



# Social Policies in Grenada

Patsy Lewis



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# Foreword

During the 1960s and 1970s, increased interest was shown by some international organisations, such as the United Nations and the Commonwealth Secretariat, in small states, notably small islands, and the development challenges they faced during the decolonisation period. The Commonwealth Secretariat, with over a third of its members classified as small economies, is committed to the study of small states. The issue of their vulnerability, for example, was first given formal expression within the Commonwealth at the 1977 Commonwealth Finance Ministers Meeting in Barbados. Having noted the special characteristics of small states – in particular their reliance on trade, high dependence on capital inflows and, in some cases, their lack of natural resources – ministers urged the international community to adopt a more flexible approach to their requirements, as well as special measures to assist them. In response, the Secretariat designed a programme to assist in overcoming ‘the disadvantages of small size, isolation and scarce resources which severely limit the capacity of such countries to achieve their development objectives or to pursue their national interests in a wider international context’.

In 1983, with the political repercussions of the US invasion of Grenada still resonant, Commonwealth leaders meeting in New Delhi expressed their belief that the problems of small states ‘deserved consideration on a wider basis, including that of national security’. A Commonwealth Consultative Group was therefore commissioned to carry out such an examination. Its report, *Vulnerability: Small States in the Global Society*, published in 1985, was the first to highlight the inherent vulnerability of small states to external interference. In reasserting the vulnerability of and threats to small states, and outlining economic and foreign policy measures to mitigate these, the report was important in raising the political profile of small states in international forums.

Following this publication, the Ministerial Group on Small States was formed to continue the discussion of issues of importance to small states. At their second meeting in 1995, ministers recognised that the international context faced by small states had changed dramatically since the end of the cold war. This led to the creation of a Commonwealth advisory group of eminent persons whose report, *A Future for Small States: Overcoming Vulnerability*, was published in 1997.

In 1998 the Commonwealth Secretariat/World Bank Joint Task Force on Small States was formed. In 2000 the Task Force published its seminal report, *Small States: Meeting Challenges in the Global Economy*. The report concluded that addressing the challenges facing small states requires correct domestic policy, regional co-operation, assistance from multilateral and bilateral development institutions and improvements in the external environment. It highlighted four areas of special relevance to successful



development in small states: tackling volatility, vulnerability and natural disasters; transitioning to the changing global trade regime; strengthening capacity; and benefiting from the opportunities and coping with the challenges of globalisation. It recommended that an annual small states forum, where international donors could report on their activities in small states, be held in the wings of the IMF–World Bank meeting. Small states have garnered additional support and attention from international donors as a result, but more remains to be done: a 2005/06 review of the task force report established that small states are still vulnerable and continue to face a number of development challenges associated with their size.

In adopting Agenda 21, one of the key outcomes of the United Nations Conference on Environment and Development (more commonly known as the Rio Earth Summit) in 1992, the wider international community also recognised the special challenges that small island developing states (SIDS) face in planning for sustainable development. As a result, the Global Conference on the Sustainable Development of Small Island Developing States took place in Barbados in 1994. The plan that emerged, the Barbados Programme of Action (BPOA), is the principal international framework for addressing the special challenges and constraints faced by SIDS in their pursuit of sustainable development. The BPOA addresses 14 major themes, ranging from climate change through coastal and marine resources to tourism and human resources development.

The ten-year comprehensive review of the BPOA led to the adoption in January 2005 of the Mauritius Strategy for the Further Implementation of the Barbados Programme of Action for the Sustainable Development of SIDS, which includes 19 thematic areas, including climate change and sea level rise; natural and environmental disasters; and energy resources. The Mauritius Strategy notes that for its successful implementation, SIDS require effective human, institutional and technical capacity development; effective monitoring and co-ordination, including through SIDS regional organisations; and support from the international community, particularly through financial and technical backing.

Finally, Millennium Development Goal 8 (on developing a global partnership for development) specifically mentions the special needs of landlocked countries and small island developing states.

Yet despite this attention to small states, there are still major gaps in our understanding of their unique development process and experience. Insufficient study has been devoted to the social and economic issues facing small states. In particular, there is virtually no comparative research on social policy issues or on how social policies affect economic development. This paper, together with others in this series, attempts to fill this gap by taking a distinctive approach to social policy, which it sees as encompassing concerns about redistribution, production, reproduction and protection. The papers show how some small states have succeeded in improving their social indicators through appropriate social policies, how others are moving in the right direction and how some are falling behind or failing. We see that, despite their

inherent vulnerability, some small states have been successful precisely because of the complementary social and economic policies and strategies they have implemented. By looking at these countries in comparative perspective, we can draw interesting lessons on policy.

The papers in this series are outputs of the research project, *Social Policies in Small States*, led by the United Nations Research Institute for Social Development (UNRISD) in collaboration with the Commonwealth Secretariat from 2007 to 2009. Fourteen country studies were commissioned and their findings discussed at regional workshops in the Caribbean and Pacific. Four thematic papers framed and complemented the country level research. We hope that the findings of this research will be useful to scholars and policy-makers concerned with the social and economic development issues facing small states.

The research project was designed and co-ordinated by Naren Prasad with assistance from Nicola Hypher at UNRISD, in collaboration with Constance Vigilance at the Commonwealth Secretariat.

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## Abbreviations

ARD	Agency for Reconstruction and Development
CARICOM	Caribbean Community
CCRIF	Caribbean Catastrophe Risk Insurance Facility
CDB	Caribbean Development Bank
CDERA	Caribbean Disaster Emergency Response Agency
CEDAW	Convention on the Elimination of All Forms of Discrimination Against Women
CET	Common External Tariff
CRC	Convention on the Rights of the Child
CSME	Caribbean Single Market and Economy
CSO	Central Statistical Office
CWIQ	Core Welfare Indicators Questionnaire
ECCB	Eastern Caribbean Central Bank
EPA	Economic Partnership Agreement
FDI	Foreign Direct Investment
GCT	General Consumption Tax
GNOW	Grenada National Organisation of Women
GRENCODA	Grenada Community Development Agency
GULP	Grenada United Labour Party
HDI	Human Development Index
ILO	International Labour Organization
LAC	Latin America and the Caribbean
LACC	Legal Aid and Counselling Centre
MDG	Millennium Development Goal
MNIB	Marketing and National Importing Board
NADMA	National Disaster Management Agency
NDC	National Democratic Congress
NERO	National Emergency Relief Organisation
NGO	Non-governmental Organisation
NIS	National Insurance Scheme
NISTEP	National In-service Teacher Education Programme
NNP	New National Party
OECS	Organisation of Eastern Caribbean States
PAHO	Pan American Health Organization
PRG	People's Revolutionary Government
SPEED	Strategic Plan for Educational Enhancement and Development
TAMCC	T.A. Marryshow Community College
UNDP	United Nations Development Programme
UNICEF	United Nations Children's Fund
UNRISD	United Nations Research Institute for Social Development
UWI	University of the West Indies
VAT	Value Added Tax
WFFC	World Fit for Children
WHO	World Health Organization
WTO	World Trade Organization

# Summary

This paper presents a case study of social policy delivery in the small Caribbean island state of Grenada in the post-independence period. It assesses the approach to social policy of different governments, particularly the economic strategies pursued and their effects on social policy, especially in relation to women and children. It argues that while Grenada has performed creditably in improving standards of living measured in key human indicators, particularly in respect of gender equality and relatively high per capita income, it has not made sustained inroads in addressing poverty and unemployment. Further, these gains have been due, in no small part, to a favourable international climate of trade concessions and international donor and country financing, as well as heavy borrowing for economic and social projects, rather than to steady economic growth. The environment which has facilitated this development model is undergoing significant transformation. This is particularly evident in the shift to a trading system based on reciprocity that does not accommodate special provisions for small states, and this may well undermine the economic and social gains already made.

The study concludes with the observation that the gaps that exist in social policy, particularly weak social protection for the vulnerable and unemployed, require further commitment of resources from government. Recognising the difficulties presented by the existing economic climate, the paper urges government to strengthen the role of non-governmental organisations (NGOs), communities and the family, which are already heavily involved in delivering social welfare and protection, through increased financial support and more active participation in formulating and delivering social policy. It also recognises the role that the region could play in adopting a collective approach to addressing issues of social welfare that are common to all states.

This paper is a shorter version of a larger study prepared for a jointly sponsored project on social policies in small states by the United Nations Children's Fund (UNICEF) and the United Nations Research Institute for Social Development (UNRISD). Its broad terms of reference include assessing social policy against the backdrop of the initial conditions inherited from colonialism and the various economic policies that have shaped the post-independence era. It also requires an analysis of how social policy has been financed and the role that non-governmental agents – family, communities and the wider NGO sector – play in formulating and supporting social policy delivery. It calls for an assessment of gaps in social policy, especially in relation to legislation on social protection, with special attention to the role of women and children.



# Introduction

Grenada is a member state of the Caribbean Community (CARICOM) and CARICOM Single Market and Economy (CSME)<sup>1</sup> and the sub-regional Organisation of Eastern Caribbean States (OECS). The OECS comprises the region's micro-states (Antigua and Barbuda, Dominica, Grenada, Montserrat, St Lucia, St Kitts and Nevis and St Vincent and the Grenadines), whose populations range from 4,681 in Montserrat to over 160,000 in St Lucia (2004) and whose geographical size is between 103km<sup>2</sup> (Montserrat) and 750km<sup>2</sup> (Dominica) (CARICOM, 2005). Grenada falls in the mid-range with an estimated population of just over 105,000 people and a geographical size of 345km<sup>2</sup> (Table 1). These states are considered to be among the most vulnerable in the world in economic and environmental terms. Grenada was ranked 15 on the Commonwealth's Composite Vulnerability Index and exhibits clear manifestations of some of the challenges of small size, compounded by vulnerability to natural hazards. These challenges include small domestic markets that present limited possibilities for economies of scale, posing challenges for international competitiveness; a highly open economy, with a trade to GDP ratio of 111.7 in 2004–2006 (WTO Statistics, 2007); remoteness from major markets and high transportation costs; huge costs for social, political and economic infrastructure and administration; a limited resource base; and a concentration of markets. Grenada's economy is based on a narrow range of agricultural exports, mainly cocoa and nutmegs, which have experienced deteriorating terms of trade, a small manufacturing sector and tourism. Despite these challenges, Grenada is a middle-income country with a GDP (PPP) of US\$7,344 in 2007 and was ranked 74th on the UNDP Human Development Index (HDI) for 2009, so that it is classified as a country with high human development.

