacturing	25.5	23.5	25.6	22.2
Sugar and molasses	(19.1)	(14.8)	(16.5)	(12.4)
Other manufacturing	(6.4)	(8.7)	(9.1)	(10.2)
Government Services	18.9	26.2	28.1	29.4
Other Sectors	<u>29.0</u>	<u>41.4</u>	<u>40.8</u>	<u>42.6</u>
Total	<u>103.2</u>	<u>117.3</u>	<u>122.1</u>	<u>117.3</u>

Source: Economic Development Unit, Government of St. Kitts-Nevis.

c. Tourism

Tourism in St. Kitts is emerging as a significant if modest sector with a considerable amount of generated indirect demand for services. Tourism has been important to Nevis even longer than in St. Kitts. Foreign exchange earnings from tourism have doubled for the country as a whole, from US\$5 million in 1978 to US\$10 million in 1983. It has been suggested that the proportion of GDP generated directly or indirectly from tourism for 1983 may be as large as 17 percent. Even if it may not be quite that great it is a valuable source of much-needed employment and foreign exchange earnings. The number of rooms available on St. Kitts is now 320, and on Nevis 162, approximately 30 percent of the number of those available in St. Lucia. Growth potential is good as the government and the private sector are pursuing sound promotion strategies and the infrastructure is good for arrivals by air and aboard cruise ships.

d. Manufacturing

The manufacturing sector (other than sugar) has been growing rapidly in recent years in response to a favorable investment climate, a set of incentives for foreign investors and an efficient, trainable labor supply. Most non-sugar manufacturing consists of light assembly and enclave operations such as shoes, garments and electronics. While it accounts for only about 8.7 percent of estimated 1983 GDP, manufacturing is an area of potential growth in the economy which will be needed as little increase can be anticipated in agriculture and there is a continuing need for expanded employment. The employment aspect is the most important as only an estimated 15-20 percent of the gross value of production represents net foreign exchange earnings. Prospects are believed to be good as two plants are to be opened soon and demand on existing output for the U.S. market is up, reflecting the level of economic activity in the U.S. Even so, unemployment will continue to be a problem as manufacturing and tourism are both sectors of modest proportions so that their growth does not outweigh the decline in sugar.

B. Social Profile

1. Overview

The social structure of St. Kitts and Nevis has been shaped by the patterns of land use on the islands, particularly by the way sugar was produced. St. Kitts (formerly St. Christopher), the first colony to be settled in 1624, started producing sugar shortly after the settlers arrived, and today, three hundred and fifty years later remains almost the sole monocrop sugar producer in the Caribbean. Large estates controlled

all the land; workers were settled in small villages around the island in places where the land could not grow sugar cane. The one large town (Basseterre) contained the administrative and commercial elite necessary to run the sugar industry. St. Kitts has been described as "one large agro-industrial production unit with a resident black labour force, their efforts coordinated and mediated by a handful of planters, producing cane for the single factory."¹

Much of life and work is centered around the production of sugar. People employed in the sugar industry work during the first six months of the year and are underemployed or unemployed the rest of the time. In 1975, the state took over all lands and in 1976 assumed control of the sugar factory, becoming the manager of the main industry and the largest employer in the country. The sugar industry had long been in decline and the state's take over was a "rescue" operation to attempt to find a solution to the problems of the industry through diversification.

Farming or more properly garden farming is done on highland plots where sugar cane cannot be planted and ... "it is strictly a livelihood necessity rather than a commitment to the land. The Kittitian villages are relieved of the necessity to work the provision lands when cash is available from abroad to purchase food."²

Although sugar production still dominates the economy, there are growing indications that the society is changing as young people have increasingly opted for non-sugar industry work or emigration. Growth in the light manufacturing and tourism industries, as well as in the services sectors (public and private), are attracting most of the young workers. Work in the sugar industry, especially field work, is done predominantly by the older population still in the labor force. For younger people to work in the sugar fields seems to be an option of last resort.

Nevis, which was also a sugar plantation society, stopped producing sugar in the 1960's and has since become a society of small and medium size land holders. As the estates were closed down, land was sold to individuals who were able to purchase the land mostly through savings from money earned abroad. Nevis developed into a society of small farmers and livestock keepers. "On Nevis, ownership of a piece of land, however small, is a measure of prestige. On St. Kitts, little land is available for purchase by would-be smallholders."³

¹ Richardson, Hohnam C., Caribbean Immigrants: Environmental and Human Survival in St. Kitts-Nevis (Knoxville: University of Tennessee Press, 1983), 38.

² Ibid., p. 40

³ Ibid., p. 41

On both islands, emigration has been, as Richardson¹ asserts, "the very basis for their contemporary cultures." As was indicated in the demographic profile, emigration has been a fact of life for over a century. The reasons for emigration have been related to the limited environment of the islands, the lack of economic growth and diversification, the predominance of sugar production culture for so long, and the deterioration of the ecology of both islands. Most of the people who worked the land in St. Kitts have never had control or ownership of it. In Nevis, control and ownership of land has been only recent. The only local means of livelihood for the majority has been as wage workers in agriculture, and it is this dependence on wages, mostly from a single source of work, which made people's options so limited that the only way out of it has been to emigrate. As Richardson states, migration as livelihood has been the main economic strategy in the past 150 years.²

The quality of life in St. Kitts may be measured by certain economic and social indicators. The World Bank estimates that in 1981 St. Kitts-Nevis' per capita GNP was \$1040 and that this represents a real per capita GNP growth rate of 1.7 percent over the decade of the seventies.¹ While the Physical Quality of Life Index (PQLI) is not available for St. Kitts-Nevis, it is a scale based on the average of life expectancy, infant mortality and literacy rates. The life expectancy rate in St. Kitts-Nevis has been estimated at 64 years (1971)³: The infant mortality rate for 1980 at 53 deaths per 1000 live births; and the adult literacy rate at 80 percent.⁴ (Thus, Devres estimates that the PQLI for St. Kitts-Nevis would be in the mid-70s) St. Kitts-Nevis has an infant mortality rate much higher than average for the region, and, in general, tends to be poorer than average for the region.

2. Population

a. Current situation

Migration is the dominant characteristic of the population of St. Kitts-Nevis. An examination of the censuses since 1871 indicates a very small overall increase in the population of the islands, from 39,872

¹Richardson, Hohnam C., Caribbean Immigrants: Environmental and Human Survival in St. Kitts-Nevis (Knoxville: University of Tennessee, 1983), 32.

²

Ibid., p. 171-182.

³U.S. Bureau of the Census, World Population 1983 (Washington, D.C.: forthcoming publication).

⁴

Caribbean Central American Section, C/CAA's 1984 Caribbean and Central American Databook (Washington, D.C.: Caribbean Central American Section, 1983), 301.

in 1871 to 43,309 in 1980, 110 years later.¹ While there have been fluctuations in population during those years, St. Kitts has had an increase in population of about 6,000 persons; Nevis, a decline of 2,300 persons. Given that the fertility rate may have changed considerably during this time, one concludes that migration has been the key factor in keeping the population at about the same size. The crude birth rate between 1970 and 1980 in St. Kitts remained stable between 27.6 for 1970 and 25.3 for 1980. In Nevis, the birth rate has dropped from 24.6 to 16.7. The crude death rate decreased from 21.1 in 1970 to 10.1 in 1980. The migration rate for 1970-1980 was -17.4 per 1,000. The annual growth rate of the population in 1980 was -.22 percent. Whether the negative growth rate will continue during the 1980's is difficult to say, since it depends on the outmigration rates and there are some indications that historical migratory flows may be changing.

Nearly one half of the population in St. Kitts is semi-urban, residing in Basseterre and its environs. In Nevis, the population, male and female, are equally distributed throughout the parishes.

The composition of the population by age groups shows significant change between the 1970 and 1980 censuses.² Statistical data available indicate that during this period, the ratio of males to females in the population has stayed about the same with slightly more women than men. Also during this period, the percent of population between the ages of 20 and 34 has doubled. For example, while in 1970 the age group 20-34 years accounted for 10.3 percent and 11.2 percent of the male and female populations respectively, in 1980 this age group accounted for 21.4 percent for the male and 21 percent for the female populations. The change seems to indicate a considerable slow down in the rate of migration for precisely the most migration-prone age group. Additionally, it is important to note that nearly 40 percent of the population is 14 years of age or younger. Nearly 48 percent is under the age of 20. This points to a potential dramatic increase in the population over the next decade which has implications for all sectors of society.

b. Future trends

The growth, decline, or lack of change of the population of St. Kitts-Nevis will be directly related to migratory flows for the foreseeable future. Although there is evidence to show that migration continues to be the determinate factor, there are indications from the 1980 census that, if not declining, migration is affecting the population in different ways. The dramatic increase of the 20-34 age group in the 1980 census over the 1970 census shows a population composition undergoing changes that will affect future population growth quite rapidly.

¹ Statistical Office-Planning Unit, Annual Digest of Statistics for 1981, 1979, 1978-1977 (St. Kitts-Nevis). 1980 census figures taken from computer printouts are provisional and were recently made available by the Economic Planning Unit, Basseterre.

² Ibid.

3. Labor force and the nature of work¹

a. Overview

The hold of the sugar industry over most of the labor force has begun to weaken as growing opportunities emerge elsewhere in the economy. Work in the civil service and in the commercial and, increasingly, light manufacturing, sectors has become an option to wage work in the sugar estates. Young people from all over the island have sought these new jobs. Education has become the key to many of these jobs. At present, it is the right education and skills which are the important resources that determine an individual's income and living standards.

The crucial problem in the present and future is the creation of jobs in the productive sectors. Agriculture may very well be one option if incomes can be high enough to provide a livelihood. However, agriculture, if made attractive, will be unlikely to be the source of work for more than a small number of people. Other sectors will need to grow enough to employ most of the people, and they will have to be productive sectors.

In 1980, the total size of the labor force was 17,092 persons if only the age groups 15-65 years are taken as the economically active population. The participation rate in the labor force is 74.4 percent. Of the 17,092, there were 14,546 persons working or employed at the time of the 1980 census or 84.5 percent of the total. The unemployed accounted for 14.5 percent of the labor force. The distribution by industry and/or occupational category is shown in the following table 17.

Although the classifications of industries and occupations may have changed slightly over the years, data available indicate some striking changes in the evolution of the labor force since 1946. For example, the percent of the labor force employed in agriculture in 1980 was 30 percent, a significant drop from 56 percent similarly employed in 1946. In contrast, those employed in the services sector increased from 17 percent in 1946 to 37.7 percent in 1980. These two changes are the most significant ones and although comparability is not necessarily accurate since the classification may not be the same, they indicate a definite shift from agricultural employment to employment in services.

¹ There are a number of sources which provide data on the current labor force of St. Kitts and Nevis. Unfortunately, most of the data do not distinguish between the two islands and consequently separate analysis is not possible.

² UNDP Physical Planning Project, St. Kitts Territorial Plan 1975, p. 33; provisional 1980 census results.

Table 17: St. Kitts-Nevis: Distribution of the Labor Force by Industry or Occupational Category

1980 Provisional Census Results

<u>Industry or Occupational Category</u>	<u>People Working</u>	
	<u>No.</u>	<u>Percent of Total</u>
Agriculture, Forestry, Fishery	4,337	29.8
Quarrying	2	0.01
Manufacture	2,482	17.16
Construction	1,007	6.96
Commerce	1,213	8.39
Transport Storage	265	1.83
Government	929	6.42
Community Services	1,261	8.72
Gas, Electric, Water	399	2.76
Finance, Banking, Real Estate	779	5.38
Other Services	1,518	10.50
Not Stated	<u>264</u>	
Total	14,456	
Total Employed	14,456	
Total Unemployed	2,636	
Percent Unemployed of Total Labor Force	15.4	

Source: Table 2.5 Provisional 1980 Census Results, Computer Printout.

Note: Employees of the public sector are classified in the census by their stated occupations. Thus, teachers, nurses, etc., will be classified as service workers and not government workers. The figures on employment by sectors show all employees of the public sector.

Much of the growth in the services sector is growth in government employment. According to labor department statistics, in 1982 there were 2,942 government employees in established and non-established positions. Thus, government workers alone, without taking into account employment in the sugar industry, account for some 20 percent of the employed labor force.

b. Employment by public and private sectors¹

If both field and factory workers in the sugar industry are taken into account, employment in the public sector in 1982 was as follows:

	<u>Total</u> (No.)
Established Workers	2,032
Non-established Workers	910
Sugar Estates (annual average)	2,802
Sugar Factory (annual average)	<u>652</u>
Total	6,396

Government employment accounts for 44.2 percent of the total employed labor and for 37.4 percent of the total 1980 labor force (both employed and unemployed).

Public sector employment within St. Kitts-Nevis is very significant. Its impact on the society is substantial. However, it must be noted that 54 percent of public sector employment is employment in the sugar industry.

It is more difficult to assess how many people are employed in the private sector. Using 1980 census figures, private sector employment would account for 8,061 persons, or 55.8 percent of the total employed labor, and for 47.2 of the total labor force (employed 14,456 and unemployed 2,636). Social security records show 2,884 people in manufacturing in 1982 as opposed to 2,482 in 1980, while construction went from 1,007 persons in 1980 to 1,327 in 1982. In terms of employment by industry or occupational categories, the distribution is less skewed. This indicates that despite the dominance of sugar in the overall economy, there are increasing options of employment outside agricultural wage work.

¹Based on Government of St. Kitts-Nevis Department of Labour statistics.

c. The nature of work

Many of the changes in the composition of the labor force are changes that involve a generational change. Younger people have for some time now been avoiding work in the sugar estates. It is widely reported that the sugar field labor force is made up primarily of older people¹ who have worked in it for most of their lives.

Sugar industry work is seasonal despite the efforts to provide work during the "out of crop" season. A review of employment records for two sugar estates shows that on the average people were employed in, all or part of 32.8 weeks on one estate, and 30.2 weeks on the second.² The number would be even lower if actual days worked could be counted. A sample of earnings in these two estates shows that annual incomes were as low as \$32.64 (EC dollars for one week of work) to as high as \$3,027 = less than \$60/wk. (EC dollars for 51 weeks of work) during 1981.

It is the seasonality of work and the insecurity of income during the "out-of-crop" season which probably makes this type of work as unattractive to young people as it is reported to be, and not necessarily the fact that it is "agricultural" work. To earn an income year-round, those employed for the sugar season must find other sources of work. The gardens for home consumption are one, but their income potential is limited. Stone breaking at home by hand (for construction aggregate), work in construction, fishing, and transport are all partial sources of some income which in different combinations are part of earning a livelihood.

The implication of multiple occupations is that while they maximize one's chances for earning a livelihood, they tend to reduce specialization, capital accumulation and growth within any particular activity. People's skills remain low and the technology rudimentary.

¹Note: Social Security records could be used to analyze the relationship of age and types of work.

²Social Security records: The estates reviewed were Cunningham and Winfield for 1981. Total number of weeks was divided by total number of employees to arrive at the annual average. (The employee was counted as working a complete week if employed for any part thereof.)

³Comitas, Lambros, Occupational Multiplicity in Rural Jamaica in Work and Family Life. (Garden City, New Jersey: Anchor Press, 1973).

The choice by young people of jobs in the public sector, commerce, manufacturing and other non-agricultural occupations in part reflects the fact that in these occupations, work is not as tenuous as in agricultural wage work and incomes are regular and year-round. When jobs of this nature were not available, the choice was for migration, and today it continues to be an alternative since the growth and diversification of the economy has not reached the point of being able to absorb all new entrants into the labor force.

Changes in the age groups of 20-35 in the population between 1970 and 1980 seem to support the contention that work has become available and that young people are not migrating as much as before. Furthermore, it seems to be work that the young people are willing to do. In the foreseeable future, the availability or lack of jobs which offer relatively secure employment will continue to be an important factor in the composition of the labor force and, perhaps more importantly, migration rates.

5. Role of women

a. Rural patterns

Of the women in St. Kitts, 9,995 or 57 percent reside in rural areas. In Nevis, the proportion of women in rural areas is 86.6 percent (4,330 out of 5,002).

(1) St. Kitts

In St. Kitts, where rural workers are primarily engaged in the sugar industry, it is estimated that an average of 1,192 women work on the estates out of a labor force of 3,557, while 23 women out of a factory force of 701 work in the sugar factory. Many rural women are market gardeners and hucksters who bring their produce into Basseterre on weekends; many young women from the countryside also take transport to town to work in the garment and electronic industries. However, there is massive unemployment for women in outlying districts in St. Kitts.

Villages lack amenities such as multi-purpose centers, income-generating activities or recreation. Officers in women's organizations, the Ministry of Community Affairs and Family Planning note the frustrations and lack of outlets, particularly for young rural women and young workers, as an important contributor to the rise of adolescent pregnancy with its attendant poverty.

Wages on sugar estates are very low. Women workers often receive work only 1 day a week at EC\$14 a day. Most of the female sugar workers are middle-aged and older women. Lack of employment opportunities and low wages are also said to encourage women to have more children and receive support from the fathers of the children. All those spoken to who work in supportive agencies stressed the lack of motivation and self-esteem held by rural women who cannot visualize options.