Grenada has enjoyed favourable levels of growth, averaging 3.8 per cent between 1980 and 2003, higher than the world average of 2.9 per cent and the CARICOM average of 3.1 per cent, but just below the OECS average of 4.1 per cent (World Bank, 2005: 1). However, these positive indicators co-exist with high levels of unemployment and poverty, suggesting significant inequality and vulnerability, which threaten to undermine gains in human development. Grenada's generally favourable economic performance is attributed to a number of factors: concessionary access to major trading markets, including the European Union (EU), USA and Canada; the development of the services sector, primarily tourism, but also offshore financial services; generous inflows of foreign direct investment (FDI), increasing from an average of 3.5 per cent of GDP in the 1980s to 14.1 per cent between 2000–2003<sup>2</sup> (World Bank, 2005: 23); and overseas development support and concessionary financing from international financial institutions. The conditions facilitating this economic performance changed, however, with the strengthening of neoliberal principles of trade,

consolidated with the formation of the World Trade Organization (WTO), which prescribed a shift in traditional trading relationships from non-reciprocal to reciprocal market access. The earliest casualty of this was the banana industry, but the shift is also expected to present challenges for the competitiveness of the island's small firms. These challenges were further compounded by continued deterioration of the terms of trade for agricultural exports, reduced official development assistance and concessionary financing from international lending agencies, which left the country with a chronic expenditure gap that threatened to undermine social gains.

Grenada's social profile, which is not dissimilar to that of other OECS states, is one of positive achievements in human development, particularly in health and education. However, it faces severe challenges in addressing the social ills of poverty, unemployment and exclusion, especially among the most vulnerable groups, and this has negative implications for the welfare of children. The status of children and youth is particularly important, as Grenada has a young population, with a median age of 23 and a significant percentage of its population (33 per cent) younger than 15 years old (Table 1).

**Table 1. Grenada: general information**

Indicator	Value	Sources
Size	345km <sup>2</sup>	CDB, 2006
Mid-year population	105,900 (2006 )	CDB, 2006
Population: annual growth rate (%)	0.3 (2005)	WHO, 2008a
Population in urban areas (%)	30.8 (2007)	PAHO, 2007
Population: median age (years)	23 (2006)	WHO, 2008a
Population: proportion over 60 (%)	10.0 (2006)	WHO, 2008a
Population: proportion under 15 (%)	33.0 (2006)	WHO, 2008a
Total fertility rate (per woman)	2.3 (2007)	PAHO, 2007, WHO 2008a
Registration coverage of births (%)	>90 (2001)	WHO, 2008a
Unemployment rate (%)	18.5 (2006)	CDB, 2006
Average exchange rate (EC\$ per US\$)	2.7 (2008)	CDB, 2006
HDI rank	74	UNDP HDR, 2009
GDP (ppp)	US\$7,344m (2007)	UNDP HDR, 2009

This paper assesses developments in social policy approaches and delivery in the post-colonial period, including the economic strategies pursued and their effects on social policy, particularly in relation to children. It looks at the challenges governments have faced in addressing these and presents a brief case study of hurricane Ivan, which in 2004 caused damage to the economy equivalent to over 200 per cent of GDP (US\$888m) (OECS, 2004), as a focus for exploring community and national responses, resilience and innovation.

This paper was prepared for UNICEF, the Commonwealth Secretariat and

UNRISD as part of a broader project assessing social policies in a range of small states in the Caribbean and Pacific. The study's terms of reference, which the paper seeks to follow, require an assessment of a range of social policies employed in the post-independence period and the economic policies that have informed the approaches adopted; the role of various actors in social policy delivery, including government, the non-governmental sector, communities and the private sector; and methods of financing social policy. They also include an assessment of gaps in legislation relating to social policy, particularly in respect of women and children.

The structure of the paper is as follows. Section 1 identifies the economic and social challenges inherited from the colonial period which post-independence governments have had to address. Section 2 examines the various social policy approaches adopted to address these challenges and Section 3 provides details of social welfare and protection initiatives undertaken and the challenges experienced in the delivery of social policy. Section 4 discusses the state of legislation providing social protection, identifying the gaps that remain to be filled. Section 5 presents a case study of hurricane Ivan, identifying areas of weakness in social policy coverage but also evidence of resilience, particularly at the community level, which was important in promoting recovery and innovations. Section 6 presents conclusions that address the challenges involved in meeting the weaknesses identified in social policies.





## Post-colonial Economic and Social Challenges

Grenada's first step toward independence came in 1951, when the first elections held under full adult suffrage gave the Grenada United Labour Party (GULP) a big majority. The Party's leader, Eric Gairy, was an outsider from the light-skinned and white political and economic elite. His hold on power was severely curtailed, however, by the power still held by the Governor.<sup>3</sup> The West Indies Federation, initiated in 1958, failed to deliver on its promise of self-government and full independence, and collapsed in 1962. With the break-up of the Federation, Gairy – always conscious of the limitations of his power – sought to consolidate it through the manipulation of state patronage. However, in 1962 an inquiry into corruption in government, later dubbed the 'Squandermania Affair', found that he had gone too far and suspended the constitution for three months. When new elections were called, Gairy's party lost. He was not to regain power until five years later. In 1967, Grenada and some smaller territories which were considered not viable as independent units entered into a peculiar relationship of associated statehood with Britain that allowed them control over internal affairs, but left Britain in charge of security and foreign relations. Under Gairy, Grenada finally achieved full independence in 1974.

Colonialism left an economic legacy of a monoculture economy based on the production of low-value primary agricultural goods for export to the British (later European) market – in the case of bananas, linked to a system of preferences – and reliance on food imports. Agriculture contributed over 30 per cent of GDP in 1960. The challenge confronting post-colonial governments in respect of the economy, therefore, was to increase value added in agriculture; diversify export markets; diversify the economy away from agriculture; and expand and improve the island's infrastructure. This was necessary in order to reduce its vulnerability and secure improvements in the economic and social conditions of Grenadians.

On the social front, post-colonial governments inherited low levels of investment in human development, particularly in education and health, low levels of social spending and weak social protection. Education concentrated on the primary level and was designed to provide a labour force for the estates, rather than develop a force for transforming society. Thus one of the initial challenges confronting post-colonial governments was to raise educational levels and expand access to secondary and post-secondary education. Challenges in health included continuing programmes undertaken under the auspices of the World Health Organization (WHO) and other UN organisations to eradicate tropical diseases such as yaws; improving the nutrition of the population, particularly children; expanding facilities for health care; and improving the quality of health care available to the mass of the population.

## Economic policies in the post-colonial era

The history of post-colonial governments falls into three distinct periods, based on the prevailing international climate and the particular policy approaches adopted. The first covers the initial period of post-colonial rule, including the period of associated statehood and independence from the 1960s to 1979, which spans the term of the Grenada United Labour Party, led by Gairy. This period was characterised by some flexibility in the economic measures open to governments, allowing for more scope in trade and fiscal policy. The second period covers the brief four-year tenure of the People's Revolutionary Government (PRG) which seized power by force from GULP in March 1979, but imploded with the killing of Prime Minister Maurice Bishop, some members of his Cabinet and others, precipitating an invasion by US troops. This period stands on its own as it represented an attempt to change the traditional economic and political terms under which government operated, with implications for social policy. The third phase, marked by the acceptance of economic neoliberalism, covers the broad post-invasion period from the fall of the PRG in October 1983 to 2008 and covers four different administrations: an interim government (the Interim Advisory Council) from 1983 to December 1984, under the leadership of Nicholas Brathwaite; the New National Party (NNP) from 1984 to 1990, under the leadership of Herbert Blaize; the National Democratic Congress (NDC) from 1990 to 1995, led by Nicholas Brathwaite and George Brizan; and the NNP from 1995 to 2008, under the leadership of Keith Mitchell. The latter lost the 2008 July elections to the NDC, led by Tillman Thomas.

The main economic strategy from the mid-1960s to 1979 focused on developing the nascent manufacturing and tourism sectors based on attracting FDI, an approach that was common in the region at that time. Thus between 1954 and 1983 a range of legislation was introduced governing the terms of investment, particularly in tourism and manufacturing, offering incentives such as tax holidays, import duty exemptions, waiver of licensing fees and restrictions on the repatriation of profits.<sup>4</sup> High tariffs, both at national and regional levels (the CARICOM Common External Tariff (CET)) provided a protected market for domestic manufactures. Economic policy underwent some shifts under the PRG (1979–1983), although basic elements remained the same. The PRG's attempt at a 'socialist orientation' of the economy (Meeks, 1998: 1) was marked by an increase in government involvement in the economy through the control of public utilities and investment in the banking and insurance sectors. The policy was directed at diversifying the economy, both within and outside agriculture, including moving agricultural activities up the value chain, expanding tourism and creating linkages among the major sectors of the economy – agriculture, manufacturing and tourism. It also included diversifying markets for agricultural produce. The government sought to strengthen infrastructural development to stimulate growth in the productive sectors. Its main project was the construction of an international airport to facilitate the expansion of tourism and agriculture.

Generally, the period after 1983 was characterised by the triumph of neoliberalism, consolidated by the establishment of the WTO in 1994, which reduced the range of economic options open to the government and altered the terms of Grenada's relationships with traditional trading partners. In addition, it eroded the tax base through the progressive lowering of tariffs and contributed to further reductions in CARICOM's CET. It also narrowed the policy space which previous post-colonial administrations had enjoyed. During the period, there was a decline in the availability of concessionary aid and official development assistance.