(2) Nevis

In Nevis, one finds significant numbers of women working as own-account farmers on land owned and leased. Women also comprise a significant percentage of the membership of agricultural cooperatives. The exceptional migration pattern of Nevis which has witnessed an absolute decline in population, from 11,000 in 1970 to 9,000 in 1980, has seen heavy migration of both men and women.

Hence, with both parents away for years, or much of the year, grandmothers, in particular, have been land holders, farmers, and parents. Recent patterns, with many migration outlets drying up and recession plaguing the developed world, are indicating that younger women both on their own account and with their partners are working the land.

Rural women in Nevis are also actively engaged in craft cooperatives to make school uniforms and for food preservation. There is also a Primary Consumer Co-op in Nevis run by women. Nevisians stress that the viability of village life aids the cooperative movement. Certainly village agriculture and husbandry as opposed to plantation agriculture (whose factories in the field discourage community development) are important factors in the movement to form cooperatives in Nevis and the high participation of women in this effort.

b. Urban patterns

Although Basseterre in St. Kitts has all the attributes physically of a small town rather than a city, similar to other Commonwealth Caribbean urban areas there are housing problems, lacks of amenities and facilities, and serious social problems.

Kittitian society is a plantation society in transition. Sugar continues to displace workers; new sugar labor is not being hired. Migration patterns over the years have exacerbated stresses on family structures, resulting in a high proportion of female-headed families heavily dependent on remittances for support. Opportunities for employment have opened up for women in branch-plant industrial sites, but not enough to address

displacement in sugar and closure of traditional migratory outlets. Girls, even those with sufficient "O" levels to go on to technical schools and tertiary education find difficulty in securing employment.

(1) St. Kitts

A number of women are employed in light manufacturing. In 1982 in St. Kitts, 240 of the 286 workers in the electronics industry were young women while 827 of the 1,013 workers in the garment and shoe industry were women. This pattern is typical of branch plant operations globally and appears to be welcome in St. Kitts where such a high percentage (over 40 percent) of women are supporting families. Turnover in the factories is large, however.

Social workers note that many young women prefer to work seasonally. Many still remain at home with their mothers or relatives and contribute to household expenses. Those with children are usually receiving some support from the father in cash or in clothes, shoes and other "gifts." Hence, many young women do not view factory employment as a stepping stone to independence and responsibility. This is one reason offered for the willingness of young women to accept fairly low wages in the factory.

Turnover is also high due to pregnancy and problems of child care. Those women from the countryside have the greatest problem, as most day care centers, public and private, are located in Basseterre. Transport is available around the island, facilitates working in Basseterre, but long working hours can pose problems for young mothers. There are no day care centers in the industrial estates.

Managers have been urged to meet the needs of young women by providing workers with time-off to visit health clinics and family planning units. However, most observers feel there are problems here and would welcome a clinic on the industrial estates. Family planning units are only open from 8-4:30 weekly, not on Saturday or in the evenings.

As women form the majority of the adult population of Basseterre and its environs, their economic contribution and quality of life are significant to overall standards of living in the country. Nearly 50 percent of families are female-headed, and in many instances these are extended matri-focal families of several generations.

Employment opportunities are limited, particularly for the poorly-educated and school drop-outs. Even for the middle classes, traditional "female" occupations such as clerical workers and teachers are also limited. Hence, unless younger women are encouraged to work into new technological vocations, resulting from an overall manpower strategy,

employment opportunities will become more skewed in the near future. There will continue to be a glut in the traditional service occupations but with vast numbers of under-skilled, under-employed and unemployed women side by side with a scarcity of highly-skilled technical workers.

The large numbers of women employed in industrial occupations at the garment and shoe factories are drawing girls and women from the countryside to the urban area. Many do not want to return home and are staying and setting up households. Such a large employer of the work force needs to be examined, and dialogue between workers and management developed, to ensure both that the industries are good corporate citizens and the women productive workers. Attention also needs to be directed to whether marketable skills are being developed at these industrial sites and what opportunities for training and advancement exist which will provide long-term management and technical skills for St. Kitts.

(2) Nevis

In Nevis, the primary industrial activity is also in garment manufacturing. However, the businesses in Nevis, run by expatriates, concentrate on exclusive clothes embroidered by Nevisian women. Smocking and embroidering skills bring very high profit margins, although the women themselves are often paid a low wage for value produced. This industry is providing women with opportunities to earn good wages by Nevisian standards and learn a skill. There are, however, possibilities for higher returns over the long-term if the women could be encouraged to establish their own businesses rather than remain piece workers.

c. The informal sector

Although the majority of women engaged in the informal sector are hucksters in both St. Kitts and Nevis, there are distinct categories of hucksters operating in the twin-island state.

Predominant are middle aged and elderly women who buy their produce from suppliers. In Nevis, there are a significant number of women, however, who take their own produce across to St. Kitts by boat every Friday and Saturday. A small percentage of Kittitian market gardeners also sell their produce in the Basseterre market.

In a similar grouping are the "tray" women who purchase sweets, chewing gum, cigaretts and who make "cakes" to sell on street corners and outside shops. Both groups are marginal and eke out a living but have no capital for investment to improve their operations.

A newer strata of the informal sector is emerging in St. Kitts, particularly, as elsewhere in the Eastern Caribbean. In the main, these women, and a few men, are specialized producer-distributors who ship their produce to St. Maarten, St. Thomas and St. Croix and who often purchase dry goods and clothing to sell on return home.

On St. Kitts a number of younger women, some with several "O" Levels, have opted to become hucksters and are making a sufficient income to invest in their business. Given the fertility of Kittitian soil and the demand factors in other islands, with proper lines of credit, this form of huckstering could mushroom into a profitable enterprise. Also included in this strata are the "suitcase" vendors who fly back and forth between Miami, Puerto Rico and St. Kitts and operate "street boutiques."

6. Health and Education

a. Health

The infant mortality rate for 1980 of 53 deaths per 1,000 live births. Among Eastern Caribbean countries, only St. Vincent's and the Grenadines with a rate of 60 reported a higher figure than St. Kitts. Life expectancy is, however, at a reasonable high of 64 years.

The government spends EC\$6.6 million on health, with two-thirds of the funds designated to pay the salaries of medical personnel. It is estimated that residents spend an almost equal amount on private medical care. Residents are served by three hospitals and 17 health clinics. Dispensary services are minimal in the countryside. Health centers frequently lack adequate equipment. Nevis appears to be receiving inadequate attention with regards to medical facilities, programs and personnel. A new government emphasis is being placed on primary health care for both St. Kitts and Nevis.

b. Education

Current estimates put the literacy rate for St. Kitts at 80 percent. St. Kitts, with a system of free and compulsory education, has 26 government primary schools, six secondary schools, two sixth forms, a technical college, a teachers college, and a university center. Eighteen percent of the national budget was spent on education in 1981.

In marked contrast to many of its island neighbors, St. Kitts' secondary program (compulsory through the tenth year) enrolls nearly as many students as the primary schools.

Data going back as far as 1960 showed that nearly 90 percent of both males and females were literate, at least to the extent of being able to understand simple written instructions. This is borne out by recent evaluations by employers of the functional literacy capacities of job applicants.

Based on these tests and on-the-job performances, employers express satisfaction with the trainability of Kittitians for manufacturing. Thus, a successfully functioning basic educational system is credited as one reason for the growth of manufacturing in recent years.

C. Institutional Profile

1. Overview

St. Kitts-Nevis faces a set of development problems which call for a high level of performance on the part of a range of development institutions if plans and actions needed to broaden the economic base are to succeed. The extreme dependence on sugar as the mainstay of the economy in the face of low world prices and a faltering industry calls for early effective action. Government's disposition is favorable toward a search for alternatives, collaboration with private initiative and a new start on development. The private sector is dynamic, and wishes to expand and improve both its economic performance and its social contribution. If communication between the public and private sectors is not as strong as would be desirable, it appears to reflect the sensitivity of the party currently in power to the challenge posed by the trade union-based opposition party. That group long held power and still has the support of most lower-income people.

Unemployment and seasonal underemployment are serious problems. Government programs for agricultural diversification are moving forward only very slowly. With private initiative, manufacturing and tourism on the other hand, though still small sectors, are growing. New plants are being opened. These hold out the promise of increased employment for women. But the prospects for employing men continue to be bleak because of the complex nature of the changes needed to produce jobs. This will test the ingenuity of the public and private institutions alike to accomplish adjustments and create opportunities rapidly enough to alleviate this potentially serious male unemployment problem which holds significant ramifications for the stability of the society.

2. Public sector institutions

a. Ministerial establishment

(1) National planning and management structure

(a) Overview

The Ministries in St. Kitts-Nevis are organized on the Westminster pattern which prevailed prior to the coming of independence in September 1983. The new constitution provides for one unique arrangement under which Nevis has its own local government responsible for affairs peculiar to that island while the national government deals with all other matters. The budget reflects this arrangement with separate allocations to fund local activities operated by the ministerial bodies in Nevis.

The principal Ministries of the national government and their respective total budget allocations for 1983 are as follows:

	<u>ECS</u> (millions)	<u>% of</u> <u>Total</u>
Premier (Prime Minister)	4,111	6.6
Agriculture, Lands, Housing, Labor and Tourism	2,572	4.1
Communications, Works & Public Utilities	12,009	19.3
Education, Health & Social Affairs	15,409	24.8
Trade, Industry & Development	344	0.6
Nevis Affairs	7,648	12.3
External Affairs	3,041	4.9
Home Affairs	4,751	7.6
Finance	11,317	18.2
Other Agencies	<u>951</u>	<u>1.5</u>
Total Recurrent and Non-recurrent Expenditure	EC\$62,153	100%

The Ministries share a number of general constraints in the effective performance of their responsibilities. Among these first and foremost is the serious shortage of funding. Several wage and salary adjustments in 1979-81 were followed by sharp reverses in the price and output of sugar which is the basis for a major share of revenues. As a result, funds available for current program operations are severely limited. This is likely to prevail as long as the sugar industry is in its present severe slump.

Secondly, the demands of programs in agriculture, health and education confront a shortage of trained technical personnel which can only gradually be overcome as the plans to expand training capacity at the Technical College and the College of Higher Education can be implemented.

Thirdly, the Ministries (outside of the Economic Planning Unit itself) have little experience in sector planning. This has resulted in delays in the preparation of the national plan originally intended to be implemented in 1982-86 but now delayed to 1984-88.

(b) Organization and budget

Planning in the government of St. Kitts-Nevis is centered in the Economic Planning Unit (EPU) which is directly responsible to the Prime Minister. The Director of the Unit serves as development adviser to the Prime Minister, and Chairman of the National Planning Committee consisting of the Permanent Secretaries of all the Ministries. The Committee was formed in October, 1982 to coordinate development of the Plan now intended to cover the period 1984-88. The Committee had not met from June, 1983 through late November, 1983.

The EPU has an authorized staff of 9 professionals. In addition to the Director, these include a: Senior Economic Planning Officer (CFTC advisor); Economic Planning Officer; Senior Physical Planning Officer (position currently vacant); Chief Statistician (UNDP advisor); Senior Statistical Officer; Physical Planning Officer (position vacant); Assistant Physical Planning Officer; and Statistical Officer. In addition, there is provision for 12 sub-professional and clerical staff. The total funding provided for salaries and related expenses in 1983 is \$294,000.

(c) Planning activity

A National Plan has now been formulated in draft and is under consideration by the Prime Minister, but is not yet available publically. The Plan emphasizes mainly the diversification of agriculture through expanded livestock, vegetable, peanut, citrus, fishing and forestry

production; continued development of light manufacturing and tourism; the intensification of technical and higher education; development of water resources for irrigation in both St. Kitts and Nevis; and continued expansion of feeder roads in St. Kitts as necessary supporting infrastructure for agricultural diversification. The Plan is said to be indicative and a framework for action rather than a comprehensive and detailed program.

The approach which underlies the Plan contemplates that Government will gradually get out of business activities and will assume the role of infrastructure provider while the private sector takes a more active role. It assumes that sugar acreage will be reduced to provide greater room for diversification and will become more efficient, intensive and technical through irrigation. The Plan represents a significant accomplishment in which the EPU has participated heavily with the support of expatriate advisors from the UNDP and CFTC, but other ministries have also contributed. It is less clear that the more important element of the planning effort, a process whereby priorities are set and resource allocations are committed, has yet been accomplished.

The EPU reports that the private sector was invited to contribute but was not prepared to participate. Private sector comments suggest that they were not prepared to be a party to the extensive internal discussions but have prepared proposals which have been submitted to the Prime Minister and were to be discussed with him in December 1983 upon his return from the Commonwealth Conference. The private sector proposals were the result of intensive study and consideration by the Economic Committee of the Chamber of Industry and Commerce and a full review by the Board of the Chamber. The latter group is particularly concerned that urgent plans be made to provide increased employment in the immediate future for the very large number of unemployed young males in the society. They see this as a matter of urgency on both social and political grounds. They are also convinced of the importance of early action to allocate land and accomplish agricultural as well as general diversification.

(d) Assessment

The EPU has a dedicated Director who is perhaps primarily politically rather than technically oriented. (He is the party organizer for the party of the government in power.) His leadership capacity is nevertheless an important asset. The staff in the Unit is made up of people with appropriate professional qualifications who are dedicated to achieving better economic performance in St. Kitts. What may be most seriously lacking is a clear perception of a strategy and the appropriate means to achieve the objectives of a strategy. The EPU

is attempting to move in the direction of agricultural diversification, but the means to achieve the re-deployment of labor, land and capital and to mobilize the necessary technical resources appear to be still lacking. It is, however, precisely in this field where government owns the land now used for sugar that the specifics must be elaborated by government itself. In the case of tourism and manufacturing, the details can be left in great measure to the private sector. This seems now to be functioning successfully with a moderate amount of promotional help from government.

The EPU has a wide set of relations with donors. It appears to be able to deal satisfactorily with day-to-day programming, relying in substantial measure on the implementing agencies. It may be less than fully effective in formulation of a general strategy of development as a guide to donor inputs and long term priorities.

(2) Ministry of Agriculture, Land, Housing, Labor and Tourism

(a) Principal responsibilities, organization and budget

The Ministry of Agriculture, Land, Housing, Labor and Tourism (MOA) is the largest in the Government of St. Kitts. It is responsible for activities which constitute a major share of the economy and significantly affect the well-being of the society. This Ministry is also responsible for one of the more delicate and sensitive tasks facing the Government of St. Kitts, namely the completion of payments in settlement for land seized by the Government in 1975 when it took over the sugar lands as well as the mill and related facilities. The MOA says it expects to settle the land debt, develop a land use policy and make land available to small commercial farmers. One solution proposed for financing the land settlement (which is pending before the courts) is to use the proceeds of land sold at high prices for urban development to pay the former owners. The MOA is also responsible for agricultural development, including extension, for crops and livestock, research, crop protection and land distribution, housing development, labor and tourism promotion and development.

The organizational structure of the MOA reflects its functions. Under the Permanent Secretary are the Department of Agriculture, directed by the Chief Agricultural Officer, and the Commissioner of Labor with a small staff responsible for manpower and wages. The Minister of Agriculture is the link to Government for several statutory bodies, including:

- o The National Agricultural Corporation (NACO)(responsible for production of sugar cane and other products);
- o The St. Kitts Sugar Manufacturing Corporation (SMMC);
- o The Frigate Bay Development Corporation (responsible for tourist facilities in this prime location for hotel and condominium development including infrastructure to serve the privately owned Royal St. Kitts Hotel);
- o The Social Security Administration; and
- o The Central Marketing Corporation.

The Agriculture Department is headed by the Chief Agricultural Officer (CAO), with a small staff of three professionals in administration directly under him and a total staff of 27. There are 3 professionals at the livestock station, 8 in veterinary services and only one professional in the fisheries division. The CAO is in charge of the extension division which includes 7 extension officers, of whom 5 have diploma training. These personnel are in charge of all extension work not concerned with sugar and are, therefore, of key importance to the execution of any program for agricultural diversification. In the past two years, the division has been assisted by a team of Taiwanese vegetable and fruit research and extension specialists. The Department has only 2 minimally trained research staff of its own and hence has been relying mainly on this team to develop a technical knowledge base. Observers have mixed reactions to the work of this group, but its work has not so far shown significant effect in moving toward diversification. Local observers familiar with good farm practices, variety trials, etc., have given the impression that the group has not greatly strengthened the Department in this important area, and that it may therefore be sometime yet before the technical and institutional capacity to move forward in agricultural diversification can be developed.

Tourism is an important area of the Ministry's functions, which it largely carries through a parastatal body called the St. Kitts-Nevis Tourist Board (see p. 276). That Board received EC\$1 million (or about 40 percent) of the Ministry's total allocation. This dramatizes the point of how little funding is available and explains why more than 60 percent of all funds available go for salaries and wages.