Economic policy in the post-invasion period after 1983, regardless of the party in power, was characterised by the embrace of neoliberal economic policies based on structural adjustment. This included a rolling back of the state, reform of the public service and a reduction in its size, increased private sector involvement in the economy and fiscal reform. Fiscal reform measures included the abolition of income tax and the introduction of the general consumption tax (GCT), as well as repeated attempts at introducing a value added tax (VAT).

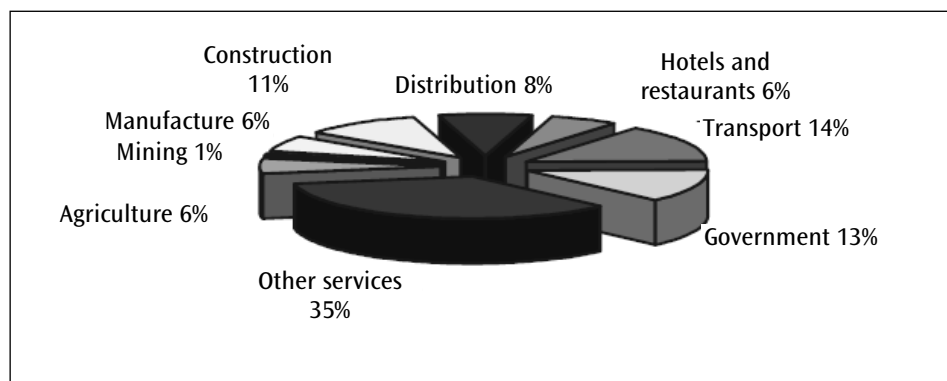
The economy experienced variable growth, influenced by the international climate and government initiatives. During the 1970s, which were marked by international recession, average growth (1971–1980) was 0.9 per cent (the same as the OECS average), but this masked wide fluctuations. During the PRG's term in office (1979–1983), the economy experienced modest growth, despite global recession – up to 5.5 per cent in 1982. Per capita income almost doubled, increasing from US\$450 in 1978 to US\$870 in 1983 (Kairi, 1999, vol. 1: 17). Favourable growth continued in the 1980s, averaging over 6 per cent a year between 1984 and 1988 (World Bank, 1990: 54), driven by growth in tourism (13%), construction (10%) and manufacturing (6%). This was followed by low growth, averaging 2 per cent from 1990 to 1995, under the NDC government's structural adjustment programme. Government divested most of its shares in public utility companies, banks and other productive enterprises during this period and reduced capital expenditure below the average for the previous five years (1985–1989) from US\$20.4m to US\$17.1m in the period 1990–1994.<sup>5</sup>

The long NNP reign from 1995 reversed the trend of low growth, with growth climbing from 2.9 per cent in 1996 to over 7 per cent by 2001,<sup>6</sup> averaging 6 per cent between 1997 and 2004, far above the OECS average of 2.5 per cent (Caribbean Development Bank, 2007: 73). Government policy represented a dilution of the structural adjustment programme, although the government held on to its goals of public sector and fiscal reform. Thus, despite continuing the privatisation of state assets, the government increased its role in the economy between 1995 and 2004, funding large infrastructural development projects, including port construction and expansion. This was accomplished, however, by borrowing, which resulted in a rapid expansion of Grenada's foreign debt, which grew from 33.23 per cent of GDP in 1995 to 83.53 per cent in 2004<sup>7</sup> (Ministry of Finance, 2008).

## Summary

The various economic policies pursued in the post-independence period had some effect on the structure of the economy, although this did not amount to a significant transformation. The major shift occurred in the decline in the role of agriculture, evident from the fall in its contribution to GDP from 33.3 per cent in 1960 (Ambursley, 1983) to 6 per cent in 2007 (Caribbean Development Bank, 2007). The major areas of growth were in services, reflected in the growth of financial services from 4.3 per cent of GDP in 1965 (Ambursley, 1983: 194) to 15.5 per cent in 2004, (Caribbean Development Bank, 2006),<sup>8</sup> and tourism (hotels and restaurants), which grew from 3 per cent of GDP in 1965 to 8.2 per cent per cent in 2004. Manufacturing also grew from 2.4 per cent in 1960 (Ambursley, 1983) to 5.7 per cent in 2004 (Caribbean Development Bank, 2006). Figure 1 shows sectoral contribution to GDP as it stood in 2007.

**Figure 1. GDP Shares by Sector**



Source: CSO, Grenada, cited in Caribbean Development Bank, 2007

Despite the increased diversification of the economy, its underlying vulnerability remains unchanged. Agricultural production continues to be directed at the export market with no value added and is susceptible to the price volatility which characterises primary products. The continued focus on agricultural exports means that the sector has little impact on reducing the food import bill. The fortunes of services, particularly tourism and financial services, are highly susceptible to international developments. The initial challenge of transforming the economy remains.

The underlying challenge of increasing income to fund government programmes, including social services, continues, and is evident in the chronic financing gap between earnings and expenditure. The climate of decreased FDI and concessionary inflows of finance, compounded by falling income from duties on trade and increased government borrowing, has contributed to a massive increase in the public debt. This challenge is unlikely to go away as resources are increasingly shifted toward debt service-

ing which reduces resources for funding social programmes. The underlying changes in the international trading climate suggest even greater pressures on revenue generation as duties on trade as a source of revenue become less important.

## **Social challenges of development**

Although it can be argued that economic growth is important for improving quality of life and expanding access to resources, it does not necessarily address issues of equity and inequality – the legacies of colonialism. While there is no consistent data tracking unemployment and poverty, the data that exist suggest that economic growth and expanded per capita income, which grew from US\$450 in 1978 (Kairi, 1999, vol. 1: 18) to US\$7,843 (PPP) in 2004 (UNDP, 2007), did not necessarily have a sustained effect on unemployment and poverty. Unemployment in 1979, at the end of the GULP's term in office, was estimated at 49 per cent of the population. It fell to 10 per cent in 1983 by the end of the PRG's term, but increased to almost 14 per cent by 1990, reflecting the closure of many of the PRG's economic initiatives and the disbanding of the People's Revolutionary Army. The structural adjustment programme undertaken between 1991 and 1994, which was also a period of low growth and reduced social spending, led to a precipitous rise in unemployment to 26.7 per cent. Unemployment fell steadily between 1996 and 2001 from 17 per cent to 9.9 per cent, responding to high growth and high levels of government spending. Gains in increasing employment were undermined by hurricane Ivan, with unemployment rising to 18.8 per cent in 2005. Preliminary estimates of unemployment in 2008, based on the country poverty assessment conducted at the time, put unemployment at 25 per cent, with predictions of a further increase in 2009 as a result of the global economic recession, which led to job losses in the private sector (IMF, 2009a: note 1, p. 4).

Unemployment disproportionately affects women, the young and the poor. The gender differential worsened after hurricane Ivan; a core welfare indicators questionnaire (CWIQ), administered in 2005 after the passage of the hurricane, found unemployment to be 26 per cent among women and only 12 per cent among men (UNDP *et al.*, 2005: 18). Unemployment among the 15–24 age group was 32.9 per cent (UNDP *et al.*, 2005: 18). In this age group the gender imbalance was even more marked, with 41 per cent of young women unemployed compared with 25.7 per cent of young men (UNDP *et al.*, 2005: 18). This was significant for the welfare of children, as 46 per cent of all births in 2005 were to mothers in the 15–24 age group.<sup>9</sup> Moreover, Grenada has high levels of female-headed households (47% in 2005), which proved to be particularly vulnerable as the majority (56%) were unemployed (UNDP *et al.*, 2005: 24). Those who were employed worked primarily in the private informal sector, where workplace protection is weakest, and conditions of work are likely to be poor and remuneration low. Male heads of households, on the other hand, were dominant among the self-employed and in the formal private sector, where conditions of work are more formalised, providing higher levels of social protection.

The high levels of unemployment, particularly among women, have implications for poverty and the welfare of children. Grenada's last comprehensive poverty assessment, in 1999, categorised 32.1 per cent of Grenadians as living below the poverty line, established at US\$1,226.07 per adult per annum, and 12.9 per cent as indigent.<sup>10</sup> The young (under 25) and elderly (over 65) were found to be particularly vulnerable, with 56 per cent and 22.5 per cent, respectively, characterised as poor. Children were also vulnerable, as the poor were characterised by 'large families and a large number of children' (Kairi, 1999). The survey found no noticeable difference in poverty among women and men (51% and 49%), or in respect of ethnic groups and gender headship of households (52% women, 48% men). The 2005 CWIQ painted a different picture of female vulnerability, with male-headed households much better off economically than female-headed households. The majority of male heads, both urban and rural, fell within the top quintile of the survey, while significant proportions of female heads of households in both urban and rural areas were in the lowest quintile (UNDP *et al.*, 2005: 25). For example, while 44 per cent of female heads in urban households appeared in the bottom three quintiles, only 18.6 per cent of male heads were found in those (UNDP *et al.*, 2005: 25). It is reasonable to conclude that the hurricane had increased the vulnerability of women.

The vulnerability of females, particularly of female-headed households, presents an important challenge given their role in sustaining families. The CWIQ showed a high dependency ratio<sup>11</sup> of over 50 per cent for all parishes. The highest dependency ratios were among the unemployed and those in the private informal sector, both categories that are dominated by women. Moreover, the dependency ratio was high for both female- and male-headed households, 70 per cent and 60 per cent, respectively (UNDP *et al.*, 2005: 25). The low levels of security evident for female-headed households have implications for the vulnerability of children as the majority of children living in non-nuclear homes (40%) lived with their mothers only as opposed to their fathers (3%). This was particularly acute in St David's, the parish with one of the highest poverty rates, where 51.3 per cent of children lived with their mothers only and only 0.6 per cent with their fathers only. Two other rural parishes, St John's and St Mark's combined, had the highest proportion of children living in non-nuclear families (66.7%).

The vulnerability of the poor and unemployed could be mediated or accentuated by ownership of assets and access to social amenities. Despite high levels of poverty and unemployment, home and land ownership in Grenada is quite high. The CWIQ showed that approximately 80 per cent of households owned their own homes and 79 per cent owned land.<sup>12</sup> However, this did not mean that housing was adequate or of good quality. The CWIQ found overcrowding in 14 per cent of households, probably reflecting the effects of hurricane Ivan (UNDP *et al.*, 2005: 8). In addition, it did not reflect challenges to the legal basis of land ownership. The CWIQ (UNDP *et al.*, 2005: 30, note 1) indicated that only 45.7 per cent of Grenadians had title to their land.<sup>13</sup> Vehicle ownership was low, with only 18 per cent of the population, largely

urban males, owning vehicles.<sup>14</sup> A third more men than women owned vehicles (UNDP *et al.*, 2005: 8, 31). Most Grenadians used electricity for lighting (80.9%) and gas for cooking (95%). The numbers of fixed telephone lines fell as a result of the hurricane (from 67 per cent in 2001 to 53 per cent in 2005), although this was compensated for by an increase in mobile phone usage (UNDP *et al.*, 2005: 34).

Access to social amenities, particularly water and sanitation, is an important indicator of living conditions and is of particular importance in improving children's health, particularly among those under five years old. Grenada is on track to achieving the Millennium Development Goal (MDG) of use of improved sources of drinking water by 97 per cent of the population by 2015, with 95 per cent (2004) already using an improved source (UNICEF, 2007: 65). Access<sup>15</sup> to safe water,<sup>16</sup> was lower, however, benefiting only 87 per cent of Grenadians. Here, geographical difference was important as Carriacou exhibited very low (11%) access to safe water.<sup>17</sup> A large proportion of the population uses improved sanitary facilities – 96 per cent in 2004. Although this represented a 1 per cent decrease from 1990, it was considered on track to achieve the MDG target of 99 per cent in 2015 (UNICEF, 2007: 66). Challenges remain, however, in improving the use of safe sanitation: the CWIQ (UNDP *et al.*, 2005: 13) showed a much smaller number of Grenadians (61.5%) using safe sanitation, defined as flush toilets and ventilated pit latrines, with one-third still using pit latrines. This presented a problem for children's health, as diarrhoea was the third major source of under-fives morbidity in Grenada (Government of Grenada, 2005: 15, 16). Government-controlled garbage collection, dumping and burning were minimal (UNDP *et al.*, 2005: 33).

## Summary

The data show a mixed picture of high levels of unemployment and poverty, seemingly unmediated by improvement in economic performance, co-existing with improvements in access to basic social amenities. Nevertheless, despite improved standards of living, reflected in increased access to health, education and social amenities, the high levels of poverty and unemployment, especially among women and the young, suggest that Grenada faces challenges in equity which, if they are not addressed, could lead to the further exclusion of marginal groups.





## Social Policy Approaches

There are various approaches to reducing marginalisation. They include promoting human capital formation, usually through access to education and health, and implementing measures to ensure that the conditions that lead to exclusion are not reproduced; redistributing income so that resources flow to the poor and vulnerable; and social protection measures to address immediate needs, as well as more structured programmes to provide people with tools to address their own social welfare. This section looks at strategies to support human capital formation and reproduction; measures to redistribute wealth in favour of the most vulnerable; and welfare initiatives, targeted both universally and at vulnerable social groups. It reviews progress in education and health delivery as the main indicators of human capital formation, redistribution in terms of access to land, improvements in labour conditions and fiscal policy.

### Human capital formation

Improvements in education and health provision were important to address the low human capital that was the legacy of colonialism. Thus, much of post-colonial social policy and spending was directed at improving the quality of education and health and increasing access, which required large financial outlays to underwrite capital and recurrent expenditure. Equitable access to education was important for improving the well-being of women and bringing them nearer the centre of national development, as well as for reducing the urban–rural divide that existed in the sector. Improved health was crucial to the survival of mothers and their children and the aged. Health and education are important for the productivity of the labour force, an important element in economic competitiveness.

### Education<sup>18</sup>

Education plays a pivotal role in the success of broad macroeconomic policy and is important to the achievement of individual self-realisation. The shift toward services, coupled with requirements for survival in the more liberalised trading environment which emphasises competitiveness, placed greater importance on the performance of the education sector, which was expected to produce a more highly educated, skilled and aware population, capable of contributing to the transformation of social and economic conditions. This was far different from the role that education had been expected to fill under colonialism – to produce a workforce, which did not have to be highly trained, to serve the needs of the plantation economy and a small elite capable of assisting in administering the colony. Education policy was thus focused

on the primary level and its ambitions were limited to reducing illiteracy. At secondary level, the churches (Anglican, Catholic and Methodist) were the main providers of education, with government playing a supplementary role through the provision of grants and, later, scholarships. Secondary education was fee-based, so was not accessible to the majority. Girls and children from rural communities were particularly disadvantaged. The challenge confronting post-colonial governments was to transform the system to meet the needs of nation building based on a more highly educated population. This meant reducing literacy and strengthening the primary system, as well as enhancing access to secondary education by expanding the numbers of schools and increasing affordability. It also called for investment in training and curriculum development.

Not much progress was achieved in expanding access during the early post-colonial period. At the end of the GULP administration in 1979, the throughput rate to secondary level was a mere 15 per cent and fees were still in place, making secondary education unaffordable for many. Tertiary education was even less of a priority and the government had effectively closed off access to the regional University of the West Indies by neglecting to contribute toward its operating costs for years. Grenadians thus had very limited access to tertiary education, which limited development prospects. The PRG (1979–1983) made important inroads in expanding access to and improving the quality of secondary education with the construction of two new secondary schools, the abolition of secondary school fees and the introduction of a concerted programme of in-service teacher training to improve quality. This resulted in a sharp increase in secondary enrolment from 11 per cent in 1979 to 40 per cent in 1983 (Kairi, 1999, vol. 1: 17). It also began work on transforming the curriculum.

Since then, tremendous strides have been made in education. Important among these is equal access for women, although challenges remain. Clear targets for educational achievement were introduced by the Millennium Development Goals (MDGs) and CARICOM. The MDGs call for universal primary education by 2015 and the elimination of gender disparity in primary and secondary education by 2005 and in all levels of education by 2015. CARICOM's goals were more ambitious, requiring universal secondary education and increased tertiary enrolment of the post-secondary age cohort to 15 per cent by 2005 (Thomas, 2001: 38).

At the primary level, Grenada's net enrolment rate in 2007 was 93.4 per cent (Table 2), putting it above the average of 84 per cent for developing countries, but below the 95 per cent average for Latin America and the Caribbean (LAC) (UNDP, 2009: 4, 14). Although Grenada is within reach of achieving the MDG target of universal enrolment in primary education by 2015, there is cause for concern when the net enrolment/attendance ratio, which averaged 84 per cent in 2000–2006, is considered. On this measure Grenada has made no progress towards achieving the MDG goal of universal access by 2015 (UNICEF, 2007: 52). Grenada is considered to be on track to achieve the MDG target of eliminating gender disparities in education by

2015. Although the gross enrolment ratio was higher for boys in the 2003/04 academic year (53%), the net enrolment/attendance ratio for 2000–2006 was 84 per cent of boys and 83 per cent of girls, suggesting a gender parity index of 0.99 (UNICEF, 2007: 54). Grenada made progress in reducing the drop-out and repetition rates, particularly for girls. Drop-out rates fell from 0.8 per cent (0.1% of males, 0.6% of females) in 1996/1997 to 0.3 per cent (0.2% of males, 0.1% of females) in 2002/03; repetition rates fell from 8.4 per cent in 1996/97 (10.5% of males and 6.1% of females) to 6.1 per cent in 2003/04 (8.2% of males and 3.8% of females) (Ministry of Education, 2008b: Tables 16, 17, 18). Grenada had less success in ensuring equitable access to primary education measured in terms of proximity to a school (location of a school within 15 minutes). While urban children had full access (100%), close proximity was significantly lower for rural children at 41.5 per cent and plummeted to 26.6 per cent for children of the rural poor (Table 2). This suggests that challenges remain in achieving equity for this group, with serious implications for their ability to lift themselves out of poverty. As UNICEF (2007: 13) notes, there is a strong linkage between household wealth and school attendance, so that the children of the poor are the most likely to be deprived of education. To address this imbalance, government would have to put measures in place to target the children of the rural poor, particularly in overcoming some of the challenges they face in getting to school, which is a likely factor in their low attendance rates.

Some progress has been made in expanding access to secondary education with enrolment at 76.1 per cent<sup>19</sup> (Table 2), above the average for the LAC region, which was 66 per cent, but a far cry from achieving the goal of universal access.<sup>20</sup> Universal access continues to elude the country primarily as a result of insufficient space to accommodate those exiting the primary level and weak performance at the primary level. This is reflected in low throughput rates from primary to secondary school, although there has been significant improvement, with an increase in enrolment from 7,210 in 1992/93 to 10,699 in 2003/04 (Table 4). The NNP government had hoped to reduce the capital costs of constructing more secondary schools by utilising primary schools based on the expected attrition of students. It was clear, though, that this was not the final solution to the problem and that the secondary infrastructure had to be expanded. Since the 1980s, only one new secondary school has been built.