Finally, the Labor Commissioner is under this Ministry's direction reporting to the Permanent Secretary. His responsibilities include the maintenance of statistics on the labor force, employment and wages, and the management of labor relations and dispute settlements under the Labor Code.

The MOA was allocated EC\$2,572,000 (4.1 percent) of the total recurrent budget for St. Kitts-Nevis in 1983.

(b) Plans for agricultural development

The 1984-88 plan contemplates that land will be made available to small farmers as the sugar area is reduced from 12,000 acres and production is intensified on about 10,000 acres. That would free up about 2,000 acres for cultivation in a range of crops, including vegetables, citrus, peanuts, etc., for domestic consumption and/or export within CARICOM. The Ministry believes a serious effort must be made to produce foodstuffs for the local market where St. Kitts currently imports 65 percent of its food needs. An experimental irrigation program on a few selected farmers' fields would be undertaken. The ecological concerns of the Ministry dictate that the high slopes now under cultivation would be abandoned, or placed in tree crops, the medium slopes would stay in sugar, and flat land would be devoted to peanuts and vegetables.

In accordance with the regional nutrition policy, production is to seek a balance of foods including fish from the expanded output to be obtained from development of deep-sea fisheries. Educational programs in the schools are placing new emphasis on science studies, and programs in social studies are emphasizing the development of an understanding of and respect for the role of agriculture. With only a total of 7 low-level staff in its extension department, the Ministry has little capacity to reach farmers. They have had little training or technical knowledge. The Ministry is aware of the constraints on its extension capability but is determined to continue to seek the needed resources and to train staff and expand. It intends also to supply inputs and implements to small farmers.

(c) Assessment of Agriculture Department

The Ministry's Agriculture Department is very understaffed to undertake the task of carrying through a major diversification program. The staff of 7 extension personnel (undertrained) and 2 researchers is not capable of such a major undertaking. Not only are they too few in number, but the level of technical qualifications is not adequate. To accomplish the contemplated change of bringing into production up to 2,000 acres of former sugar land is a formidable task when there are so few people with experience as small-scale farmers as is the case in St. Kitts. All the evidence suggests that the extension/research group lacks relevant technology, and even the much-discussed Taiwan Vegetable Project has not been of great help. Its staff seems to be less competent than one would expect, judging by information received indirectly by a capable observer.

The Department needs to be considerably strengthened in addition to what CARDI and the USAID extension project are able to accomplish in the near future. It will require not only the training input, but must have a steady build-up of technical resources and a larger budget for supplies, materials and travel. In addition, the marketing facilities presently available through small hucksters and the Central Marketing Corporation (CEMACO) would quickly become a severe constraint if the output of vegetables and fruits were to increase. CEMACO is not only very inefficient but has wholly inadequate storage and refrigeration facilities for its present small operations. Shipping is also a severe problem because service is irregular, on-board facilities for proper storage and refrigeration are almost always absent, and the huckster traders are only marginally concerned with quality of product on delivery as long as it can be sold at some price.

Donors may need to re-evaluate the type and amount of support being provided through the present extension/training and research programs through CAEP and CARDI. If St. Kitts agriculture is to be successfully diversified, some additional support for development of a detailed plan with specific operational actions spelled out is needed. It may then be desirable to fund needed irrigation facilities, at least on a pilot scale, so that some significant and practical trials and demonstrations can go forward. In view of the low level of revenues available, support of the operational costs of such a program as well as equipment may need to be considered. This kind of positive support appears to be needed to generate momentum.

(3) Ministry of Education, Health and Social Affairs

(a) Principal responsibilities, organization and budget

The Ministry of Education, Health and Social Affairs (MOEHS) is divided into three major divisions--Health, Education, Culture and Community Affairs--with two Permanent Secretaries, one for Health, the other for Education and Culture and Community Affairs. Given the small size of the twin-island state and the ideal of coordinated social services, the MOEHS is presently constituted to achieve this task. Smallness of size should encourage formal communications and feedback, although Community Affairs is housed in a separate building. Over-centralization should not be an issue in St. Kitts.

Effectiveness in implementing programs through the MOEHS in St. Kitts-Nevis appears to be hampered by the lack of trained personnel and the current highly political atmosphere of the twin island state, particularly the efforts toward Independence in September, 1983. With

Independence discussions and celebrations behind them, Ministry officials can now better address crucial development issues in the MOEHS, and officials and staff are engaged in such discussions with a view to reorganization of the MOEHS.

The Ministry has a total budget in FY83 of EC\$15.4 million which represents 24.8 percent of the total recurrent and non-recurrent budget. This is about in line with other countries in the Eastern Caribbean for this array of functions.

(b) Education division: program and assessment

Under the Permanent Secretary, there is a Chief Education Officer, four education officers and one Schools Broadcasting Unit. The four education officers are responsible for pre-school, primary and secondary schools, adult and continuing education, and examinations. The educational sector in St. Kitts-Nevis is organized in the following manner:

- o Pre-school: Government of St. Kitts, 6; of Nevis, 1; plus many private;
- o Primary: 26 government schools; 5 private schools;
- o Secondary: 4 secondary and 1 sixth form on St. Kitts; 2 secondary and 1 sixth form on Nevis; and
- o Tertiary: Technical College; Teachers College; and University Centre.

The teacher/pupil ratio is good, with less than 30 (est.) students per teacher at the primary level and 20 or fewer at the secondary.

The Government of St. Kitts-Nevis has adopted a paper on its philosophy and policy of educational development until the end of the century. The paper addresses the various segments of the educational sector from pre-school to adult continuing education. Special mention is made of the necessity of life-long learning and the provision of individual development, including handicapped and gifted persons.

Implementation of this philosophy, however, will necessitate the provision of greater resources than are currently available from government financing of this sector. UNESCO's assessment is that the GOSK-N is also underfinancing vocational/technical training and teacher training, which are two key areas in the qualitative improvement of education in

St. Kitts-Nevis.¹ It seems that obtaining such additional financing in the near future may be difficult while resources are scarce due to a slump in revenues normally derived from sugar. Presently, there continues to be an enrollment decline at both the primary and secondary level, but whether this will continue in the future, given changing migratory patterns, needs to be properly ascertained.

The major educational areas receiving attention within current constraints include the construction and repair of antiquated primary schools, implementation of practical vocational education in secondary schools, implementation of an agriculture program in primary, secondary and tertiary levels, the consolidation of the existing pre-school program and further expansion country-wide, training of teachers at all levels, the establishment of a coordinated tertiary education system along state college lines, and the expansion of adult education and non-formal continuing education. However, while an estimated 18 percent of the national budget was spent on education in 1981, funding for the above and other needed programs is woefully inadequate.

The education sector of St. Kitts-Nevis demonstrates some achievements which are high by world standards, particularly in a comprehensive secondary school system which enrolls nearly as many students as at the primary level in a ten-year compulsory education program. Teacher/pupil ratios are ideal. However, despite these model factors the qualitative aspects of education need great improvement.

The major problems which must be addressed are the revamping of the secondary and tertiary systems to meet both industry needs and the provision of employable skills for school leavers in the curriculum. Additionally, adult education and non-formal education programs are inadequate to meet present needs of a large number of unskilled school leavers, particularly women. At the tertiary level, immediate solutions must be found to the problem of securing a university degree for those students qualified to do so but presently restrained by lack of adequate scholarships.

(c) Culture and Community Affairs division: program and assessment

The Culture sub-division is responsible, among other things, for the preservation of historic sites and for libraries. Currently, two projects are of particular importance. One is the cultural and historical attraction of Brimstone Hill which is being

¹UNESCO Education Sector Survey: St. Christopher-Nevis (Paris: UNESCO, 1982).

significantly restored and is, according to some, one of the New World's historical treasures. Restoration and maintenance, however, are very costly. Better use needs to be made of the facility both as a world heritage site as well as an ongoing educational and cultural facility for the people of St. Kitts-Nevis. In addition to its importance as a military and colonial history site, Brimstone Hill is also of great archaeological interest with respect to Pre-Columbian findings. This is a project which needs careful study and promises to be of importance to not only St. Kitts-Nevis, but the entire region.

The second project relates to the loss of the Courts building and National Library of St. Kitts-Nevis, which contained priceless documents on Kittitian's and Nevisian's colonial history as well as many first editions of 18th and 19th century Caribbeana. Immediate attention must be given to replacing some of the contents and restoring library facilities generally to the islands. This is an urgent priority which needs donor assistance with respect both to financing and to developing a proper national information center.

The Community Affairs sub-division holds responsibility for community development, social welfare, youth, sports and the Women's Desk. The division is in a state of reorganization due to retirement of some staff, staff transfers, staff vacancies, and new staff. There are a number of vacancies at the community affairs officer level which significantly impede delivery at the community level. Within the youth section, only one coach position is permanently filled. One position is vacant and the other is temporarily filled by a Peace Corps Volunteer. The youth section is responsible for all sports activities in the schools. This program is seriously handicapped by such vacancies.

The Community Affairs officers, under the direction of two supervisors, are responsible for both community development activities and social welfare. The recent filling of a Community Affairs supervisor vacancy with duties in public relations, community development and culture should free the other supervisor to concentrate on the social welfare side of the division. This supervisor, however, is stretched very thin with responsibilities for Carnival and the Women's Desk as well as social welfare supervisory activities. The division is one of the most under-financed in the St. Kitts-Nevis economy--only EC\$245,200 has been estimated for administration of programs in Community Affairs. This includes EC\$60,000 for Poor Relief, EC\$4,500 for Social Welfare Expenses, EC\$35,000 for Youth Centres, and EC\$15,600 as a grant to the Children's Home.

Community development programs are at the most rudimentary stage in St. Kitts-Nevis. Fortunately, many of the staff are young and motivated to begin the outreach needed to bring some life into communities decimated by the decline of the sugar industry and heavy out-migration. Very few

communities in St. Kitts or Nevis have community centers, and in the few which do, there are few facilities or programs. The Ministry is aware of these shortcomings, but needs to draft a plan for establishing the network of central government-community programs and institutions. Presently, the division is structured along classic organizational lines, but does not have the personnel or the resources to meet the needs of the community. Thus, physical infrastructure, programs and personnel are all needed.

Also, popular participation and articulation of community needs in the designing of programs is a necessity. Some officers concede this is an uphill task in the highly politicized environment of St. Kitts-Nevis, where Ministry efforts at public education and community development are viewed by some as partisan efforts to amass votes. It does not appear that a high level of community consciousness has been reached in St. Kitts (Nevis has its own sense of collectivity) whereby the people identify their needs and pressure government to cooperate in meeting them in a collaborative effort. Voices at the community level are still very strongly tied to party politics.

Presently, seven communities--three in Basseterre, one each in Trinity, Old Road, Half Way Tree, and Sandy Point--have taken the steps to organize community councils and have registered with the Ministry. With sixteen major population centers in St. Kitts and nine in Nevis, there remains a formidable organizational task in community development.

Social Welfare services are not well developed in St. Kitts and Nevis. The situation is reminiscent of the "colonial malaise" cited by the Moyne Commission in the 1940's. This appears to be an area which has been given minimal institutional support at any significant level until very recently. Moreover, many community development workers are also social welfare officers and their responsibilities are unclear. Additionally, a number of posts are vacant. Considering the significant numbers of underemployed persons, large numbers of teenage mothers and female heads of households, and dependency on remittances, the number of social welfare recipients is relatively small. Data available indicates that half the recipients receive support for "poverty relief." Support is also provided for the handicapped, foster care, old age pensions and compassionate aid.

There is a children's home which cares for 27 boys and girls up to the age of 16. It is seriously understaffed, with only one nurse, supplemented by a cook who has had no training. USAID has funded renovations to the building, but the home needs to be put on a sound financial and institutional footing. The Harris' Training Centre, which trains and cares for delinquent boys, is run by a Board and overseen by Government. The Boy's Home is better endowed, has some trained staff and is housed in a lovely pastoral setting. There is no equivalent institution for girls. USAID is a funding contributor to the Boy's Home.

In sum, social welfare programs are very rudimentary and need to be institutionally strengthened. Staff need to be increased and professionally trained. Infrastructure is needed for support institutions such as the Children's Home and a Girls Training School. A survey needs to be taken to properly assess the needs of the population in both St. Kitts and Nevis and then programs developed to meet those needs.

The Women's Desk presently exists only on paper. The Senior Community Affairs Supervisor has responsibility for this program, but her duties of establishing social welfare responsibilities and, until recently, filling the duties of the vacant supervisory post, have impeded action on the Women's Desk. At the moment, programs for the Women's Desk are being discussed with women's groups with a view to creating programs which derive from community-based needs. The Director works informally with the Director of the Family Planning Association in reaching women and in visiting groups throughout the country. It is only recently that women and government perceived the need for an institutional framework for programs focussing on Women and Development. The Director argues that there should be training workshops for Directors of Women's Desks along the lines of a workshop sponsored by WAND. This should be formalized, with WAND as the logical organizer.

(d) Health division: program and assessment

The Division of Health has responsibility for hospitals, clinics, family planning policy, maternal and child health, home visitations and public health inspectors. The PS's staff includes a Chief Medical Officer, who is responsible for hospital services and District Medical Officers, and a Principal Nursing Officer, who is responsible for public health inspectors and the public nursing service.

Statistics for 1983 indicate that St. Kitts-Nevis allocated EC\$6.6 million to health, of which about two-thirds went to salaries. The balance financed such programs as Family Planning (EC\$30,000), General Sanitation (EC\$600,000), and Community Health (St. Kitts, EC\$65,000 and Nevis, EC\$34,000). About 48 percent of the budget finances community-based programs.

¹ Key health institutions include three hospitals in St. Kitts-Nevis (164 bed-hospital in Basseterre, 28 bed-hospital in Sandy Point, and 54 bed hospital in Charlestown, Nevis); 17 health clinics in St. Kitts-Nevis staffed by Health Sisters and District Nurses; a National Family Planning Policy administered by a Family Life Nurse operated through the community-based Health Centers; 8 Public Health Inspectors who work in collaboration with District Nurses to set up district health teams with community participation.

The National Health Policy prepared by GOSK-N in 1982 gave high priority to the following programs:

- o Improving maternal and child health care;
- o Upgrading the immunization program;
- o Decreasing malnutrition, diarrhea and respiratory diseases of children;
- o Improving mental health care;
- o Improving dental health

Community-based primary health care is viewed as the vehicle for "Health by the year 2,000" according to many government officials. Training in all branches of Health Care Services is also a priority, and there are a number of programs and avenues for training sponsored by USAID, PAHO, CARICOM and the EDF. There is a need for further programs for senior nursing staff in the hospitals who have only received basic training, for medical officers in public health, and for senior public health inspectors.

Programs which need to be developed and funded include public health (particularly rodent control) and solid waste disposal. Most of the country still uses pit latrines and soak-aways. Sewage systems only exist in the newer, primarily middle class, housing developments. Mental health units are very basic. A psychiatric unit at the Basseterre Hospital is envisioned with support from the Rotary and Alcoholics Anonymous.

Additionally, the Home for the Elderly needs to be expanded and nurse-trained staff provided, along with facilities for the elderly.

Dental care is out of reach for most of the population, as there are only two government dentists in St. Kitts, and the slot is vacant in Nevis. There are five dental auxiliaries in the country. All private dentists are expatriates. School children are brought by cars to the dental clinic in Basseterre which is entirely unsuitable.

Dispensary services are also below standard and need further funding. The National Agricultural Corporation (NACO) provides free health care to all its employees and to non-established civil servants, and indigents identified by the welfare department receive free medical care. In the countryside, however, dispensary services are minimal. Other needs include a health statistician to develop a health information system, and lab technicians and radiologists. Many of the Health Centers need to be properly equipped to provide community health care and attention needs to be given to improving the school health program.

The Ministry of Health has developed a health policy in collaboration with PAHO which, if implemented, would make a considerable impact on standards of health. Personnel have received training, are highly motivated at the administrative level and appear to understand both the macro problems and community needs. Moreover, while the basic institutions in providing secondary and tertiary health care are weak and need to be strengthened, the emphasis being placed on primary health care should begin to redress the poor health standards historically prevailing in St. Kitts. Nevis, however, does not appear to be receiving adequate attention to facilities, programs and personnel to upgrade health care delivery, and thus needs special attention.

Government's contribution to health care, however, is only part of the equation. Private health care in St. Kitts-Nevis remains an important component of health services. The population is estimated to spend some EC\$6 million on private medical care. Ascertaining why and in what ways government and the private sector can cooperate in providing better services is a necessity.

(4) Government of Nevis

(a) Overview

The Government of Nevis (GON) was established under the Independence constitution of St. Kitts-Nevis as the instrumentality of local government for the smaller of the two islands. It took office in October, 1983 and has only begun to exercise its authority. The main activities on the island are agriculture, tourism and a very small amount of manufacturing. It is confronted by a set of constraints including:

- o A shortage of water for agricultural and other purposes;
- o Poor, rocky soil in most localities;
- o No deep-water harbor and limited shipping services;
- o An airport suitable only for light aircraft;
- o A rudimentary civil service establishment and few technically trained personnel; and
- o Limited internal communications capacity.