The country has faced a number of additional challenges in expanding access to secondary education and ensuring equity. Table 2 shows the net enrolment of children of the rural poor to be significantly lower than the national average, at 60.1 per cent. While there is no real difference in enrolment between urban and rural areas, access is disproportionately distributed, 95.2 per cent and 20.8 per cent respectively, although slightly higher for the rural poor at 25.7 (Table 2). The lower enrolment of the children of the rural poor might well be related to difficulties encountered in accessing schools. Governments sought to address this with the introduction of a travel subsidy, book rental programme and school feeding programme, the success of

Table 2. Education indicators by location, gender and socio-economic status, 2005

	Primary				Secondary				
	Literacy rate	Access	Gross enrolment	Net enrolment	Satisfaction	Access	Gross enrolment	Net enrolment	Satisfaction
Total	97.0	43.6	109.6	93.4	77.6	23.7	99.3	76.1	79.6
Place of residence									
Rural	97.0	41.5	109.7	93.4	77.6	20.8	99.4	76.0	79.3
Rural poor	94.7	26.6	118.7	91.8	66.2	25.7	79.4	60.1	74.9
Urban	95.7	100.0	106.3	93.7	77.3	95.2	97.8	78.2	87.2
Parish of residence									
St George's urban	95.7	100.0	106.3	93.7	77.3	95.2	97.8	78.2	87.2
St George's rural	96.9	50.0	120.5	93.2	82.1	34.2	97.3	71.2	83.1
St Patrick's	97.3	14.3	109.0	95.6	71.0	15.1	101.9	69.8	70.4
St John's & St Mark's	96.8	35.5	104.3	90.3	85.5	13.6	114.5	83.8	85.0
St Andrew's	97.7	52.3	101.3	92.1	77.1	22.5	102.7	78.4	78.9
St David's	96.2	34.8	110.6	93.9	80.8	5.6	92.6	77.8	86.0
Carriacou	96.6	52.9	113.7	98.0	62.1	21.4	83.3	78.6	57.1
Socio-economic group									
Public	99.0	46.7	100.1	85.0	75.4	20.9	115.5	79.6	75.8
Private formal	97.9	32.3	106.6	93.7	76.1	12.2	107.4	82.6	76.9
Private informal	96.9	12.2	128.9	100.0	68.7	16.9	86.0	67.7	82.9
Self-employed – agriculture	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Self-employed – other	98.6	56.8	106.9	93.2	80.1	34.3	92.5	73.3	91.4
Unemployed	95.4	47.0	115.4	94.6	80.3	28.3	93.3	72.9	77.1
Other	94.4	47.8	100.0	94.9	72.0	13.5	102.4	80.9	81.4

**Table 2** (continued)

	Literacy rate	Primary				Secondary			
		Access	Gross enrolment	Net enrolment	Satisfaction	Access	Gross enrolment	Net enrolment	Satisfaction
Total	97.0	43.6	109.6	93.4	77.6	23.7	99.3	76.1	79.6
<b>Gender</b>									
Male	97.1	43.5	110.1	93.8	76.0	22.8	96.1	74.3	76.9
Female	96.8	43.6	109.0	93.1	79.1	24.7	102.8	78.0	82.4

Notes:

1. Literacy is defined for persons aged 15 and above.

2. Primary school:

Access is defined for children of primary school age (5–11) in households less than 30 minutes from a primary school.<sup>21</sup>

Enrolment (gross) is defined for all children currently in primary school (kindergarten, Grades 1–6) regardless of age.

Enrolment (net) is defined for all children of primary school age (5–11) currently in primary school (kindergarten, Grades 1–6).

Satisfaction is defined for all persons currently in primary school who cited no problems with school.

3. Secondary school:

Access is defined for children of secondary school age (12–16) in households less than 30 minutes from a secondary school.

Enrolment (gross) is defined for all students currently in secondary school (Forms 1–5) regardless of age.

Enrolment (net) is defined for all children of secondary school age (12–16) currently in secondary school (Forms 1–5).

Satisfaction is defined for all students currently in secondary school who cited no problems with school.

Source: Notes and table reproduced from CWIQ (UNDP *et al.*, 2005), Table 3.1, Education Indicators, p. 85

**Table 3. Public and private pre-primary and primary enrolment and unit expenditure per student, 1992/93–2003/04**

	Pre-primary				Primary <sup>22</sup>	
	Public		Private		1994/95	2003/04
	1995/96	2006/07	2000/01	2003/04		
Gross enrolment total	3,437	2,270	894	1,024	23,016	16,022
Female	1,690 (49%)	1,169 (51.4%)	444 (49.7%)	516 (50%)	10,800 (47%)	7,517 (47%)
Expenditure/student (US\$)					(1992/03) 191.8	582.6

Source: Ministry of Education, 2008b, Tables 1, 13 and 166

**Table 4. Secondary and tertiary enrolment and unit expenditure per student, 1992/93–2003/04**

	Secondary		Tertiary (TAMCC)	
	1992/03	2003/04	2000/01	2003/04
Enrolment (gross)	7,210	10,699	1,875	2,300
Female (%)			1,145 (61%)	1,386 (60%)
Expenditure/student (US\$)	334.4	439.25	817.7	902.2

Source: Ministry of Education, 2008b, Tables 86, 161 and 162

which depended on the accurate identification of the problem and successful targeting of the students in need of this assistance. The school feeding programme, which provides hot lunches on a daily basis, has a wide reach, covering all 58 public primary schools, 11 secondary schools and 15 daycare centres and pre-schools (Government of Grenada, 2007a: 43). Government subsidises the programme at a cost of 40 cents per child per day. It is offered free for those who cannot afford to pay anything, while others pay 37 cents at primary level and 74 cents at secondary level. The programme has been criticised, however, for inadequate targeting, which leads to leakages to children whose parents could afford to pay.

In respect of gender parity, the balance has shifted in favour of girls, as net secondary enrolment is 78 per cent for girls compared to 74.3 per cent for boys, which presents its own challenge of fewer males accessing education beyond the primary level, with further implications for youth unemployment and crime. A cause for concern has been the increase in drop-out rates over time from 0.7 per cent in 1996/97 to 2 per cent in 2002/03 (Ministry of Education, 2008b: Tables 16, 17, 18). Female drop-out rates were higher than those for males, increasing from 0.7 per cent in 1996/97 to 1.1 per cent in 2002/03, as against an increase from 0.7 per cent to 0.9 per

cent for males over the same period (Ministry of Education, 2008b: Tables 92, 93).

Beyond increasing enrolment and access to primary and secondary education, governments have faced challenges in the quality of education delivered, reflected in poor performance. At primary level, performance at the Grade 4 minimum competency test was poor, with only 16.5 per cent of children scoring 50 per cent or more in mathematics and English in 2004 (Ministry of Education, 2008b: Table 67). Performance in the regional Certificate of Secondary Education exams was weak, showing little improvement over time. In 2004, 49 per cent passed English language, 26.8 per cent mathematics, and only 10 per cent passed both subjects. One of the ways in which governments attempted to address this was through initiatives to expand training opportunities for teachers. In the 2003/04 academic year, for instance, only 16 per cent of secondary school teachers were university graduates, of whom only 45 per cent were trained teachers (Ministry of Education, 2008b: Tables 126, 129). Initiatives to encourage further training included the National In-service Teacher Education Programme (NISTEP) introduced in the early 1980s and the Strategic Plan for Educational Enhancement and Development (SPEED), 2002–2012.

Grenada made modest strides in improving access to tertiary education, although this remains low at less than 5 per cent of the population (Caribbean Development Bank, 2007: 10). At the upper secondary, pre-university level, the government has consolidated academic and technical and vocational teaching in the T.A. Marryshow Community College (TAMCC), in an effort to address limited financial and human resources. As Table 4 shows, registration of girls at TAMCC outstrips that of boys, at 60 per cent in the 2003/04 academic year. Access to the University of the West Indies was restored after the PRG paid off the government's debts and the offerings of the distance programme through the UWI's Marryshow House extramural centre were expanded with the university's introduction of an open campus. The privately owned St George's Medical School has also expanded opportunities for Grenadians, providing grants that cover 25–75 per cent of tuition fees. Grenadian students have also benefited from the provision of scholarships, particularly by the Cuban government, both under the PRG and later post-invasion governments. Nevertheless, the challenges in delivering universal quality education at the secondary level have made it difficult to increase tertiary level training.

Increased attention was paid to enhancing early childhood education (3–5 years) arising from a recognition of the advantages of giving children an early start in education and the flexibility it offers women who want to work. The gross enrolment ratio at pre-primary level increased from 84 per cent in 1999 to 92 per cent in 2007, above the LAC average of 66 per cent (UNESCO UIS, 2009). The private sector played an important role together with government in the delivery of pre-school education. Of the 3,376 children enrolled at this level in 2003/04, 1,024 (30%) were in private schools<sup>23</sup> (Ministry of Education, 2008b: Tables 1, 166). Data for public enrolment in 2006/07 showed a drop in enrolment to 2,270. It is not clear whether this represents a shift to the private sector or a lower rate of enrolment within the pre-primary



sector overall, as the latest data for the private sector are for the 2003/04 school year. There is minor gender disparity in pre-primary enrolment, although girls slightly outnumber boys in the public sector, accounting for 51 per cent in the 2006/07 academic year.

The government faced further educational challenges in relation to the adult population. Despite a high literacy rate of 97 per cent, the majority of Grenadians (64%) have no formal education or certification (Government of Grenada, 2006b: 13). Given the demand for a more skilled and educated labour force, this has negative implications for competitiveness. The transitional period between school and work is a cause for concern, particularly given high unemployment levels (Barrientos, 2004: 21, citing St Bernard, 2002). The NNP government attempted to address this with the introduction of a two-year workplace in-service training programme, the IMANI programme, which procured placements for graduates at all levels, including tertiary, in the public and private sectors. This, however, did not address the problem of the chronically unemployed, which required a more focused approach. The main weaknesses of the programme were outlined by Nazim Burke, Minister of Finance in the NDC government, when he announced its replacement with a new Youth Upliftment Programme. These included the absence of monitoring and evaluation, unclear expectations, the absence of a national insurance scheme and other employment benefits, lack of transparency in selecting participants and the absence of certification at the end of the programme. Burke also noted that the programme was not driven by the demand for labour, which led to a 'mismatch' between demand and skills (Government of Grenada, 2008a: 49, 50). The Youth Upliftment Programme, introduced in 2009, was expected to address these weaknesses.

Gang violence had emerged as a problem for St George's, the capital, which had 32.9 per cent youth unemployment (UNDP *et al.*, 2005: 18). The government has introduced a 'Badness out of Style'<sup>24</sup> initiative geared to motivating youth away from gangs, but this is unlikely to have a long-term effect in the absence of a clear strategy to address chronic unemployment.

## Health

Grenada's initial health challenges were to contain the spread of infectious diseases, such as yaws, malaria, tuberculosis, poliomyelitis and measles; reduce infant mortality and improve maternal health; expand health infrastructure and improve the quality of health facilities; and improve access to and the quality of health care for the majority of the population. Grenada registered improvements in the health of its population reflected in enhanced life expectancy, which rose from 64.6 to 68.7 years over the period 1970–1975<sup>25</sup> (PAHO, 2007). Grenada was successful in eradicating or controlling most infectious diseases, the result of which was a shift in the prevalence of diseases toward non-communicable diseases. Between 1998 and 2002 the main causes of mortality were 'diseases of the circulatory system (including pulmonary circulation and other forms of heart disease, cerebrovascular disease), malignant

neoplasms; diseases of the respiratory system; and certain infections and parasitic diseases' (Government of Grenada, 2005: 11). The emergence of HIV/AIDS, which had its highest infection rate (87%) among the 15–54 age group (Government of Grenada, 2006b: 16), presented a new challenge. Since its first appearance in 1994, between 15 and 20 new cases have emerged each year. By 2001 there were 216 reported cases, 106 of whom had died; seven children were born with the virus (Government of Grenada, 2006: 16). In 2006, 277 people were reported HIV-positive, 49 per cent of whom accessed care and 25 of whom received antiretroviral treatment (OECS, 2006). The World Health Organization estimated the HIV/AIDS prevalence in the Caribbean as the second highest in the world (OECS, 2006).

Grenada made important advances in child health in terms of controlling infectious diseases, reducing infant and under fives mortality and improving nutrition, the prime indicators for measuring human development progress in children. There were high rates of immunisation coverage for infectious diseases, ranging from a low of 91 per cent (DPT3, Polio) to 99 per cent (measles/MMR) in 2006 (PAHO, 2007), up from 85 and 86 per cent in 1994, respectively (World Bank, 1996). The measures against which to assess improvements in child health were provided by the MDG goals and the United Nation's General Assembly's World Fit for Children (WFFC) targets in respect of mortality, particularly in infants and children under five years.

**Table 5. Basic health indicators**

Indicator	Value (year)	Source
Life expectancy at birth (years)	68.7 (2007)	PAHO, 2007
Male	67.0	
Female	70.4	
Infant mortality rate (per 1,000 live births)	12.6 (2006)	CSO, 2007c
Neo-natal mortality rate (per 1,000 live births)	10.2 (2006)	CSO, 2007c
Under fives mortality rate (per 1,000)	20 (2006)	UNICEF, 2007
Male	24 (2006)	WHO, 2008b
Female	16 (2006)	WHO, 2008b
Crude birth rate (per 1,000 population)	18.0 (2007)	PAHO, 2007
Crude death rate (per 1,000 population)	8.3 (2007)	PAHO, 2007
Total fertility rate	2.3 (2007)	PAHO, 2007
Dependency ratio	59.6	PAHO, 2007

Grenada made important progress in reducing under fives mortality, which declined from 37 per 1,000 in 1990 to 20 in 2006, a 3.8 per cent annual rate of decrease (UNICEF, 2007: 56). The MDG target for Grenada was a two-thirds reduction in the mortality rate, which meant a target of fewer than 12 deaths by 2015. This required an annual average rate of reduction of 5.4 per cent between 2007 and 2015 (UNICEF, 2007: 56), which was higher than the observed rate. Nevertheless,

Grenada was considered to be on track to meet the target (UNICEF, 2007: 56). However, the continuing high levels of infant mortality, despite increased access to and use by mothers of professional care, raises questions about the quality of care available, which need to be addressed separately from access. Infant mortality per 1,000 births fell from 27.8 in 1990 to 12.6 in 2006, a reduction of over 50 per cent (Government of Grenada, 2007c: 10). A closer look at the mortality rate in the 1990s and 2000s reveals a different picture, however. The rates fluctuate widely, dropping sharply to 10.1 in 1991, rising to 20.5 in 2002, dropping to a low of 8.3 in 2005 and rising to 12.6 in 2006 (Government of Grenada, 2007c). Although Grenada's performance was better than the regional average of 25.6 (PAHO, n.d.), there remained room for reducing and stabilising infant mortality, especially as most of the deaths among children occurred in infancy. In Grenada, the main causes of death at the neo-natal stage in 2000 were 'congenital diseases of the heart and circulatory system, hypoxia, birth asphyxia, other respiratory conditions, slow fetal malnutrition and immaturity' (Government of Grenada, 2005: 14).

There is a close relationship between the care that mothers receive during and immediately after pregnancy and the survival chances of their children. For example, low birthweight, which is closely associated with mortality in children under five years old and increases their susceptibility to diseases and exacerbates their impact, with implications for their mental and physical development (UNICEF, 2007: 4), is affected by the nutrition and care the mother receives during pregnancy. The country succeeded in reducing the numbers of low birthweight babies from 10 per cent in 1996 to 8 per cent in 2000 (Government of Grenada, 2005: 14). It also increased the prevalence of breastfeeding, an important defence against diseases and malnourishment, so that between 1996 and 2000 approximately 34 per cent of infants were exclusively breastfed during the first three months of life (Government of Grenada, 2005: 15).

Maternal health improved, with a reduction in maternal mortality<sup>26</sup> from 1.1 in 1998 (Government of Grenada, 2005: Box 4) to no deaths between 2000 and 2006 (UNICEF, 2008: 43), achieving the MDG goal for populations under 250,000 of zero deaths. Grenada also made strides in improving women's access to reproductive health. Maternal access to trained medical personnel, at least once, at the antenatal stage and at birth, was 100 per cent (PAHO, 2007; UNICEF, 2008: 43), above the LAC average of 94 per cent for the former (UNICEF, 2008: 44). There are no data for access up to four times at the prenatal stage. Teenage pregnancy remained a problem, although rates dropped from 18.3 per cent in 2002 to 16.1 per cent in 2006 (Government of Grenada, 2007c: 2) or 45 births for every 1,000 women in the 15–19 age group in 2006 (UNICEF, 2008: 43). Nevertheless, there was a strong association between teenage pregnancy and infant and maternal mortality (Government of Grenada, 2007a), which called for greater intervention to reduce teenage pregnancy. Contraceptive prevalence over the period 2000–2006, which was 54 per cent of women between 15 and 49 years in a union using some contraception, was consider-

ably lower than the LAC average of 70 per cent. This had implications for teenage pregnancy in particular, as well as increasing the risk of HIV infection and sexually transmitted diseases. Grenada's total fertility rate was 2.3 per cent in 2006, just below the LAC average of 2.4 (UNICEF, 2008: 43).

Health infrastructure expanded in the post-colonial period, particularly through the emergence of a private sector, although the government remained the main provider of health care. In 2008, the public health system comprised a large number of medical stations (30) widely dispersed throughout the country, a smaller number of health centres (6) and three hospitals, two of which were in Grenada and one in Carriacou. The private sector comprised five acute-care hospitals, 13 nursing homes and two maternity units (PAHO, 2008). The ratio of doctors to population (2000–2006) was 10 per 10,000 (WHO, 2008b: 78), with an average of 4.1 beds per 1,000 population (PAHO, 2007). Access (location within 15 minutes) and usage of medical facilities, however, were low. The CWIQ (UNDP *et al.*, 2005: 27) revealed that access to medical facilities varied widely between urban and rural areas, at 68 per cent and 30 per cent, respectively. Usage of facilities was low, at 9.5 per cent (over a one-year period). Although there were no fees for hospital stay provided by the public health service, there were high costs associated with diagnostic testing and medicines that were unavailable at government-subsidised dispensaries; in the absence of universal health insurance, this served to reduce access by vulnerable groups.<sup>27</sup>

## Summary

Grenada has made progress in meeting the educational and health needs of its population, but significant challenges remain. In education, these include increasing access at the secondary and tertiary levels and expanding the training opportunities available to those outside the school system, particularly the long-term unemployed. Equally, there are problems of equity, particularly for the children of the rural poor. While Grenada has achieved equal access to education for girls, it has begun to experience a fall in boys' attendance at the post-primary level which has implications for unemployment and crime. In addition, it faces the challenge of reducing the drop-out rate at secondary level, particularly for girls. Grenada's health system faces challenges of quality in both the private and public sectors, limited availability of services and high costs. The main provisions for addressing costs are the lower prices of drugs at government dispensaries,<sup>28</sup> the absence of user fees for drugs available in hospitals while receiving care or for hospital stay and limited assistance under the Public Assistance Programme for the elderly, discussed below. The shift in focus to primary health, with the strengthening of health centres and clinics, has contributed to better access for rural communities. However, the absence of public health insurance and the limited coverage of private health insurance continue to provide a challenge in the provision of access to adequate health care.

## Redistribution

High levels of poverty and unemployment and the existence of groups in danger of marginalisation, such as the rural poor, the elderly, urban unemployed youth and female-headed single households with children, continue to make issues of redistribution relevant in the post-colonial period. The 1998 poverty assessment (Kairi, 1999: vol. 1: 78) found a GINI coefficient of 0.45, a high poverty gap (15.3) and severe levels of poverty, with an FGTP<sub>2</sub> measurement of 9.9.<sup>29</sup> Redistribution of resources was an important challenge to post-independence governments, which inherited societies characterised by the unequal social and economic relationships that resulted from the colonial experience. Arthur Lewis (Beckles and Shepherd, 1996) identified this as the biggest challenge confronting post-colonial governments. Redistribution, which Spicker (1995: 58–60) describes as the transfer of resources from some people to others and/or the shifting of resources from one part of an individual's life cycle to another, can play an important role in addressing equity and reducing vulnerability in a society. There are different mechanisms for redistributing income. These include direct transfers, taxation, wage policy and programmes that support education and health for the poor and families with children. Arthur Lewis (Beckles and Shepherd, 1996: 389) identified four broad measures for redistributing resources: collective bargaining and minimum wage legislation, industrial legislation, taxation and redistribution of property. This discussion assesses governments' usage of these in reducing poverty and inequality. It looks at the strength of the labour movement and the legislative framework within which workers' rights are secured; various methods of taxation and their implications for redistribution; and measures directed at redistributing property.