(b) The Nevis Ministry of Agriculture and Tourism

The most important agency of the new Government of Nevis in relation to development of the private and productive sectors is the Ministry of Agriculture and Tourism (MOAT). That Ministry has begun its life with a program to distribute government-owned former estate land at low prices with preference for farmers who are squatters. There is a strong desire among Nevisians to own and work on the land and achieve independence. The GON proposes to further support this move by the provision of subsidized plowing services, delivery of seed and other inputs, provision of extension services, etc. One small, experimental ten-acre area has been irrigated, and land is available in one-acre plots for cultivation at no cost by farmers from dry land farms nearby. Sea island cotton is being promoted as a small farmer (peasant) crop. Livestock are a source of export earnings and income to small farmers, but disease is a problem. Copra production is insufficient for a major processing facility, but oil is made at a small plant and the balance is exported to Dominica. The Ministry has the support of a specialist from BDD, a U.S. Peace Corps volunteer who is an agricultural expert and a U.N. advisor under the CARDATS project. A study of the ground water resources of Nevis (wells and springs are the main source of water) suggests the resource is adequate, but results are not definitive.

Tourism plays a significant role in the current economy and growth prospects of Nevis. Most hotels are small and well adapted to the limited infrastructure. The strategy of the Ministry is to continue to encourage this portion of dispersed, small "hide away" hotel development appealing to a special class of "up market" clientele. The number of tourists has held up well through the recession. The summer season is improving with European visitors. The U.S. is an increasingly important source of visitors in the winter season. Tourists come to Nevis about as often via Antigua as via St. Kitts since a transfer by small plane or ferry is involved either way. Good government/private collaboration on promotion is occurring.

According to the Nevis Minister of Agriculture and Tourism, the employment strategy of the GON is to encourage light manufacturing as a source of employment for women while men will be engaged in farming, fishing and construction.

b. Parastatal institutions

(1) Overview

Statutory bodies play a large role in the public sector of St. Kitts-Nevis and in the country's economy. As noted above, the sugar industry, which is the source of 22 percent or more of GDP, is operated by the National Agricultural Corporation (NACO) for field operations and the St. Kitts Sugar Manufacturing Corporation (SSMC). In addition, the Social Security Administration (SSA), the Central Marketing Corporation (CEMACO) and the Frigate Bay Development Corporation, all are responsible to the Minister of Agriculture, Land, Housing, Labor and Tourism. The St. Kitts-Nevis Development Bank was formed in 1981 to replace the former Development Finance Corporation. The St. Kitts Port Authority was established early in 1983. The statutory bodies together carry on a large block of the business and financial activity of the country, and their combined performance greatly influences the economic and social situation.

(2) National Agricultural Corporation (NACO) and St. Kitts Sugar Manufacturing Corporation (SSMC)

(a) Organization and functions

NACO and SSMC are closely linked since both are engaged in the sugar industry, the mainstay of the St. Kitts economy. NACO manages the field production operations, employing up to 4,500 workers during the cane season from February to July. The principal problems faced by NACO are the recruitment of an adequate number of seasonal workers to deliver cane steadily to the mill and the low price and poor outlook for sugar on the world market. Even though the combined EEC and U.S. sugar quotes allocated to St. Kitts (at about 15,000 tons each) are equal to or greater than recent production, NACO has experienced heavy losses since prices are not covering operating costs.

The problems of NACO are also those of SSMC. The mill was without cane for a total of 600 hours during the 1983 campaign, due to unavailability of adequate labor especially in the latter half of the season. As a result, the cost of sugar produced was very high, total production (27,000 tons) fell to the lowest level since 1975 (25,100 tons), the late season cane deliveries had a low sugar content and, hence, high costs, and 7,000 tons of cane were left in the field at the end of the season. In addition, the amount of cane processed per ton of sugar produced (9.95 tons) was also one of the highest in the last decade. This is likely to make the 1983 season one of the worst on record financially speaking. The poor 1983 results follow several years of losses resulting in NACO's overdraft at the St. Kitts National Bank increasing by EC\$36 million between 1978 and 1982 and SSMC accumulating EC\$8 million of arrears owed to government.

The impact of the unfavorable results of these two bodies in recent years has repercussions throughout the economy in terms of foreign exchange earnings, revenues to the central government and employment and incomes in other sectors. Some measures have been taken to reduce the unfavorable financial impact by paying little or no wage increases or bonuses to sugar workers in recent years and eliminating off-season work for cane field workers. But it is apparent that more fundamental measures may be called for to rescue the industry unless sugar prices take a totally unexpected upturn. Some options include: (1) an exchange rate adjustment by EC countries in the overvalued EC dollar; (2) extraordinary price concessions by the European Common Market and the U.S. for Caribbean sugar producers; (3) mechanization of cane harvesting; or (4) a combination of these and other changes. The continued subsidy of the sugar industry is a heavy burden for the economy to bear.

(b) Assessment

The problems of NACO and of the SSMC are, in effect, the most fundamental problems of the St. Kitts economy. The financial losses experienced by the two corporations are not primarily attributable to poor management (though some problems in this area are observable), but to the combination of the impacts of:

- c Domestic political decisions to pay substantially increased wages and bonuses to sugar workers beginning in 1979/80.
- o The weak and fluctuating market for sugar which has fallen to disastrous levels in the past two seasons, forcing NACO to discontinue automatic allocation of up to 3 work days per week to field labor in the "out of crop" season based on work performed in season. (In this instance, enforcement of the rules had become lax and wages were often paid in the "out of crop" season to workers not entitled to such work. In addition, "out of crop" season work has not been well organized either to keep sugar fields clear or to cultivate peanuts and other crops on land available in that period.)
- o Long neglect of modernization and improved technologies for sugar production because the price received for sugar was insufficient to support needed investment. The result is that equipment, while functional, is obsolescent and costly to operate and maintain. The industry therefore suffers particularly from the lack of mechanical harvesting capability in a situation where inadequate field labor is available at the prevailing wages which, in turn, raises costs and reduces output.

- o Unremunerative prices received for sugar sold for sterling (about half the crop) in relation to costs. The EC dollar has become increasingly overvalued on a weighted trade average basis (for St. Kitts-Nevis and for other Eastern Caribbean Central Bank member countries as well). The sugar industry is penalized by a cost/price squeeze due to this factor. The economy as a whole receives a strong incentive to import and a disincentive to export. This deters NACO from planting off season crops and discourages agricultural diversification in general. It also encourages the economy at large to live beyond its means by buying "cheap" dollar-source goods with proceeds of its loss-making, sterling-denominated sugar earnings.

In other words, the "sugar problems" which St. Kitts (and NACO and SSMC) face run far beyond the confines of the institutions which operate the industry. Sugar production capacity (land, established technology, milling and related facilities including the railroad) is the major asset St. Kitts has. It is uneconomic under prevailing conditions, but there is no substitute available to provide the employment and the internal revenue and earn the foreign exchange the country needs. This is the country's basic dilemma.

(3) Tourist Board

(a) Organization and functions

The Tourist Board (TB) is responsible for the planning and promotion of tourism, a fast growing area of the St. Kitts-Nevis economy, now the source of a not-insignificant proportion of GDP. The Board has adopted a strategy of aiming at the middle market with medium to larger hotels of the 100-120 room scale. The U.S. is seen as the major market for potential growth due to proximity and the income levels in that market. With a jet airport capable of landing jumbo jets and good air connections, the occupancy rate being achieved in the high season is 85-90 percent. ECTA represents St. Kitts-Nevis in the U.K., while a representative of the Board is resident in New York and works in the ECTA office to promote tourism in North America. Promotion by ECTA in the U.K. is seen by the Board as effective. Major investments in the near future are expected to be made in the Frigate Bay area with its combination of Atlantic and Caribbean beaches. In the future, the TB would like to develop tourism in the southeast peninsula, once a road and other infrastructure can be developed. Nevis is also a significant factor in tourism earnings and future development plans, based on smaller, more "up market" hotels. (see Nevis Hotel Association below).

With its budget of EC\$1,000,000 for 1983 (same as 1982, but down EC\$1.8 million in 1981), the TB has had to keep its staff and promotion programs to an austere level. Nonetheless, the recent (November 1983) inauguration of direct Pan Am services to St. Kitts from New York is a valuable addition to the promotional base. It is especially important as costs for U.K. tourists rise with the continuing depreciation of sterling against the U.S. dollar (and hence against the EC dollar as well, since it is tied to the U.S. dollar).

(b) Assessment

The Tourist Board's programs are aimed effectively to keep tourism growth going. They are based on continued promotion of middle-income tourism, maintenance of quality hotels and increasingly-popular shared condominiums; and through collaboration with carriers and tour promoters. Good relations are being maintained between the Board and the private hoteliers of both St. Kitts and Nevis. The revival of the cruise ship visits is providing a useful boost to tourism, and the Board has arranged a variety of activities for such visitors, including a round-the-island trip on the St. Kitts sugar railway. Effective collaboration with ECTA is a plus for St. Kitts' small tourism industry.

In summary, the Tourist Board's operations are providing effective support to a program of considerable importance to the country.

(4) St. Kitts-Nevis Development Bank

(a) Organization and functions

The St. Kitts-Nevis Development Bank (SNDB) was formed in 1981 to replace the former Development Finance Corporation which ran into serious financial difficulties after having operated under heavy political influence for some time. In the process, it had extended loans at high risk without proper security. Until the Bank can fully establish itself as a lending institution operating on banking principles, it will continue to have an image problem. It is now struggling to overcome the DFC legacy.

The SNDB operates under the direction of a Board of Directors appointed by the Minister of Finance. It is made up of senior government officials and leaders from the private sector. The Board sets broad policies and appoints the senior staff. SNDB is seeking to operate strictly on business principles with each loan application checked carefully. The staff consists of a General Manager, a Senior Project Officer responsible for industrial, agribusiness and tourism loans, a mortgage finance officer and three loan officers responsible for agriculture and fisheries. Mortgage lending is the largest element of the Bank's portfolio, followed by manufacturing, agribusiness and agriculture and fisheries. The Bank is generally credited with handling its business well as it seeks to establish its credibility as a lender.

SNDB's main sources of funds are the Caribbean Development Bank and the European Investment Bank. Under their rules, the SNDB's maximum lending authority is for loans up to EC\$200,000. Beyond that limit, loans must be submitted to CDB for approval.

The SNDB is seeking to take an activist role in the promotion of productive projects. It extends technical assistance to prospective borrowers in the preparation of loan applications, but is limited by its small staff in assisting both applicants and borrowers. The SNDB agrees with the CDB that such support is an essential element in successful development lending and that more staff is needed to do that task adequately.

The SNDB acts as agent for the Government of St. Kitts-Nevis in the development of industrial estates and construction of factory shells. There are two well-equipped industrial estates in St. Kitts which have electricity and water, good roads and communications. There is one small industrial estate in Nevis. The estates function well and the factory shell program provides facilities for investors. Some space is generally available at all times so that an investor does not have to wait for a factory shell to be constructed after making an investment commitment. This program is highly complementary to the system of tax and import duty incentives for foreign investors operated by the government.

(b) Assessment

The Bank's operations are generally credited by outside observers as being on a sound footing, with staff operating well but on a small scale. They are building their capacity slowly and carefully. For the present, the lending operations are on a small scale. They have not been a source of much productive sector activity yet; no more attention has been given to mortgage lending. The Bank's management of the factory shells and industrial estates program is acclaimed as entirely satisfactory and an incentive to further investment.

(5) Social Security Administration

(a) Organization and functions

The Social Security Administration (SSA) was established in 1978 to replace the National Provident Fund and provide broader social benefits to worker contributors. The SSA has been an important generator of domestic savings which have helped finance development during the period when contributions are substantially in excess of payments. It is also the safety net for a large body of workers upon reaching retirement or suffering accident or disability. In that degree, it is an important element of a social equity program.

The Social Security Administration is also performing an unexpectedly useful role based on its collection of employment. Because the Administration must collect information on earnings as a basis for determining both employer and employee contributions to the system, it has become a source of highly interesting data on employment. This has proven to be especially valuable in gaining insight otherwise quite inaccessible as to the level of earnings and amount of work available for intermittent and seasonal employees in the sugar and tourism industries.

(b) Assessment

The Social Security Administration is now about 5 years old. Its operations appear to have become well-established and financially sound. The operation has the advantage for the government of producing a surplus of funds which, with appropriate safeguards, can be used for investment. In addition, it is beginning to provide a highly useful function of protection for workers who suffer misfortunes while in covered employment.

(6) Frigate Bay Development Corporation

(a) Organization and functions

As a major tourism asset, Frigate Bay is being developed to take maximum advantage of its potential as a site for hotels, condominiums and other transit facilities. The Corporation has responsibility for construction and operation of the infrastructure for this undertaking, and has produced good results in terms of the quality of facilities while registering an operating surplus throughout the last several years. The area is now flourishing as the site of St. Kitts' largest tourist hotel, the Royal St. Kitts. It is, unfortunately, the only site now accessible on the whole island with similar assets which appeal to tourists, i.e. adjacent white sand beaches on the Atlantic and Caribbean sides of the island and a spectacular view of mountains and sea. Only with the opening up of a road to the southeast peninsula is there a possibility to repeat this development process on St. Kitts.

(b) Assessment

The FBC has largely performed its major task of developing the infrastructure needed for the impressive Frigate Bay complex. The future holds a less challenging need to operate and maintain that infrastructure. Should it prove feasible to develop the south-east peninsula for tourism, the experience gained at Frigate Bay would be invaluable in assuring that the area is also well served. Only in this way can the experience gained by FBC be applied to increasing St. Kitts' otherwise rather limited tourism development potential.

(7) Central Marketing Corporation

(a) Organization and functions

The Central Marketing Corporation, CEMACO, was established by the Government in 1974 to promote the export of agricultural products. The results have been dismal as a result of which CEMACO was authorized to enter normal retail trade in competition with efficient private operations. It remains ineffective as a promoter of local production of fruits and vegetables for the internal market or for export. It offers few services and many say it should either be disbanded or substantially reorganized to perform a useful service in the furtherance of agricultural diversification.

CEMACO's present management is essentially focussed on maintaining the present operations, which essentially are a retail outlet. There are no adequate facilities for developing a more vigorous local or export marketing program, and no apparent plans to attempt to create them. It is not evident that the Corporation has any incentive to do so, nor that it has the managerial or technical capacity.

(b) Assessment

CEMACO's 10-year history gives the observer little reason to believe that it will be able to change from its present passive role into the vigorous marketing promoter it would need to be to stimulate output and give the government the encouragement it needs to move more forcefully into agriculture diversification. All indications are that the government and the country would be better served by placing the responsibility for such a marketing program in private hands with some incentives. CEMACO could then be allowed to continue its present ways or be converted into a marketing information organization to serve the private sector.

3. Private sector institutions

a. Private business sector

(1) Overview

St. Kitts-Nevis has a vital and growing private sector which expresses confidence in the future of private enterprise development in the country and is eager to participate in its overall development and contribute to its improvement. This spirit is as characteristic of older business leaders with generations of tradition in business, trade and agriculture in St. Kitts as it is of young expatriate managers of light industry or indigenous middle-aged proprietors of diversified enterprises. It is no respecter of color either. Moreover, the whole private sector is unified in a Chamber of Industry and Commerce, which perceives its mission very broadly, is not generally protection-minded, is reaching out to small entrepreneurs, and seeks to collaborate with Government wherever possible though it is not in agreement with Government on all issues. There is a divergence of views between the business community and the labor union which is very closely identified with the previous government. To some degree, the activist mode of the business community appears to be rooted in a desire to avoid a popular swing in favor of the Labor Party which has historically commanded the confidence and support of the mass of lower-income people. A precarious balance exists at present which could tip in favor of the Labor Party if more employment opportunities fail to materialize (especially for men).

(2) St. Kitts-Nevis Chamber of Industry and Commerce Inc.

(a) Organization and functions

The Chamber of Industry and Commerce Inc. (CIC) is a consolidated business organization created in 1982. It evolved from the Chamber of Commerce formed in 1949 and the Manufacturers Association which was created in 1981. Both of those organizations still exist and are able to act on their own as needed, but for most purposes the CIC is the voice and instrument of business in St. Kitts-Nevis. (There is also a separate but related Chamber of Commerce in Nevis.) The main stimulus for the formation of the CIC and a significant factor in the new dynamism came from participation in the Miami Conference on the Caribbean and from the CAIC-sponsored visit to St. Kitts by an American, Mr. Arthur Lumsden of the Hartford, Connecticut Chamber of Commerce. The leading business people have made a major financial commitment of time and funds to CIC. A target of EC\$1 million was set for funding CIC in each year 1983-85. CIC has raised EC\$890,000 in 1983. Membership is up

from 69 to 85 during this same year. The dynamic young Executive Director, a recently returned Rhodes Scholar, has been a major part of the vigorous drive, but he has had the full support of the CIC Executive Committee.

The main elements of the program the CIC is pursuing include the following:

- o Participation in the 1983 Miami Conference on the Caribbean with a private/public delegation of 15 members with all invitations to prospective investors being signed jointly by the Prime Minister and the President of the CIC;
- o Establishment of a training institute early in 1984 for development of business skills among members and their employees;
- o Conduct of a one-day tour of businesses by 40 secondary students in September 1983;
- o Creation of a Community Development Committee;
- o Establishment of a National Development Foundation with funding from PADE or IAF to assist micro-enterprise owners to become more efficient and learn business and technical skills;
- o Participation in, and close collaboration with, the GOSK-N in celebration of St. Kitts-Nevis Independence on September 19, 1983;
- o Identification with, and encouragement of, the participation of small entrepreneurs in an effort to break down any image that the organization is an "exclusive" club.

The CIC believes it still needs some additional assistance directly from donors or from CAIC to have resources to bring in speakers from other countries in the region on important occasions or to undertake special promotional efforts. The St. Kitts-Nevis CIC does not share the view of some Eastern Caribbean business groups on the need for a special organization of East Caribbean manufacturers' associations nor of the need to have a separate secretariat inside the CAIC to support the work of the Caribbean Manufacturers' Council. The St. Kitts CIC believes these actions would simply create problems of financial support and excessive bureaucracy.

(b) Assessment

The CIC is an exceptionally strong and unified private business body. It has a broad view of its role. It seeks actively to be a positive contributor to employment growth, economic development and community participation as well as to promote the interests and growth of its members. It is building on a 10-year tradition of business development in St. Kitts which is export-minded and is addressing the U.S. and other out-of-region export markets rather than looking to import substitution. Since this now appears to be the road to manufacturing success, St. Kitts appears to be well ahead of most of the other countries in the region. It is to be expected that this dynamically led and superbly-staffed group will contribute more than most private sector groups to the country's development in business and other fields and to its economic growth.

One footnote may be in order relating to the views of a few traditional Kittitian business leaders with long-standing connections to the sugar estates. The views of this group may possibly lead to confrontation with labor as their attitudes can at least be characterized as somewhat "old fashioned" on issues of wages and productivity. On the whole, however, business in St. Kitts appears to have a forward-looking "new management" approach, seeking to involve workers in the management decisions based on the Japanese model.

(3) Nevis Chamber of Commerce

(a) Organization and functions

The Chamber of Commerce in Nevis, while affiliated with and collaborating with the CIC in St. Kitts, has a separate identity. It wishes to retain that identity even while collaborating with the CIC.

Most businesses in Nevis are small and engaged in trade with the exception of two garment plants and a small (pilot) plant for production of edible coconut oil. The Chamber is nevertheless interested in and actively engaged in promoting further development of manufacturing in Nevis, as well as seeking to assist its members engaged in trading to grow and improve their business, constrained as they are by the limited market in Nevis (population has been declining in recent years to only a little over 9,000).

The President of the Nevis Chamber attended the Miami Conference in November-December, 1983 as part of the overall St. Kitts-Nevis combined government-business delegation. He believes there are manufacturing enterprises that can thrive in Nevis despite its infrastructure constraints. Garments and electronics in particular, are seen as strong potential enclave activities by foreign investors. Smocking can also be done profitably as a cottage industry or handicraft. In addition, with a greater acreage planted to coconuts, it may be feasible to install a larger edible oil mill.

(b) Assessment

The Nevis Chamber of Commerce is focussed on the specific interests of Nevis as the representative of the business community of the smaller "sister island". Its outlook reflects that of the government and people toward St. Kitts. It is prepared to collaborate but wishes to remain quite separate. Nevertheless, its attitudes are positive and outward-looking, its leadership is vigorous and responsible, and it has a surprisingly strong and healthy interest in encouraging investment in manufacturing despite its essentially trade-based membership.

(4) The Nevis Hotel Association

(a) Organization and functions

The Nevis Hotel Association (NHA) is a vigorous promoter of the continuing development of Nevis' tourism with emphasis on the achievement of maximum hotel occupancy rates throughout the largest possible part of the year. The NHA looks to the U.K. and European visitors in the summer and largely U.S. visitors in winter. In pursuit of that strategy, the President of the NHA, and American manager of a U.S.-owned hotel, works closely on a personal basis with travel groups, meetings of travel agents, and attends conferences. The NHA seeks to show potential travellers the special appeal of Nevis and its quality "hide away" hotels appealing to the discriminating visitor who is looking for the unusual. The Association represents and jointly promotes all nine of the medium-sized hotels on Nevis. They do not discuss their promotion budget, but it cannot be large so the travel has to be done at minimum cost by collaborating with airlines, overseas tour promoters, etc. The NHA believes Nevis' fortunes are only partly tied to those of St. Kitts in the field of tourism, as many visitors also reach Nevis via Antigua. The NHA does not wish tourism to change greatly in character, but it does foresee a pattern of steady growth. The NHA hopes to build on the natural beauty and historic appeal of Nevis so it is important not to destroy it with large hotels. Those would not be suited to Nevis' water problems, limited infrastructure or consistent with top-quality service as a prime element of an "up market" strategy.

(b) Assessment

The Nevis Hotel Association has exceptional leadership in a President who has long and varied experience in the Caribbean and, despite being an American, a real dedication to Nevis, to its growth and development, and to the preservation of its many historic and natural attractions. The Association comprises all of the tourist hotels on the island, all of which are of a similar character. They therefore share a common view of the best strategy for tourism development and all reportedly support it. Communications is good with both the Nevis government and the central tourism authorities in St. Kitts, although the NHA program of promotion is essentially independent. Its effectiveness lies in its linkage with private travel industry groups. Exploiting the unique appeal of Nevis, the NHA is a strong promoter of tourism development for the island.

b. Private non-profit institutions

(1) Overview

Private initiative and local community-based action are greatly needed in St. Kitts-Nevis, to supplement weak government programs of social welfare in an environment where privation and social problems affecting men, women and children of all ages are rife. The high unemployment rate, the seasonal nature and low wages of most employment opportunities in St. Kitts, and the few alternatives to peasant agriculture on the poor, arid soil of Nevis are basic causes of this need. In Nevis, a strong attachment to the land and the peasant-based village life have supported the growth of vigorous voluntary-action groups. In St. Kitts, the continuing tie of village people to the sugar plantations and the growth of vigorous trade unions have combined to discourage the development of voluntary-initiative and community-based group action.

(2) St. Kitts-Nevis Family Planning Association

(a) Activities

The number of family planning acceptors in St. Kitts-Nevis has grown from 377 acceptors in 1971 to 4,525 as of October 31, 1983. Thus, a little over one-half of the women of child-bearing age in St. Kitts are utilizing some form of birth control. In 1981, the Family Planning Unit of the GOSK-N redoubled efforts to provide services to women in the countryside and terminators were minimal. However, live births went up slightly in 1982 to 1,307 from 1,137 in 1981.

Teenage pregnancies have remained fairly constant at 28 percent since 1981, and this is a significant decline from the 48 percent of all live births registered in 1976. Neither the government Family Planning Unit nor the St. Kitts-Nevis Family Planning Association are complacent, however. They note the high number of pubescent girls, 59 percent of the entire female population being under 20. Workers in family planning stress that these girls must remain the target population if St. Kitts is not to undergo a baby boom in the near future.

Both the GOSK-N and the Family Planning Association have been gearing aspects of their programs to young men and women. Some of these are outlined below:

o The Teenage Family Life Education Project

The Teenage Family Life Education Project (TEFLEP) is jointly sponsored by the Government of St. Kitts-Nevis and the Unitarian Universalist Service Committee (UUSC) of Boston, Massachusetts. The program provides teenage mothers with a supportive program through which they can delay further pregnancies. In the first three years of operation, 1979-82 TEFLEP reached 150 teen-aged mothers of ages 14-20. TEFLEP includes counselling, craft training and other income-generating programs under one part-time director and two full-time staff.

o Family Life Education

Both the Family Planning Association and the Ministry of Health, Education and Social Affairs are engaged in Family Life Education. FPA is running Family Life Education in two secondary schools. There are six Family Life Educators attached to the schools.

Because Family Life, Health and Education is not written into the curriculum, social workers in this area feel the schools as yet are not meeting young people's needs. Many students do not seek out guidance counsellors. Others also stress that, given the fact that girls under 12 are having children, there needs to be implemented a primary school program as well. All workers stress the need for activities which provide counselling, self-awareness and information, even at primary school level.

o Youth Project

USAID-CDB funds are being used by the St. Kitts-Nevis FPA to run an outreach project to youth, which allows educators to meet young men and women at clubs and in the communities to answer their questions and develop a rapport which usually does not develop with district nurses. The educators express fear that once the project ends this year an important avenue of reaching this target population will be lost.

o Young Women's Centre

The idea has been promoted, by both the government nurse formerly in charge of Family Planning and the St. Kitts FPA director, that a center be established which would provide continuing education, counselling and income-generating skills to enable young women to delay a second pregnancy and establish themselves independently in the society. Regular and systematic use of contraceptives does not appear to be a priority in the lives of these adolescents who have little vision of a future and remain unskilled and under-employed, and their children prone to poor health and malnutrition. Supporters of this project see it as the next step once the TEFLEP project comes to an end.

(b) Assessment

The St. Kitts-Nevis Family Planning Association is one of the more vigorous private voluntary action groups in the country. Its successful outreach and education programs in St. Kitts in particular are unusual where relatively much less voluntarism has developed as compared to Nevis. At the same time, it is clear that outside assistance has been an essential ingredient to its success to date. The program is much-needed, especially in relation to the prevalent teenage pregnancy problem, but also to help young working mothers to space pregnancies and to retain their employment and, hence, improve the well-being of their families. CFPA and/or other outside agencies may need to give special attention to ensuring the continuing vitality of the St. Kitts-Nevis FPA activities.

(3) National Council of Women

(a) Activities

The National Council of Women (NCW) is an umbrella group, made up of the leaders of about 15 women's organizations established to coordinate fundraising activities in St. Kitts. The organization ostensibly was formed to ensure that there was no conflict or duplication in terms of fundraising activities which can be very counter-productive in a small society. The groups also aid in each others' fundraising and the council itself raises money for projects. Contributory organizations are:

- Women's Voluntary Service
- 4H Parent Federation
- Salvation Army Home League
- Baptist Missionary Women
- Toastmistress Club
- Moravian Women's Association
- Wesleyan Women's Association

-- .Church of God

-- Trade Union Auxillary

The number of women represented by these organizations is approximately 1,500. The Council oversees a number of income-generating schemes sponsored locally and in conjunction with donor agencies, including USAID. An important component was a WAND training scheme in small business that was held at the University Center. Besides traditional income-generating activities in sewing construction, food preservation and handicrafts, the Chairperson has aided two groups of women in the establishment of formal businesses with long-term development possibilities. One is a bakery and the other is a school uniform business.

The Chairperson of the National Council of Women is also President of CARIWA (Caribbean Womens Association) and is in the Opposition Party. Hence, there may be some conflict in relationships between the Women's Desk and the National Council of Women.

(b) Assessment

Many income-generating activities in St. Kitts have offered limited potential for capital accumulation and the establishment of viable businesses and have had a limited impact on raising the socio-economic status of the women involved. However, some of these aided by NCW are of positive use and need to be expanded in the short-run because they attempt to include easily-learned skills training and remedial education, which have long-term benefits, provide counselling for young girls and a vision of a better life, and tend to use low-cost and indigenous materials which allow a return on investment and teach the women involved some business practices. There are, however, more negative aspects which need to be remedied. These include projects and classes that are often too short-term; there the girls become easily bored with many of the activities and the lack of outlets and markets for many of the crafts, with the exception of the handicraft center in Nevis which is run along business lines. Also, there is a lack of coordination among NCO's. However, when the Women's Desk comes on stream, the institutionalization and coordination of linkages to donor agencies will become more feasible, but perhaps more problematic, given political configurations. Additionally, programs need to be integrated into larger development programs which can evolve into bona fide businesses for women rather than shunning these off to one side as "welfare" activities. Finally, programs need to be designed which involve the target women themselves in the design, implementation and evaluation stages.

(4) Cooperatives

(a) Activities

There are no cooperatives in St. Kitts. However, in Nevis there are a number of cooperatives of several types, including:

- Nevis Fishermen's Market and Supply Co-op
- Nevis Handicraft Co-op
- Nevis Craft Studies (USAID-supported)
- Schools Savings Societies (12; 6 registered)
- Apex School Supply Co-op
- Nisbet Plantation Farmers Co-op
- Cades Bay Farmers Co-op (USAID-supported)
- Maddox Farmers Co-op.

All are members of the Nevis Credit Union League. In Nevis, the co-ops are surviving because of the generally depressed economy and the problems facing individual small farmers and artisans, including drought, erosion and overgrazing which particularly plague small farmers in Nevis. CARDATS is advising small holders in Nevis; and it appears that co-ops might better invest their funds and labor in tree crops and exotica rather than vegetable crops, because of drought and marketing problems.

Another interesting feature of Nevisian co-ops is the large participation of women. It is estimated that more than 50% of the farmers of Nevis are women, which reflects historic emigration patterns. About 80 percent of the active co-op members are estimated to be women and, in fact, at the last annual general meeting a woman was elected as President of the Farmers Co-op. This participation on the part of women in co-ops needs to be strengthened by back-up programs and projects which take into account the special problems of women as heads of household, problems of access to credit, and their particular problems as farmers. The craft and artisan co-ops of Nevis, also dominated by women, appear to be doing fairly well but need better coordination in terms of market feasibility studies and outlets.

(b) Assessment

The co-operative movement in Nevis needs to be surveyed and assessed in terms of its role in St. Kitts-Nevis' economic and social contribution and its long-term development prospects. The movement is struggling and needs to be strengthened by paying particular attention to market potential, constraints of size, and technological and training needs. Young people will continue to flee Nevis unless viable options of earning a year-round decent living are presented; at the moment this is not possible on drought-prone agricultural plots.

(5) Credit unions

(a) Activities

As with cooperatives, the credit union movement is much more mature and thriving in Nevis than in St. Kitts where it is just beginning. Because St. Kitts-Nevis has recently become independent, the Credit Union Movement under CCCU has decided that the Movement must form a council and operate as a unit. The requirements for a Council are being held back by the backward state of the Movement in St. Kitts. Thus, the Credit Union Movement is only an affiliated member of CCCU without voting rights.

The Nevis Cooperative Credit Union Society Limited had grown from 40 members in 1972 to 1,064 by October, 1983. The goal is to reach the 1,300 required to achieve voting rights in the CCCU by May, 1984. Share capital in the Nevis organization has grown from EC\$4,000 to \$500,000 during the same time period and loans from EC\$2,000 to \$509,000, while deposits are up from none to EC\$48,000.

There are several sociological reasons for the success of the Credit Union in Nevis. It began as a civil servants' credit union and has drawn from the leadership of the community during its period of expansion. For example, the Premier of Nevis, Simeon Daniel, is one of the founding members while the present Minister of Agriculture sat on the Board for many years. The Credit Union did not remain a professionally-based organization, however, but became community-based. Nevisians, historically, did not use credit, have access to credit and were loathe to become indebted. However, drawing on community traditions such as "box" and friendly societies, credit union leaders have been able to motivate Nevisians to recognize the benefits of credit unions and to see the merits of savings and investment. Most members still use the Credit Union for provident purposes, only about 21 percent of the members are borrowing, the average loan being around EC\$2,000.

Nevis is an emigrating society. Migration not only is a way of life, but increasingly it is "commuting" more than migration, particularly to the U.S. Virgin Islands. This being so, the Credit Union is moving to offer Nevisians abroad fixed deposits which pay 2 1/2 percent interest. Interest must remain low in the near future because of expenditures and loans.

(b) Assessment

The Nevis Credit Union has exceptional strengths. It draws on the commitment and expertise of board members who are also influential and respected members of the community. The Credit Union also draws on the expertise and funding of CCCU, CUNA and CUSO.

Financially, the Credit Union is also strong but quite extended. Borrowing from CCCU and CUSO they built an office which includes a board room, conference room and office for transacting business. They lease the conference room to civic and other groups. By 1985 they expect their overheads on the building to be down. Because they are doing so well, CCCU only pays the Manager's salary and only for another 18 months. This is worrisome to the Board as they were to receive funding for five years. USAID-CCCU funding in the form of a direct grant has been used for training.

Because of the expansion project, the Credit Union Board has asked the members to accept lower dividends for the last two years. If the Credit Union has to carry all costs after another 18 months, it could only afford a 1.2 percent dividend, which is hardly competitive with bank rates. Funding of staff for another year appears to be necessary. The Credit Union is also handicapped because there is no permanent register of cooperatives and because the CFTC advisor is based in St. Kitts and very irregularly has contact with Nevis.