## Labour conditions

The trade union movement, which emerged in Grenada after the social unrest of the early 1950s, played an important role in income redistribution by securing better working conditions and higher wages for workers, particularly in the agricultural sector, and in bringing about political change. The labour movement, which expanded to embrace all sectors of workers, was the major avenue for social protection before the establishment of the National Insurance Scheme (NIS) in 1983. Its role was enhanced between 1979 and 1983 (the PRG's term in office) when labour legislation was strengthened to include workers' rights to representation and the right of trade unions to take industrial action. The most recent phase in the development of labour legislation was the 1999 Employment and Labour Relations Acts (Labour Code) and the 2002 Minimum Wage Act, which provide a legal framework for governing relations between labour and management. The 1999 Employment and Labour Relations Acts detail workers' rights, such as the conditions for dismissing workers; set out procedures under which workers can choose a trade union to represent them; and provide for benefits, including vacation benefits and rights in respect of interruption of employment (Griffith, 2008). There are limitations on the rights of workers con-

sidered to be in the essential services, however, which is a source of tension between unions and government (Humphrey, 2008). Grenada's membership of the International Labour Organization (ILO) also provided an impetus for strengthening legislation.

The labour movement faces two broad challenges: to maintain gains in an increasingly liberalised trading environment and to further strengthen social protection beyond considerations of remuneration to include social rights. The first challenge arises from the drive for competitiveness for firms operating with lower levels of protection, important elements of which are labour costs, quality (skills and qualifications) and productivity. The World Bank (2005) cites a 2004 survey on the investment climate in Grenada that identified the lack of a highly skilled and qualified labour force as one of the constraints to doing business in Grenada. It identified protective labour regulation as the second most serious constraint (customs regulations being the first) to doing business, which suggests potential conflict between the requirements of competitiveness and the need to protect the rights of workers. Thomas (2001: 125–127) sees an even more expansive role for labour (as well as for ministries of labour) in modernising labour markets and work processes, introducing productivity-enhancing measures such as worker participation/management and ownership schemes, strengthening labour market information systems and providing counselling and guidance to the chronically unemployed.

The second challenge lies in strengthening social protection. Beyond the benefits secured for workers in the formal sector and offered under the NIS, protection for workers is weak. For instance, there is no comprehensive social insurance coverage for the unemployed and workers operating in the informal sector. The groups that are most affected by this are women, particularly female single heads of households, who are most likely to be unemployed or self-employed; the old, who are outside the job market; and the chronically unemployed, among them young people, particularly from the urban areas. As already noted, government needs to do more to strengthen legislation to protect children from child labour and to protect women from sexual harassment in the workplace.

### **Fiscal measures**

Grenada's limited economic base for generating revenue gave rise to a heavy reliance on taxation policy in the post-independence period as a means of generating revenue for financing government expenditure and attracting investment, and also as a potential mechanism for redistributing income. The main forms of taxation are taxes on income, personal, company and property, imports and consumption in general. In 2006 49–54 per cent of current government revenue accrued from taxes on international trade and transactions (WTO, 2007: 7). The general consumption tax accounted for 27–29 per cent of government revenue, which made it the highest single component, followed by duties on imports (11%), corporate taxes (10%) and GCT on domestic goods (9%) (WTO, 2007: 7). Personal income tax accounted for a

minuscule 3.2 per cent of government revenue (WTO, 2007: 7), while property tax accounted for only 3.9 per cent of revenue in 2005 (Ministry of Finance, 2006). Fiscal reforms undertaken since the mid-1980s, in particular, shifted taxes more heavily toward consumption with the introduction of the GCT. This will intensify with the introduction of a value added tax (VAT) to replace the GCT, to which successive governments have committed themselves, but have all delayed implementing.<sup>30</sup> These taxes are expected to become even more important as revenue generators, as increasing rounds of trade liberalisation under CARICOM, the WTO and the CARIFORUM-EC Economic Partnership Agreement (EPA), when it is implemented, will significantly reduce the role of import duties as a revenue source.

This shift in taxation toward consumption and away from income has negative implications for redistribution of resources to the poor and vulnerable. The GCT and VAT are regressive forms of taxation as they fall more heavily on the poor. Taxes on income and property are considered progressive as they are related to ability to pay. Their decreased significance in favour of broad-based taxation measures represents redistribution in favour of the better-off. Government attempted to broaden the income tax base with the introduction, in 2006, of a 3 per cent levy on income above US\$370 a month to meet some of the costs resulting from hurricane Ivan.<sup>31</sup> Expected further reductions in import taxes from various rounds of WTO liberalisation and the implementation of free trade agreements, such as the EPA, may well lead to income tax playing a greater role in revenue generation.

This will not remove concerns with redistribution, however. These would have to be addressed through the implementation of specific measures targeted at the poor and vulnerable. Under the GCT, this includes lower rates on education supplies, drugs for chronic diseases and basic food stuffs. The VAT proposals also include differential ratings for these items. It could be argued that lower taxes on imports is a progressive step, as all, including the poor, are affected by the higher prices to which these taxes give rise. Costs to the poor, however, could be mitigated by subsidies on widely-consumed goods and increased taxes on goods consumed by the better-off sectors of the population. Further, the disadvantages of taxes on imports must be measured against the loss of government revenues that are used to support macro-economic and social programmes.

### **Redistribution of property**

Providing greater access to the main tools of wealth generation is another avenue for redistribution. Given agriculture's importance, particularly in the earlier post-colonial phase, the transfer of land to the poor was the main form of distribution pursued. Land distribution as a social policy dated back to the early twentieth century under the colonial government and was pursued in the periods 1904–1921 and 1930–1950 (Brizan, 1998: 251–257). The West India Royal Commission, in its report released in 1940, in response to the depressed conditions that existed, recommended the expansion of existing government land settlement schemes<sup>32</sup> but with more fertile land and

with supportive institutions (Brizan, 1998: 254). In 1949, the colonial government gave a grant of £25,000 to fund a three-year scheme to rehabilitate existing land settlement areas (Brizan, 1998: 255). The most extensive land reform programme occurred between 1967, the start of the associated statehood period, and 1978, the year before the revolutionary overthrow, when government embarked on an extensive land distribution programme in favour of the state and the landless. Over this period an average of 414.8 acres of land a year was acquired by government, far in excess of the highest period of land acquisition between 1903<sup>33</sup> and 1919, when the average was 186.4 (Coard, 1978, cited in Meeks, 1988: 176). Such land reform efforts, complemented by the purchase by labourers of estate land taken out of production, shifted the structure of agriculture production from the estate to the small farmer, consolidating this group's position at the centre of the economy. A subsequent attempt by the PRG after 1979 to continue land distribution on the basis of co-operatives achieved limited results and was abandoned by the Interim Administration (1983–1984), which returned many government estates to their former owners, effectively gutting the co-operative initiative.

The results of these initiatives in land reform were limited. The early phase, though extensive, did not radically alter the land distribution pattern and contributed to land fragmentation with implications for viability. At the end of the PRG's tenure, farms over 100 acres made up nearly half of the best farming land (49.2%), with the majority of holdings (88.7%) below five acres and occupying 45 per cent of cultivable land (Ambursley, 1983: 195, 196). Despite this, land reform measures strengthened the foundation of the peasantry and helped to stem the rural/urban drift evident in other Caribbean countries.<sup>34</sup> Grenada's land ownership structure continues to reflect the poor's alienation from the land, aggravated by the continued existence of 'idle land ... both Crown and privately owned' (USAID, 2005). USAID (2005: 4) notes that the existence of idle lands 'accompanied by high poverty levels, a local culture that highly values land ownership, the existence of Prescriptive Rights Legislation and a permissive law enforcement environment, are motivators for people to try to occupy apparently available lands'. Although the government remains committed to agriculture, rebuilding the sector after hurricane Ivan, the challenges of achieving competitiveness of small farming systems in a liberalised environment are likely to erode the basis for land distribution to small farmers. The dominance of services, particularly tourism, raises its own challenges in relation to redistribution. Tax incentives favour foreign investment, but a deliberate policy of supporting small local hotels and guest houses and community-based tourism could help to preserve and strengthen the involvement of small operators and communities in what has increasingly become the major income-generating sector. Nevertheless, as the CWIQ noted, land remains an important asset for productive purposes, as well as collateral for investment and business purposes (UNDP *et al.*, 2005: 30), so there remains a basis for land distribution policies. An observed but under-researched aspect of the importance of land is the prevalence of backyard



farming, which is pervasive and undoubtedly plays a role in supplementing income and improving the nutrition of the poor and unemployed. Thus, access to land has a far more important function than commercial exchange.

### **Summary**

The fairly high levels of inequality and depths of poverty that exist suggest that the effects of the redistribution measures so far undertaken have been limited. Redistribution remains a challenge that requires conscious government intervention. This is even more urgent given an expected intensification in liberalisation measures, especially when the EPA comes on stream.

## Social Welfare Initiatives

Social welfare initiatives cover a range of measures designed to offer social protection. They include social assistance on a short- or long-term basis to address the needs of specific groups and social insurance, the two most common forms offered in Grenada. Thomas (2001) locates the origins of social welfare across the Commonwealth Caribbean in the colonial response to the social upheavals that characterised the region in the 1930s, which gave birth to the trade union movement and laid the basis for constitutional change. In the specific context of Grenada, social policy was limited to poor relief, the provision of basic primary education, efforts directed at improving health conditions and nutrition, the provision of housing in response to natural disasters (specifically hurricane Janet in 1955) and housing programmes targeted at the civil service (Government of Grenada, 1957). There were continuities in the approach to social welfare, evident in the persistence of some programmes, although there were clear points of interruption, as well as intensification of welfare provisions. Early initiatives at addressing nutrition, such as the UN-supported school feeding<sup>35</sup> and milk distribution programmes, remain a feature of post-colonial social welfare expanded and intensified under the PRG. That the programmes remain important aspects of government welfare provision to support the attendance of students at school, especially at pre-primary and primary level, suggests the intractable character of poverty in Grenada.