ANNEX 1

Eastern Caribbean Social and Institutional
Profile (SIPs) Scope of Work

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BACKGROUND

In the Eastern Caribbean, the objectives of regional integration and individual country development are interdependent; therefore, the Regional Development Office/Caribbean (RDO/C) administers a dual program of both multilateral and bilateral assistance. Multilateral or regional assistance, in which two or more recipient countries participate in a project, is provided primarily through regional institutions with a view to building the capacity of the institutions to provide common services, including technical and financial assistance. Regional institutions were formed to strengthen the developmental capacity of the individual member states and provide access to shared resources that can effect economies of scale and cost savings. This is especially needed among the micro-states of the Eastern Caribbean, whose thin resource and revenue base cannot support the full range of public services traditionally available in larger countries.

The bilateral component focuses on the priority needs of the LDCs and is an important element in the overall USAID strategy for development in the region especially in terms of furthering the policy dialogue with individual countries. Direct bilateral assistance is intended to complement the regional program, therefore bilateral and regional assistance are designed to be mutually supportive.

Due to the complex interrelationship between the two assistance programs, an analysis leading to social and institutional profiles (SIPs) would greatly assist the Mission in developing, designing and implementing projects which are complementary, mutually supportive and have positive developmental impact at the regional and local levels.

ARTICLE I - TITLE

Regional Development Office/Caribbean Social Institutional Profile.

ARTICLE II - OBJECTIVE

The Social Institutional Profile (SIP) of four Caribbean countries shall provide the Regional Development Office/Caribbean (RDO/C) with comprehensive, analytical documents to be utilized in preparing the Mission CDSS and project designs. The SIP analysis will be conducted in two phases. Phase I will focus on St. Lucia, St. Kitts-Nevis, Antigua and Dominica. Phase II, which will be done at a later date outside of this contract, shall incorporate an analysis of regional institutions, their mandates, interrelationships, and their impact on individual country institutions. The country specific institutions and social relationships studied will be

subjected to the following analysis: (1) the social matrix in which development activity evolves, (2) the effectiveness of the key private and public institutions, and (3) the interaction among institutions at the regional, national and local levels in terms of simultaneously achieving the objectives of regional integration and national development. On the basis of these analyses, the SIP shall furnish information on social and institutional factors of importance to development in the Eastern Caribbean, and will recommend strategies and ways in which the Mission can be more effective in designing and administering the combined bilateral/regional program.

ARTICLE III - STATEMENT OF WORK

A. The Social and Institutional Profile covering the above four countries will include a number of related objectives. The broader objectives include analysis of:

1. The social systems and cultural patterns within which the developmentally relevant regional, national and local institutions function and how these systems affect decision-making and mobilization of development resources.

2. The effects and relationships of socio-cultural trends on economic development (e.g. the effect of the "brain drain", migration and unemployment).

3. Key public and private development institutions, their purpose, goals and objectives, clientele served, and effectiveness in accomplishing their objectives, as perceived by both themselves and their clientele.

4. The human and financial resource available to the institutions, the strength of the organizations and their prospects for viability without external donor assistance; including projected requirements for human, organizational and financial resources.

B. Country Specific Social and Institutional Profiles

Individual country analyses will be prepared for Antigua, St. Lucia, St. Kitts-Nevis and Dominica. These will include a social profile and an institutional profile related to developmental experience and capacity. The details of the information to be examined are described according to the major categories:

1. Social Profile

An interpretation and analysis of the social characteristics including:

a. Population profile by age, sex, educational level, location and occupation, and/or urban/rural or other categories. The analysis must deal with social constraints to development with special emphasis on the private and productive sectors.

b. Social, political and economic organization, particularly in terms of access to resources and productivity.

c. Sexual differentiation, the roles of men and women and the development impact of these roles.

d. Analysis of socio-economic trends or conditions relevant to development including public/private sector interrelationships and interests, urban migration, aspirations of youth, colonial legacy, etc.

C. Country Institutional Profiles

1. A description of the major development-related institutions and their objectives. These institutions should be identified, inter alia, according to the following criteria: (a) public/private, (b) formal modern/informal traditional, and (c) national/local. The description will cover purpose, organizational structure, leadership, critical development tasks, clientele, interrelationships with local, national and regional institutions, and human resources. Owing to the unmanageable number and variety of institutions that may be relevant in some way to the AID program, or more broadly to national and regional development, criteria will need to be agreed on before hand for inclusion in the analysis as "major" participants in the development process. For example, there are some 14 Public Enterprises, 7 Ministries and 6 Special Units in St. Lucia. Private sector institutions are equally numerous. By no means all are developmentally prominent. The Contractors, in consultation with RDO/C, will formally agree to the institutions to be included.

2. An analysis of the institutional support network serving the private and productive sectors and identification of those institutions most capable of addressing development in these sectors, as well as institutional constraints to development in these sectors.

3. An analysis of the effectiveness of these institutions in achieving stated objectives, appropriateness of these objectives, and the institutions' development potential.

ANNEX 2

Limitations of the Data
Available for Eastern Caribbean SIPS

ANNEX 2

Limitations of the Data Available for Eastern Caribbean SIPS

A. Population Data

The lack of current reliable data is a major impediment to any analysis of the demographic and social characteristics of the populations of St. Lucia, Dominica, St. Kitts-Nevis and Antigua. Although censuses were conducted in 1980-1981 in St. Lucia, St. Kitts-Nevis, and Dominica, the results are not yet available except for some provisional figures on the total populations of St. Lucia and Dominica and for somewhat more detailed results in St. Kitts-Nevis. While results of the 1980 censuses were initially expected to be available for each country's review by December, 1983, the figures were not made available to the team thus hindering a detailed analysis of many social and economic trends. It is expected that the data may be released early in 1984. Thus, since Antigua has not conducted a census since 1970, the last body of comprehensive data for all four countries are the censuses of 1970. However, between 1970 and 1983, all four countries have undergone considerable changes which have had significant impacts on their social, economic, and demographic characteristics, making estimates based on 1970 data no longer useful or reliable.

B. Migration Data

Among the changes that have direct consequences on the demographic and social characteristics of a society are the emigration and immigration of large numbers of people. This factor alone makes the estimates of the composition of the population by sex, age groups, and racial categories based on 1970 census results no longer reliable or useful. Currently, there is little information on the migrants themselves other than their numbers, which can only be derived from data on the departure and arrival of residents. Unfortunately, these statistics have only been collected in Antigua and St. Kitts, and there only for the last five years. In St. Lucia, residents are not separated from visitors, and in Dominica, the data is not available in any form (i.e., there is no published data).

Although migration is widely reported to be one of the most important social phenomena of these four countries, there is little information on the social and economic characteristics of the migrants, apart from a few anthropological studies on very specific issues (the importance of "remittances as a unit of analysis," the ideology of migration, etc.), or sociological essays on the role of migration in the entire Caribbean region using numbers of migrants and places of destiny for the region. Although these and other studies provide some important insights into migration, there is very little systematic analysis or data on the characteristics of the migrants and their place in the society. Moreover, there is little, if any, information on migration during the last 13 years, although there are indications that the characteristics of the migrants and the types of migration have also undergone considerable changes.

C. Land Tenure and Agriculture

In St. Kitts and in Antigua, most of the land is owned by the Government. How much is still in private hands is not known. Within the Government land holdings, individuals lease, rent, or use some land for agricultural production. However, this agricultural production can generally be likened to gardening. It is mostly for home use and some for sale.

While this situation is true of the majority of the "farmers," there are indications that this situation is also undergoing change. Young people are being attracted to farming in these countries as a way of making a living. Their approach, however, differs from the older generation of "gardeners" in that they see it as a business that can provide a very good income. In both countries, there seem to be enough incentives provided by the governments (loans, technical assistance, etc.) to make the farming efforts worthwhile. Most of this comes through internationally-funded projects designed to make farming attractive for growing numbers of young people. These young people's practical approach to farming makes "aversion to agriculture because of its past association with slavery" (as is often reported to be the cause for the lack of farmers) seem to be not true. What is probably right is that young people have aversion to cutting cane on a seasonal basis. However, outside of impressions gleaned from limited observations, little work has been done, systematically or otherwise, on the attitudes of people towards farming, particularly of young people.

In terms of data gathering, it is unfortunate that cane-cutting and farming are both "agriculture." They are so often confused in whatever statistics are available as to render the statistics useful. Moreover, data on farm size, types of farmers, location of farms, etc., are just now being collected in systematic ways for small samples, which will

hopefully provide better means to design future agricultural censuses. In St. Lucia and Dominica, the land tenure has changed so much in the years since the last agricultural census (1972-St. Lucia, 1976-Dominica) that the need for new systematic data collection efforts is widely recognized. Two such efforts--the St. Lucian Land Registry Project and the Dominican Farm Registry--began in November, 1983, should provide reliable and current information in the near future.

In all four countries there has been little examination of the types of people making a living in agriculture. People residing in the "rural" areas working for wages for most of the year and farming a miniscule plot for home production, or people classified as having "holdings without land"¹ have all been tossed together with the farmer of 5, 10, 100, or 500 acres. While this analysis may be useful in determining the size of holdings, such a mix provides little data for an analysis of farming, types of "rural" residents, etc. Is someone who works for wages for most of the year packing bananas in a Banana Growers Association boxing plant really a farmer? Or is a cane cutter who also does some evening and weekend gardening really a farmer, or a peasant?

Furthermore, in the past 10 years (since the early Seventies) in both Dominica and St. Lucia, there has been widespread sale of Estate Land in smaller parcels to workers of the estates, farmers, urban professionals, and bureaucrats. Hence, to use 1970 data is not really accurate if one wants to reflect the changes that have already and are currently taken place.

D. Employment, Unemployment, and Underemployment

As with population data, the data on the labor force is generally out of date, fragmentary, contradictory and unreliable. Thus, it is difficult to present data showing the changes in the labor force or its current composition. How many people are employed, in what jobs, and where is hard to determine. Statistics vary with the source consulted and, while it is asserted that the situations have changed considerably in the past 13 years, most current estimates seem to be based on different classifications and proportions reported in the 1970 census.

It is even harder to get a good estimate on the numbers of unemployed since, in all four countries visited, this is a delicate political issue. Labor departments get their statistics from employer "returns" or reports and from outdated 1970 census data which are used to project the

¹Census category used to reflect those who may own some livestock but no land.

size of the economically active group, the rate of participation in the labor force, and sometimes the number of unemployed. Both sources of data have severe limitations. Nevertheless, these figures are often used unquestioned in reports by bureaucrats and donors alike, and once used in one report tend to be repeated by subsequent reports giving them a "validity" that they do not deserve. Eventually, the labor departments themselves use the figures found in these reports as authoritative sources of data completing in this way what in effect becomes a circle.

In addition to the figures not being reliable, they fail to report the seasonality and tenuous nature of most employment and the fact that considerable employment is part-time employment. Yearly figures tend to inflate the numbers of people actually employed at any given time during the year. People who work in more than one job either sequentially or simultaneously are frequently counted several times in different activities as if they work full-time and are permanently employed in each one of these jobs. Nowhere is this problem more evident than in agriculture, fishing, construction, and tourism. Multiple employment has been known to be a characteristic of a large number of the population of these four as well as other Caribbean countries. Yet, although multiple employment has important implications on both the people whose basic economic strategy depends on it for their survival and on the society as a whole, there is not a hint of these problems in the way statistics are collected and/or used.

In recent years, social security systems have been established in all four countries and have become indirectly the only source of reliable data on employed people. In Antigua, which otherwise lacks data of almost any kind, the social security records have been compiled into tables which begin to shed some light on work, employment and incomes. In the other three countries, the information has been compiled only in the most general ways, that is, with totals for some years and not for others.

These data can be used with some limitations to begin to analyze some of the major characteristics of the way in which people go about making a living, the nature of their work, and the fact that underemployment is the major problem facing these societies. Indicators that are derived from these data are very crude, but in view of the fact that there is little else to use which is reliable and current, the data allows at least a fairly accurate picture of sources of livelihood for the employed people within the society. (Only people working and registered are reported.) Despite the fact that these data were collected for social security purposes, however, it is increasingly becoming the source for labor force information which is used by labor departments and others. In fact, the records contain much more information than has so far been compiled and reported and could be used for further social and economic analysis of the population.

In the social profiles of Antigua, St. Kitts, and Dominica, much of the analyses is based on social security statistics. It is hoped that they will provide accurate information of the ways people make a livelihood, their numbers, the importance of each type of activity, and the basis for further analysis within each category. It is also hoped that each of these categories can be further studied to begin to put together a picture of the groups that make up these changing societies.

E. Institutional Data

1. Ministry staff, funding and organization

While in most instances budget documents give numbers of staff by unit, as well as allocations of funding for salaries and other purposes, it was often unclear how closely these conformed to the actual situation. Discussions with officials and senior staff at times permitted identification of positions unfilled, numbers of people underqualified for their positions, etc., but in other instances reluctance to discuss such issues was encountered or the persons to whom we gained access in the very short time available were not informed. Since official documentation usually does not provide insight on the degree to which staffing falls short of prescribed levels in quality or quantity, there are cases where we have been unable to document such issues. In other instances, a review of documents such as sector assessment and earlier sector-focused institutional analyses were used to provide such insight. The coverage of such documentation is uneven. As a result, there are instances where it was not feasible to make a cross check. In those cases, it was necessary to rely on the available budget-based information.

2. Parastatal institutions

In some instances, the senior managers of banks, boards, authorities and development corporations with whom we generally spoke were open and candid in discussing their staffing and budget position, funds disbursed or arrears outstanding or they were able to provide in response to requests copies of annual reports or similar documents which covered these matters. There were instances, however, where the response to questions on such issues as staff available for various functions and levels of funds allocated evoked only vague responses and documentation was unavailable or, if provided, did little to reveal the true state of affairs. Only rarely did time permit second visits or discussions with more than one source within an institution to cross check or seek more detail. Secondary sources provided insight and data in some instances, but inevitably the coverage obtained was uneven in regard to budgets, staff numbers and organization.

3. Private business organizations

Associations of business enterprises of various kinds (chambers of commerce and the like) displayed a wide range of variation in willingness to reveal specific budget and staff information. Generally, they were much more willing to discuss program activities and policy concerns than dues levied, total funds raised, allocations of funds, etc. The more active the organization, however, the more forthcoming they were, and for those who have the strongest programs at least some data were available. For those whose leadership was less active or whose membership support was limited, budget and other information was less readily available.

4. Non-profit private organizations

Data problems were least severe in the case of private voluntary and non-governmental, development-oriented organizations. Generally, these bodies were happy to identify funding by source and use and the numbers and even names of staff assigned to specific duties. This appears to reflect their normal practice of seeking funds from donors and the public and providing a statement of their resources to their supporters. In this instance, therefore, data availability was not a serious problem.

F. Economic Data

The availability and quality of accessible economic data was often a serious problem in arriving at judgments on the adequacy of institutional programs or in the need for change in the way institutions function. Data consistency is a source of difficulty both within a given time series and between sources. A second area of particular difficulty is the very common one of definition resulting in inability to determine the degree of comparability between different series. A third area in which special problems were encountered was one of completeness of coverage.

One sees not infrequently a time series with glaringly apparent anomalies. One might cite, for example, an employment figure in a given sector for which an entry is shown in one year at a level 2 or 3 times those for years just earlier and later. This certainly casts doubt on the credibility of the whole series when no explanation is given for such a radical anomaly. But a number of instances of this sort have raised grave doubts about the usefulness of employment or other information available.

Definition is, of course, a problem in many situations, but for these countries this presented particular problems. In the instance of manufacturing, for example, historical series may have indicated very little change in the proportion of GDP generated in the sector over a 30-year period, while one is aware that the emergence of a modern light manufacturing capacity has been quite recent and significant. It is only possible to conclude that the definition of what constituted light industry is now radically different, but it leaves open the question of how much growth may have actually occurred and, therefore, the degree to which institutions may or may not have been achieving their assigned tasks of, say, promoting investment in manufacturing. Likewise, it was often of special interest to know how much growth had occurred in tourism, but series will lump such groups as "hotels and trade" which obscure the issue.

Completeness of coverage presents problems in the case of surveys. If one is interested in knowing the degree to which an institution relates to the potential clientele in its sector, one would wish to know how complete a survey of that sector was done. The same problem arose with the issue of the number of employees in a sector when the coverage may have excluded small firms despite their being significant in the number employed in the sector. This was an issue in the data in several countries and made the drawing of reliable conclusions difficult or impossible.

ANNEX 3

Social Implications of Migration for St. Lucia, Dominica,
Antigua and Barbuda and St. Kitts-Nevis

ANNEX 3

Social Implications of Migration for St. Lucia, Dominica, Antigua and Barbuda and St. Kitts-Nevis

A. Culture of Migration

Migration has had a major effect on all four countries for more than a century. Between 1946 and 1970 more than 25 percent of the population of Antigua and Barbuda migrated. In the decade 1960 to 1970, 17,000 St. Lucians migrated. With unemployment for young people under 25 at an estimated 2,500 in Dominica, migration is viewed by young people there - as in the other three nations - as a necessary step to acquiring skills, experience and an income. Most secondary school leavers in Antigua and Barbuda prior to 1976 were conditioned to migrate to improve themselves. St. Lucian teenagers considered migration as a rite of passage to adulthood. They spent much time discussing their plans, where they would migrate and with whom they would stay. This was similarly true with students in St. Kitts-Nevis.

There were minor differences between the four countries not in the extent of the migrations, but in the destination of the migrants. From the post-emancipation years until the 1920's, seasonal migrants from St. Kitts-Nevis worked primarily in the newer plantation economies of Trinidad and Guyana, and also in Cuba on the banana plantations in Central America. Historically and up to the present there has been considerable movement between Dominica and the French West Indies; so much so that Dominicans must place a bond on arrival in Guadalupe or Martinique. Migration and commuting between Martinique and Guadalupe have been continuous processes for St. Lucians for centuries. After World War II, permanent migrants from all four nations went to the United Kingdom and then to the United States, Canada, and the U.S. Virgin Islands.

There is a culture of migration in the peoples of all four countries, in some more refined and deliberate than in others. In St. Lucia, the individual is taught from childhood to maximize his or her life "chances" by acquiring several skills ("skill capital") and seeking multiple employment opportunities, which include sojourning abroad. These sojourns may be in one country or in several; they may involve one job or several, or several coterminously. Migration is seen as an important component in life education, training, and in amassing capital to pursue desired ends.

Over the years, the "push" factors of plantation rationalization, low wages and seasonal labor coincided with the "pull" factors of regional and extra-regional opportunities to produce the culture of migration. For a high percentage of the population, primarily male, up to World War II, the psychology of "strategic flexibility" has been built into the culture. What this has come to mean in terms of how residents view their

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country and their own life chances is typically colonial and dependent on external factors, on the one hand; and global, risk-taking and flexible on the other. However one assesses the psychology of migration, it has not only served as a "safety valve" for overpopulation, but it has also completely added to the capital of the four nations as funds sent from abroad built homes, started businesses and educated children.

Antigua, and particularly Barbuda, demonstrate the characteristics of a culture of migration with a population skewed towards women and a high proportion of children and senior citizens.

B. Types of Migrants

Migration has come to be far more complex than can be explained simply by studying patterns of temporality and permanence. There are four main types of migrants: commuters, seasonal, recurrent and permanent.

1. Commuters

Both men and women engage in employment and business activities which involve frequent trips to other islands. Fishermen, construction workers, and artisans go frequently to nearby islands. Women who are hucksters have developed a thriving business throughout the region. These women travel by sea and air and often purchase consumer goods to be sold from one island to the next. Some of these hucksters have relatives in both producing and purchasing societies. Even if they sojourn for weeks or months, they are primarily engaged in business and should be classified as commuters.

2. Seasonal migration

These migrants include those who are contracted by overseas agencies to do specific tasks, such as the farm worker schemes in Canada and the United States. They are overseen by both North American governments to ensure entitlement to social security benefits and wages; most of their earnings are repatriated and the migrants return home at the end of the contract.

3. Recurrent migration

Often called "circular migration", these migrants repeat the cycle of migration often to different countries as opportunities arise. This type of migration may also be seasonal. Often this pattern would continue throughout a person's working years. Nevertheless, ties are not broken, there are visits and remittances are sent periodically throughout the work period.

4. Permanent

Many migrants who left in the nineteenth and early twentieth centuries never returned to their native land. Since World War II there are large numbers who have become citizens of the U.S., Canada, and the U.K. who may return "home" periodically. Although permanently residing abroad, most migrants today remain in communication with families at home, via telephone and letters, and through sending remittances, and visits by relatives. Distances no longer being what they were, permanently residing abroad does not mean loss of contact with the islands. Indeed, this is seen as an asset, and with more frequency children are being sent to relatives permanently residing abroad for their education.

C. Effects of Migration

There is no doubt that migration had salutary effects on the socio-economic condition of those remaining, at least in terms of decreasing the number of applicants for available jobs. However, even though migration has acted as a safety valve and allowed for a rise in the quality of life for those remaining, it has been a structural solution to the causes of un/underemployment. In fact, the contradictory factors of high unemployment, high emigration, and lack of skilled personnel prevail in these countries.

One of these most serious problems occasioned by high migration rates is the loss of skilled personnel in both the public and private sector, more commonly called the "brain drain." Economic expansion suffers as a result of technical deficiencies, which in turn has a multiplier effect on the entire labor force. Investment may be discouraged because of the inability to utilize a skilled labor supply. The other cost concerns the cost of providing an education which is lost to the society once the person migrates; this is particularly true of doctors, nurses and scientists.

Remittances (money sent from relatives who are away) have also played an important role in all four countries, but little in the way of hard data exists on how much is sent by whom or to whom. In St. Lucia, remittances have played an important part in family incomes. Over EC\$2.5 million were received in St. Lucia in 1981 through the Post Office. It is estimated that at least another one-third either was delivered personally, or sent by personal check.

A study done in Nevis concluded that one year's remittances exceeded the total agricultural production in terms of value added. It is contended that whole villages in St. Kitts and Nevis exist on remittances which permit individuals there to avoid low paying, unsatisfactory work. Such remittances do not encourage productive activity.

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D. Implications

Migration and remittances have allowed for the individual upward mobility of many families in St. Kitts-Nevis. It has eased the pressure on scarce resources and amenities and allowed for a rise in the quality of life for those remaining, particularly in terms of health and education. However, heavy out-migration and remittances have also increased consumption capacity, drained the society of much needed skilled personnel, increased dependency on outside resources, contributed to skewed age cohorts and inhibited investment for economic growth. With migration opportunities diminishing, it is incumbent on planners to understand the dynamic of migration in the Eastern Caribbean islands, in particular to examine: the impact of returning migrants on the society and community; the effects of return on the returnee; the long-term implications of remittances; and the creation of job opportunities for those who will not be able to migrate in the near future.

Given migration's role in the population growth rate, further attention will have to be given to intensifying family planning efforts. The macro effects of migration on the sending society will change with decreased opportunities to leave; the combination of migration - subsistence - remittances which has created a pseudo-stable society will no longer be operative, with possibly explosive consequences.

The lack of reliable data - age, sex and destination - on migrants or on the population as a whole on the four island nations makes analysis of the role of migration extremely difficult. There is need for a specific project to assess migratory patterns and their short, medium, and long-term effects on St. Lucia, Dominica, Antigua and Barbuda, and St. Kitts-Nevis.

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ANNEX 4

Social Constraints to Development: St. Lucia,
Dominica, Antigua and Barbuda and St. Kitts-Nevis

Social Constraints to Development: St. Lucia,
Dominica, Antigua and Barbuda and St. Kitts-Nevis

A. St. Lucia

a. Land

Undoubtedly, despite the "banana revolution" which allowed the rural wage laborer to become a self-employed landowner, questions of land tenure and access to land remain key constraints to St. Lucia's development. The ability to earn a living from bananas, to send one's children to school to learn English and a trade was a social revolution of great importance in St. Lucia. Out of bananas were many sections of the present middle-class made. However, the decline of estates, their break-up and redistribution of the land, has not necessarily led to the final stage of creating a stable farming community in St. Lucia. In fact, the high prices demanded for estate land has resulted in large tracts of land being sold to "gentlemen farmers" or what we have called, "remote control" farmers; that is the new middle class of technocrats, professionals and civil servants.

Land carries high value in St. Lucia and everyone aspires to land ownership. The desire for land is both a reflection of the necessity of multiple sources of income, the traditional value of land ownership, and the relatively steady income to be earned from the guaranteed banana market. While the medium size blocks of land being purchased and farmed by "remote control" farmers has many positive features, particularly the attention paid to utilizing modern agricultural techniques, there are negative effects which need to be better examined. Being a limited resource, land split up into 20-acre farms cannot be purchased by peasants and agricultural laborers. They continue to subsist on uneconomical plots supplemented by work on roads and on "remote control" farmers holdings.

These uneconomical units must be displaced in order to rationalize production, but few farmers from these stratae can afford to purchase land at prevailing prices. Those working state-owned land are in reality, laborers not self-employed. Thus the aspirations of many of the rural populace to become self-sufficient farmers is a chimera and a source of discontent.

¹This Annex was prepared by Cecelia Karch as part of the social analysis of the four Eastern Caribbean Countries in this study. It was received from Ms. Karch too late in the report production process to be integrated into the text and is thus included here as an Annex.

Additionally, the recommendations from the Land Tenure Commission to hold a cadastral survey of land is fraught with social and political turmoil in rural areas where access to land is so highly valued and deemed so crucial to survival. The question of family land and title in St. Lucia is a very serious issue and the entire program needs much better sociological data on each community, and better utilization of rural sociologists/anthropologists working with the surveyors and community leaders if rural dissent on a wide scale is to be avoided.

b. Entrepreneurs and Employers

The very narrow base of an agro-commercial elite which dominated commerce has broadened but still remains an exclusive grouping with enormous influence. This social grouping historically monopolized the business sector and although it has widened economically, social status, ethnicity and different business interests still divide this group, represented by the Chamber of Commerce and the newer business groupings represented by the Small Business Association. Economic, social and political barriers exist and although there is on-going dialogue, much mutual distrust remains. This is also true of relations between the business/employers groupings and the trade unions. Despite early attempts to hold tri-partite discussions between Government, Business and Labour, negotiations have stalemated and trade unions have indicated their distrust in the motives of Business while Business charges that the trade unions are not serious in their desire to cooperate. These disagreements which often manifest themselves in political issues are at root social class and economic issues arising out of past inequalities and access to resources. The concept of tri-partite discussions to plan for the common good are promising and should be encouraged to start up again.

c. Patois-Speaking Culture

The major cultural division in St. Lucian society which correlated with ethnic, economic and political divisions has been between the English-speaking Colonist culture and the patois-speaking Afro-creole culture. Although this gap has been considerably narrowed, problems of equal access to social advancement remain. On the other hand, the old planter-expatriate colonial class has largely left St. Lucia and with independence a key part of conflict has been removed. Also the banana revolution and government social policies in education have allowed considerable expansion of the English-speaking population and the creation of a bi-lingual Civil Service.

Nevertheless, functional illiteracy remains a very serious problem in St. Lucia and affects all economic sectors. It is as disadvantageous to farmers who cannot read instructions as it is to factory workers.

It continues to impede all but a very small minority from going on to secondary school and filling needed vacancies throughout the technical sectors. Literacy remains the single most important drawback to St. Lucian development. However, literacy programs, as is envisioned by the Ministry of Education and Culture need to stress bi-lingualism and positively support the national folk culture rather than attempt to destroy it.

d. Politics

St. Lucia is only recently moving away from a period of intense political instability caused in the main by conflicts of leadership between the moderate and radical wings of the Labour Party. Subsequently, the party has split, and a new party, the PLP under George Odium has been formed. The three parties in St. Lucia reflect different constituencies and different ideologies. Like Dominica, tensions remain as the parties also reflect different social groupings and democratic patterns are still in an early stage of institutionalization. Much will depend on the economic growth and stability of the next few years and the ability to productively employ and to create self-employment opportunities for the large numbers of school-leavers.

e. Fertility

The final main social problem facing St. Lucia is population growth. Despite very heavy emigration patterns and a dynamic FPA and a concerned Ministry of Health, St. Lucia's fertility rate of 4.5 is the highest in the region. The inability of family planners to successfully convince St. Lucians to limit their families means that the entire program needs reassessment and perhaps more attention directed at socio-cultural patterns and their impact on fertility. Population growth is, along with functional illiteracy, a major impediment to sustained economic development and an improved quality of life. Unless the birth rate can be cut, St. Lucia's problems will become overwhelming by the year 2,000. All planning activities in terms of manpower strategies and overall economic development must take seriously into account the present high birth rates.

In sum, economic policies for modernizing agriculture and diversifying the economy can be frustrated in their impact and effectiveness by social divisions which tend to evolve into political conflict, questions of access to scarce resources, and the limits imposed by functional illiteracy and high birth rates.

B. Dominica

Given the immense structural and physical problems that characterize Dominica, in addition to a heritage of unequal social relations, it is not surprising that political instability has also been a recurrent feature in the last ten years. Although Miss Charles and the Dominica Freedom Party enjoy a strong mandate from the people at present, many of the inherited inequalities remain. The country was completely traumatized by the events which led to the downfall of the Patrick John regime in 1979. Nevertheless, there is a large segment of the population which empathise and identify with Labour Party ideology. There are also black nationalist and radical left groupings in Dominica which may not have large memberships, but enjoy varying degrees of influence among the youth.

Although predominantly an Afro-Creole peasant society, Dominica has great disparities in access to land, education and income. During the last ten years, a social revolution has been occurring with the peasant-based population and urban income earners pressing for greater access to land and services. This pressure has often erupted in violence and the potential for this occurring again remains.

The aftermath of the hurricanes, and the trauma of 1979 have encouraged Dominicans to work with the Government in rebuilding the nation. Grassroots organizations and cooperative ventures are promising. But the undercurrents of social class tensions remain, and the unions in particular are concerned that labour's interests as well as those of entrepreneurs and manufacturers are met by the present Government.

Structural problems in the economic base are reflected in social factors which in turn will impede economic development programs. Massive depopulation is a problem in Dominica occurring in the midst of growing un/underemployment. Additionally, the population is young, with a high percentage under 25. Thus high rates of dependency coincide with a lack of personnel to implement development plans in the short term. For example, it is difficult to see how the projected Health plan calling for large numbers of youth entering the labour force, largely unskilled and untrained. Thus manpower questions are serious constraints in the Dominica context.

Additionally, although the Dominican terrain is such that small farmers must remain socially and economically desirable, the fact is that many holdings are unviable and that a decrease in the agricultural population is a necessity. Creation of viable holdings and a skilled farming sector is essential but must be developed in the context of alternate sources of employment for those displaced. Given the age and functional illiteracy of many farmers, male and female, this too, is a serious problem.

Finally, the patois-speaking population has been in an inherently unequal position for over one hundred and fifty years. Unless the envisioned literacy campaign combined with skills training is speedily institutionalized not only will large numbers of Dominicans be unequally poised to seize new employment opportunities, but modern English-speaking enterprises will be impeded from attaining the best employee relations and high productivity.

In sum, Dominica's social factors stemming largely from historical factors and recent economic events must be recognized and dealt with or development efforts will not meet their targets.

C. Antigua/Barbuda

Many of the most serious constraints to development in Antigua, but not Barbuda, have their origin in the demise of communities. Migration, the dissolution of local government and independent grass-roots organizations, and the dismantling of the Ministry of Community Development have created a crisis in the countryside which effectively impedes both overall economic development and the quality of life. There does not appear to be any acknowledgement of the seriousness of this situation on the part of government, or any overall plans for decentralization and the development of planned communities and industrial sites throughout the country. UNDP* as long ago as 1974, recommended several rural industrial sites and other projects to revitalize rural communities. Without a greater redistribution of services and resources unbalanced growth and inegalitarian social relations retarding economic development will continue in Antigua. The rural-urban dichotomy remains a serious social constraint.

A second constraint evolves from heavy out-migration of those most capable to administer Antiguan affairs and the inability of locals to move into productive activities as entrepreneurs and manufacturers. Historically, Afro-Antiguans faced many difficulties in establishing expanding businesses in the distribution sector, the sugar sector manufacturing, and tourism. It appears that even today few Antiguans have the capital to invest in productive activities. Periodically, this has been an issue, one which is addressed very articulately by the radical left and by the Opposition parties. It is potentially an inflammable situation, as it has been in Jamaica and Trinidad & Tobago.

* UNDP, Town and Country Planning in Antigua (1974)

The weak political party system in Antigua/Barbuda which has resulted in almost a virtual one-party state has effects which produce undercurrents of dissatisfaction. The split in the Opposition and the charges and innuendos of serious corruption undermine socio-political relations. Lack of an independent press in Antigua/Barbuda, all newspapers are the official voices of the respective political movements, also is a point of weakness which undermines the objective independence of the state. The state is, to a certain extent, reduced to the political party in power, which is an inherent weakness.

The Barbuda question, similar to problems in St. Kitts-Nevis and Trinidad & Tobago remains relatively dormant and is not as potentially explosive as in the latter states because Barbudans have their own Council and have been allowed to retain their sense of identity as a people. Nevertheless, one can expect periodic problems arising from the Constitutional arrangement and the inherent dependency of Barbuda.

In sum, the most serious social constraints affecting the successful economic development of Antigua/Barbuda stem from problems of overcentralization and rural-urban inequalities, a serious brain-drain, the tendency to one-party-state and the lack of an independent press. These result in a weak but authoritarian state system which has been unable to restructure inherited social relations of the colonial period to any large degree.

D. St. Kitts-Nevis

There are several serious social constraints to the effective implementation of development plans in St. Kitts-Nevis. First, is the constitutional arrangement underpinning the state. The present coalition between P.A.M. and N.R.P. is a marriage of convenience. The constitution provides for no safeguards in the preservation of the unity of the state. On the contrary, the constitution explicitly grants Nevis the right to secede from the "federation". Hence, there are no built-in mechanisms to preserve the state from dissolution. Some would agree that, in fact, dissolution is encouraged. Thus, the constitution does not provide a mechanism for solving the inherited historical problems between St. Kitts and Nevis.

Additionally, the present administration is a coalition between two parties. On St. Kitts, the electoral results granted the Opposition party, the Labour Party, four seats to the P.A.M.'s three. Hence, the P.A.M. is really a minority party in St. Kitts. The uphill struggle for legitimacy is compounded by the fact that the major trade union, the Trades and Labour Union, is affiliated to the Opposition party.

Hence, the P.A.M. is really a minority party in St. Kitts. The uphill struggle for legitimacy is compounded by the fact that the major trade union, the Trades and Labour Union, is affiliated to the Opposition party.

A second major social constraint lies in the area of social class relations as they are perceived by the majority of the population. The history of both St. Kitts and Nevis as plantation economies with a history of slavery has been fraught with race/class antagonisms. In Nevis, the break-up of estates into small holder properties has allowed for egalitarian social relations to evolve, along with somewhat more equal access to sources of wealth. Nevis is a more egalitarian society than St. Kitts. In St. Kitts, the traditional colour/race/class lines have been modified, particularly in the last 10 years. Nevertheless, those individuals and families which traditionally have dominated certain sectors, particularly trade and distribution, remain dominant. Upward mobility has been difficult to achieve for the majority black population, although migration and education abroad have opened doors for those achieving professional status. There is a growing black middle class in St. Kitts, but it is of fairly recent origin. Most of the black lower-income groups have steadfastly supported the present Opposition because they have perceived that party as their party. It remains to be seen if the next five years will witness a further break-down in class based party politics and heretofore fairly rigid class lines.

Certainly, migration patterns, with the return of educated and professional migrants represents a significant new force, as does the opportunities presented by independence for expansion of technical and technocratic positions. These two factors should occasion further relaxation of class lines and more equal access to position and wealth.

Third, Government policy as regards distribution of resources and social services is a key issue. The present configuration of State control of most of the land in St. Kitts is a thorny problem which needs to be tackled. Diversification is essential, yet Government is caught in the bind of dismantling the sector which provides for a significant percentage of employment for large numbers of people. Given the union base of sugar workers, the situation is even more unpalatable. However, diversification and distribution in viable acreages is necessary from both an economic and social perspective. Presently most farmers have only small garden plots in the highlands and are unable to engage in agrobusiness.

Fourth, policy with respect to distribution of social resources in community affairs, health and education needs to be assessed in terms of actual equal access to delivery. In rural areas, services and amenities are far behind that of greater Basseterre in St. Kitts, and all of Nevis lags behind St. Kitts.

Community development issues which need to be tackled appear to have political connotations and hence consensus is lacking. In the area of health, the role of the private health sector in the development process, and people's access to good health services also needs to be addressed, particularly given St. Kitts-Nevis poor health indicators.

In sum, the constraints facing administration in St. Kitts-Nevis in the social area revolve around questions of social class relations, party divisions, and the historical unequal access to land, services and opportunities for upward mobility.

ANNEX 5

List of Persons Met from St. Lucia, Dominica
Antigua and Barbuda and St. Kitts-Nevis

ANNEX 5

List of Persons Met from St. Lucia, Dominica
Antigua and Barbuda and St. Kitts-Nevis

St. Lucia

- ANIUS, Senator Stephenson - President, St. Lucia Small Business Association and Managing Director, Anius Electronics Ltd., Castries
- ANTHONY, Patrick Fr. - National Research and Development Foundation of St. Lucia, Castries
- ANTOINE, Alban - Director Vocational and Technical Education, Ministry of Education & Culture, Castries
- AUGUSTINE, Michael - Acting Director, Statistical Department, Castries
- BANS-GOPAUL, Mrs. - Director Upton Gardens Girls Centre, Castries
- BARRETT, John - Financial Controller, Banana Growers Association, Castries
- BLEDMAN, Primrose - President, St. Lucia Manufacturers Association, Castries
- BERGASSE, Peter A. - Chairman, St. Lucia Tourist Board, Castries and Managing Director, J.E. Bergasse and Co. Ltd., Castries
- BLEDMAN, Primrose - President, St. Lucia Manufacturers Association, Castries
- CELESTINE, Mr. - Director Boy's Training Centre, Castries
- CHARLES, Patricia - National Research and Development Foundation of St. Lucia, Castries
- COOPER, Paul - Representative in St. Lucia, International Executive Service Corps, Castries
- D'AUVERGNE, Ausbert - Central Planning Unit, Ministry of Planning, Finance and Statistics, Castries
- DETERVILLE, J. - Town Clerk, Castries
- DIXON, McDonald - General Manager, National Commercial Bank of St. Lucia, Castries
- EMMANUEL, Ben - Senior Community Development Officer, Ministry of Youth, Community Development, Social Services, Sports, Local Government, Castries

St. Lucia (Cont.)

- GEORGE, Calixte - Director, CARDI Office for St. Lucia, Castries. Director CARDI Small Farms Project
- FREDERICKS, Nicholas Dr. - Permanent Secretary, Ministry of Education & Culture, Youth Development Project, Castries
- GLACE, Greg - Owner/Manager, The Islander Hotel, Castries
- ISSACS, Adlith Mrs. - Permanent Secretary, Ministry of Youth, Community Development, Social Services, Sports, Local Government, Castries
- ISSACS, Ben - Senior Fruit Quality Officer, Ministry of Agriculture, Castries
- JAMES, Mr. - Office for Non-Governmental Organizations and Director of Disaster Preparedness, Castries
- JAYAHANMAN, Mr. - Acting Registrar of Cooperatives, Castries
- JOSEPH, Harry T. - Managing Director, National Development Corporation, Castries
- LANCASTER, Lee - Program Coordinator, Caribbean Marketing Assistance Program and St. Lucia Association of Partners of the Americas, Castries
- LANSIQUOT, Romanus Hon. - Minister, Ministry of Youth, Community Development, Social Services, Sports, Local Government, Castries
- LAVILLE, Ben - Research Officer, WINBAN, Castries
- LEWIS, Dr. Michael - Chief Education Officer, Ministry of Education & Culture, Castries
- LIONEL, Egbert - Youth Officer, Ministry of Youth, Community Development, Social Services, Sports, Local Government, Castries
- LOUISY, Raymond - Director, St. Lucia Planned Parenthood Association, Castries
- LUBIN, Mr. - Permanent Secretary, Ministry of Health, Community Development, Social Services, Sports, Local Government, Castries
- MATHURIN, Martina - Women's Desk Officer, Pre-schools Officer, Ministry of Youth, Education & Culture, Castries
- MONTROSE, Nicholas - Social Services Division Officer, Ministry of Youth, Community Development, Social Services, Sports, Local Government, Castries

St. Lucia (Cont.)

- EUGENE, George - Managing Director, Soft Furnishings Ltd.,
Vigee Industrial Estate, Castries
- GARDNER, Charmaine, M.B.C. - President, St. Lucia Chamber of Commerce,
Industry and Agriculture and Managing
Director, Carasco and Son Ltd., Castries
- McFARLANE, R. (Mrs.) - Secretary, St. Lucia Chamber of Commerce
Industry and Agriculture, Castries
- NARENDRAN, Vasantha - Economic Anthropologist, CARDI, St. Lucia
- REDMOND, Mr. - Labor Commissioner, Castries
- RODRIGUEZ, A.F. - Director, Geest Line Caribbean
Representative, Geest Industries (W.I.)
Limited, Castries
- SARDINHA, L.F. - Manager, The Royal Bank of Canada, Castries
- THEOPHILUS, George - Chairman and Managing Director, St. Lucia
Development Bank, Castries
- VERMEIREN, Jan C. - Organization of American States, Castries
- WEATHERHEAD, Peter - Manager, Barclays Bank International Ltd.,
Castries
- WILLIAMS, Hayden - Manager, Credit Union League, Castries

Dominica

- ADAMS, Herman - Director, CARDI Office of Dominica, Roseau
- ALLYNE, Kenneth - General Manager, Industrial Development
Corporation, Roseau
- BARRIE, Balthazar - Registrar of Cooperatives - Chief
Cooperative Officer, Roseau
- BARZAY, Jerome A. - Resident Tutor, U.W.I. Dominica, Roseau
- BELLAN, Stephan - French Technical Cooperation Team, (Ministry
of Agriculture), Roseau
- BLAIZE, Joseph - Secretary for Organization, DAWU, Roseau
- BLAIZE, Lucia - Dominica Planned Parenthood Association,
Roseau

Dominica (Cont.)

- BOENDERS, Paul - Marketing Development Manager/Technical Cooperation Officer, Dominica Banana Growers Association, Roseau
- BROWN, Paul A. - Agricultural Advisor, Organization of American States, Ministry of Agriculture, Dominica, Roseau
- BULLY, Collin - Chief Agricultural Officer/Agricultural Development Advisor, Ministry of Agriculture, Roseau
- BULLY, Mrs. Anita - Executive Director, National Development Foundation, Roseau
- CHARLES, Everton - Manager, Credit Union League, Roseau
- CHARLES, Kenneth - Assistant Secretary and Treasurer, Waterfront and Allied Workers Union, Roseau
- CHARLES, Mrs. Celia - Economist, Economic Development Unit, Prime Minister's Office, Roseau
- CHRISTIAN, Mr. - Senior Co-op Officer, Registry of Cooperatives, Roseau
- CLOUGH, James - Acting General Manager/Financial Manager, Dominica Banana Growers Assn., Roseau
- CUFFY, Wasbourne - Co-op Officer Sr., Registry of Cooperatives, Roseau
- EAST, Michael - Small Business Advisor, Ministry of Home Affairs, Roseau
- EDWARDS, Mrs. - Social Centre; Social League, Roseau
- ELWIN, Hyacinth - Women's Desk, Ministry of Home Affairs, Roseau
- GREEN, Petronald - Energy Officer, Ministry of Communications and Works, Roseau
- HARRIS, Carey - Development Coordinator, Economic Development Unit, Roseau
- HARRIS, Mr. - Permanent Secretary, Ministry of Health, Roseau

Dominica (Cont.)

HENDERSON, Dr. T.H. - CAEP, Dominica, Roseau

HENDERSON, James - Chief Education Officer, Ministry of Education, Roseau

HILLIARD, Stephen - Field Assistant to CARDI/Peace Corps Volunteer in Dominica, Roseau

HONEYCHURCH, Lennox - Historian, Author, Roseau

JOSEPH, Frederick - General Secretary, Dominica Amalgamated Workers Union (DAWU), Roseau

JOSLYN, F.F. - Social Security Administration, Roseau

KANE, Kevin R. - Regional Employment Promotion Specialist, Organization of American States, Dominica. Youth Development Division, Ministry of Education, St. Lucia. Ministry of Community Development, Social Affairs, Youth & Sports, Roseau

LLOYD, Jerome - Disaster Preparedness Officer and Acting Permanent Secretary, Ministry of Communications and Works, Roseau

LeBLANC, Vans T. - General Manager, Agricultural Industrial and Development Bank of Dominica, Roseau

NASSIEF, Philip - Dominica Coconut Products Ltd. (DCP), Roseau

PREVOST, Luke - Operations Manager, Dominica B.G.A., Roseau

RIVIERE, Arlington - Director, OAS Office for Dominica, Roseau

SALESE, Dr. George - CAEP, Dominica

SAVARIN, Mr. - President, Credit Union League; Roseau Credit Union, Roseau

SCOTLAND, Augustine - Local Government Commissioner; Ministry of Home Affairs, Roseau

SOUTHWELL, Dermott - Executive Director, Tourist Board; President, Employers Assn. of Dominica; Managing Director, Dominica Timber Ltd., Roseau

Dominica (Cont.)

- SPENCE, David - Social Development Advisor, Ministry of Home Affairs, Roseau
- STEDMAN, Gretson - Financial Manager, Dominica B.C.A., Roseau
- TIMOTHY, J. - Vice-Chairman, Dominica Assn. of Industry and Commerce, Roseau
- WALSH, Ossie - Youth Organizer, Youth Arm, Dominica Freedom Party, Roseau
- WILLIAMS, Mr. - Social Security Administration, Roseau
- WRIGHT, Peter - PDAP Representative in Dominica, Coopers and Lybrand, Roseau

Antigua and Barbuda

- AMBROSE, Mrs. Ruth - Manager, Antigua Credit Union League, St. John's
- AMEEN, Iftekar - Country Officer, CARDATS, Ministry of Agriculture, St. John's
- BASCOS, Robin - General Secretary, Antigua Trades and Labor Union, St. John's
- BENJAMIN, (Mr.) - Permanent Secretary, Ministry of Agriculture, Land and Fisheries, St. John's
- BENJAMIN, Gerry - Board Member, AMA, (Benjies Printing), St. John's
- BENJAMIN, Hazelyn Mrs. - Director, Antigua Planned Parenthood Association, St. John's
- BILLING, Tom - President, Antigua Manufacturers Assn. (AMA), (Caribbean Packaging Materials Ltd.), St. John's
- BIRD, Dr. Edris - Resident Tutor, University Centre, Extra-Mural Dept. U.W.I., St. John's
- BLAIZE, Mrs. Agnes - Family Life Education and Health Unit Ministry of Health, St. John's
- BOOKER, Jayne M. - PDAP Advisor for Antigua, Coopers and Lybrand, St. John's

Antigua and Barbuda (Cont.)

BYNOE, Dr. Jacob - CFTC Advisor, Ministry of Education, St. John's

CHALLENGER, Brian - Research Officer (energy) Ministry of Planning and Economic Development, St. John's

CUMBERBATCH, Cyril M. - Director, Antigua Employers Federation, St. John's

DAVID, Miss Debbie - Meals for Millions, St. John's

DICKSON, William - General Manager, Antigua Commercial Bank, St. John's

DIEDRICH, Leslie - Board Member, AMA, (Antigua Housing) St. John's

FRANCIS, Mrs. - Statistician, Social Security, St. John's

FRANCIS, Stanley - President, Hotel Taxi Association, St. John's

GEORGE, Mr. - Chief Statistician, Social Security, St. John's

GONSALVES, Brian - Chairman, Antigua Hotels and Tourist Association, St. John's

GRANT, Leroy - Agricultural Improvement Officer, ABDB, St. John's

HARKER, Peter J. - Managing Director, Sealy Mattress Co. (Antigua) Ltd., Coolidge, St. John's

HARRIS, Whitfield - Permanent Secretary, Ministry of Education, Youth, Culture, St. John's

HENRY, Wavelyn Mrs. - Permanent Secretary, Ministry of Health, St. John's

HURST, Keith - Budget Director and Industrial Development Advisor, Ministry of Finance/Ministry of Economic Development, St. John's

JARVIS, Mrs. Faustina Browne - Chief Community Development Officer, Ministry of Education, Culture, Youth, St. John's

JOHN, Richard - Permanent Secretary, Ministry of Local Government and Barbuda Affairs, St. John's

JONAS, George - Registrar of Cooperatives, St. John's

Antigua and Barbuda (Cont.)

- KERNON, V. (Mrs.) - Secretary, Chamber of Commerce of Antigua, St. John's
- KING, Mr. - Ministry of Local Government and Barbuda Affairs, St. John's
- LEWIS, Milton - Labor Commissioner, Labor Department, St. John's
- MILLAR-CRAIG, Hewan - I.M.F. Advisor, Ministry of Finance, St. John's
- MOTTLEY, Marcos - Federation of Employers, St. John's
- MURPHY, Michael - Chief Statistical Officer, Statistical Office, Ministry of Finance and Planning, St. John's
- PERCIVAL, Senator B. - General Manager, Antigua and Barbuda Development Bank (AEDB), St. John's
- RIBIERO, Anthony - Director, Caribbean Family Planning Association, St. John's
- ROBERTS, Jocelyn - Chief, Statistical Department, Ministry of Economic Development and Planning, St. John's
- ROGERS, Milton R. - General Manager, Antigua Public Works Authority, St. John's
- SAMIOS, Gus - Board Member, AMA, (Antigua Appliance Industries), St. John's
- SINGH, Dr. - CARDI Representative and Advisor to the Ministry of Agriculture, Cotton Station, St. John's
- SOUTHWELL, Norman - Director, Social Security, St. John's
- STUART-YOUNG, Brian - Executive Secretary, Antigua Manufacturers Assn., St. John's
- TECHREVA, Ken - Board Member, AMA, (Antigua Distilling) St. John's
- TUNG, Mrs. Gwen - Women's Desk, Ministry of Education, Youth and Culture, St. John's
- WALLING, Noel O. - President, Chamber of Commerce of Antigua, St. John's
- WESTON, Eden - Senior Economist, Ministry of Planning and Economic Development, St. John's
- WILLETT, Hillery - Agricultural Improvement Officer, ABDB, St. John's

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Devres

St. Kitts-Nevis

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ANNEX 6

Bibliography for St. Lucia, Dominica, Antigua
and Barbuda and St. Kitts-Nevis

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