### Social welfare and protection

The PRG's (1979–1983) initiatives in social welfare included abolishing secondary school fees and supplying school books for the neediest children (Government of Grenada, 1983); strengthening controls on basic food items; establishing the Marketing and National Importing Board (MNIB) as a monopoly for the import of bulk rice and milk powder and sugar to keep their costs down; and the introduction of a national transportation service to stabilise fares and improve worker efficiency and productivity. In health, the PRG strengthened the primary care system, which helped to decentralise the delivery of health services, removed charges for drugs received by patients at the General Hospital and expanded the range of subsidised drugs available at the General Hospital's pharmacy (Government of Grenada, 1983). The Blaize-led NNP government (1984–1990) severely curtailed spending on social services and depressed wages, as part of the structural adjustment programme, while cutting jobs in the civil service. Nevertheless, it continued to maintain some of the price controls introduced by the PRG, including the MNIB.<sup>36</sup>

The establishment of the Ministry of Social Development in 2004 presents possibilities for a more concerted focus on social welfare provision and its consolidation, which should improve efficiency in delivery and targeting. The main programmes directed at targeting the poor and vulnerable are the public assistance programme and the necessitous fund. The World Bank (1997: 113) located these in the British tradition of poor relief, which saw welfare provision as a last resort for the destitute and not for the able-bodied. Under the public assistance programme, government offered a limited range of assistance to the vulnerable. Initiatives included a grant to the elderly, which was increased from US\$37–55 a month in 2008; a burial assistance programme of US\$740 for those eligible; and assistance of up to US\$555 in the event of a personal disaster (Daniel, 2008). The necessitous fund included bus fare assistance of US\$37 to support school attendance at secondary level in order to meet challenges of secondary access, particularly in relation to children of the poor in rural parishes. It also provided a book support programme of US\$74 per family, reduced from US\$185, to support secondary attendance by children identified as vulnerable. It is unlikely though that this covered the majority of children in need. Barrientos (2004: 23) suggests that as many as 50 per cent of secondary school children cannot afford to buy school books. Altogether, up to May 2008 5,000 people had received benefits under the public assistance programme and 2,000 under the necessitous fund (Daniel, 2008). In the 2003/04 academic year 49 per cent of students enrolled at primary level benefited from the school feeding programme (Ministry of Education, 2006: Table 65). The NNP government also initiated a food basket programme as a support measure for families suffering from the high food prices resulting from the increases in oil prices in 2008. Other social welfare initiatives included a book rental programme operated by the Ministry of Education, a house repair programme, which provided a grant for home repairs (introduced under the PRG), and a disaster fund to cover emergencies at the individual level, located in the Prime Minister's office.

Efforts to address the demand for low-cost housing were introduced during the PRG's term of office and have carried on, although on a significantly lower scale, in the post-invasion period.<sup>37</sup> However, the extensive damage to the country's housing stock caused by hurricane Ivan led to a refocus on the provision of low-cost housing. Initiatives in housing included the house repair programme,<sup>38</sup> which provides modest government grants (up to US\$1,481 in 2008) to repair homes and the provision of low-cost housing through initiatives by the governments of Venezuela<sup>39</sup> and China. The extensive house repair and construction programmes embarked upon by USAID and the NGO sector after hurricane Ivan were essential in fostering the resilience of families and communities. The various initiatives, however, did not provide widespread or consistent access to resources to support home ownership.

Social welfare also included initiatives that were universal and reached all sectors of society. Among these were the removal of secondary school fees and the petrol tax which, up to 2006, fixed the price at US\$3 per gallon (Government of Grenada, 2006), with the government bearing the brunt of price increases,<sup>40</sup> the bulk importa-

tion of basic food items and price controls on basis items, including exemptions from the GCT. The VAT will provide zero rating for certain basic goods.

The main plank of social protection provided by government is the National Insurance Scheme (NIS), a contributory scheme available to workers in the formal and informal sectors, established in April 1983. While participation in the NIS is compulsory for workers in the formal sector, in the informal sector participation is voluntary. The scheme provides a range of benefits covering illness, invalidity, injury, maternity, old age, survivor benefits and funeral charges. Benefits are related to contributions made and are fairly limited. The NIS does not address the need for a universal system of benefits, particularly in respect of unemployment, retirement and health. It leaves the majority of the workforce, 60 per cent in 2004 (Barrientos, 2004: 18), without coverage. There is therefore a need for a universal system of benefits that covers not only the workforce, but those outside the job market. This would be of particular benefit to youth and women who experience high levels of unemployment, and to the aged and disabled who are outside the job market.

The provision of social services is supplemented by the private and NGO sectors. The church continues to play an important role in the delivery of education, particularly at secondary level, with the private sector increasing its involvement, particularly at pre-school level. The private sector is important in the delivery of residential care for the elderly and for children. Only four of the 12 homes providing care for the elderly are government-run and only one of these, the Richmond Home, provides free care. The government plays a regulatory role, strengthened after hurricane Ivan, in establishing and monitoring standards at these private care homes.

## **Challenges in social policy delivery**

The delivery of social policy in Grenada has suffered from a number of challenges: the co-ordination of social services delivery both within government and between government and the NGO sector; the sustainability of funding to support human capital production and mitigate the reproduction of poverty and exclusion, and to expand and strengthen social protection and social welfare measures; and the strengthening of the legal and regulatory framework within which social policy is formulated and delivered.

Challenges in the delivery of social assistance include accuracy in targeting individuals and groups in need (Henry-Lee *et al.*, 2002; World Bank, 1997; Barrientos, 2004), the adequacy of the assistance and the costs associated with its delivery (World Bank, 2006). The mechanisms for social policy delivery also present challenges. At the level of government, despite the establishment of the Ministry of Social Welfare, social welfare programmes are not consolidated under the ministry, but are fragmented across ministries (this is especially true of health and education initiatives). One particularly troubling instance of this was the location of several welfare programmes in the Prime Minister's office under the NNP. These included the

emergency housing programme,<sup>41</sup> the food basket programme, the emergency fund and the IMANI programme. Further, the eligibility of recipients was not determined solely by the Ministry of Social Welfare, but by a wide range of actors, including the NNP's constituency offices, based on subjective criteria rather than formal procedures for means testing. This presented challenges for effective co-ordination and targeting and results in duplication, opening the system to charges of politicisation. Barrientos (2004: 55) identifies the 'lack of an integrated instrument for identifying the vulnerable' as an 'important gap in social protection'. Despite the important role that NGOs play in social policy delivery, government support remains limited and the regulatory framework is weak, as there is no regulation in place specifically directed at this sector.

Gaps remain to be filled both in social policy delivery, particularly in social protection and social assistance. In social protection these include the absence of universal unemployment coverage, which is important given consistent high levels of unemployment, particularly among youth and women, which could be exacerbated once trade liberalisation schemes<sup>42</sup> take effect. In addition, there is a need for universal health coverage, which would strengthen the measures in place for workers covered by the NIS and private insurance and extend coverage to marginal groups. In respect of social assistance, challenges include increasing the value of benefits available, as well as their reach, to ensure that those in need of such programmes benefit and that waste is reduced. For example, Henry-Lee *et al.* (2002) suggested that there are substantial leakages in the delivery of the school feeding and milk distribution programmes, as they are open to all children and not just those considered in need. Arguably though, a programme based on an assessment of needs may prove less effective as it opens poor and vulnerable children to stigmatisation. In addition, given the weaknesses in identifying the vulnerable, an improperly targeted system may well lead to the exclusion of children who are in need.

Importantly, the governance of social policy needs to be removed from the political sphere, with the implementation of transparent management and effective systems for targeting the vulnerable. Here, the Ministry of Social Security, buttressed with structured support from the various NGOs involved in social security provision, could play a leading role.

Given the limited resources available at national level throughout the region, there are opportunities for the region to play a dynamic role in expanding the range of social security provisions available by spreading the risks of social protection. The rationale for this is already provided by initiatives under the Caribbean Single Market and Economy to facilitate the free circulation of skilled labour within CARICOM. This throws out challenges for harmonising benefits, which vary widely across the region, and providing for their transferability. Further, risks arising from economic downturns and environmental hazards, and the tremendous costs of these for individual countries, underscore the need for a regional response. Initiatives have already been taken to address vulnerabilities at the regional level. These include the

Caribbean Catastrophic Risk Insurance Facility (CCRIF), which seeks to spread the risk of insurance across the region, the Caribbean Disaster Emergency Response Agency (CDERA), which focuses on providing post-disaster relief, and the Regional Development Fund, developed to cushion the worst effects of the CSME. A regional stabilisation fund, proposed in the wake of the financial crisis as one of the mechanisms for cushioning countries against future shocks, would be an important initiative in shoring up resilience. There remains potential, however, for a regional approach involving public and private sector initiatives to expand the scope of protection available, particularly in respect of employment benefits, pensions and health insurance.

### **Financing social policy**

One of the main challenges faced by government in expanding the range and quality of social protection and assistance and in strengthening human capital production is its ability to consistently fund social policy delivery. The government carries the major responsibility for the delivery of social welfare in Grenada, which places a heavy burden on the public purse. Education and health command the highest proportion of government spending in the social sector. Expenditure on health has been fairly consistent, averaging around 4 per cent of GDP for most of the 1990s, rising to just over 5 per cent in the 2000s. The bulk of spending in the sector goes to meet recurrent expenditure, particularly wages and salaries. In recent years, the General Hospital has taken the largest chunk of recurrent expenditure (Government of Grenada, 2005).

Government expenditure on education as a percentage of GDP has risen over time, from 3.5 per cent in 1991 to a high of 9.3 per cent in 1998 (Kairi, 1999, vol. 1: Table 2.10). Expenditure, particularly capital expenditure, increased sharply in response to the reconstruction of schools badly damaged or destroyed by hurricane Ivan. For example, expenditure on education rose from 7.7 per cent in 2003 to 16.5 per cent of GDP in 2006, averaging 9.5 per cent for the period 2000–2007 (Table 6). The bulk of expenditure goes to primary education. In the 2003/04 school year, for example, it commanded 40.88 per cent of the education budget, followed by the secondary sector at 23.16 per cent, with the tertiary and early childhood sectors lagging far behind at 8.32 per cent and 5.55 per cent, respectively. Expenditure per student is highest, however, at tertiary level (TAMCC) (see Table 4).

It is more difficult to track spending on the other social sectors given inconsistencies in their presentation in the national accounts. Allocations appear more modest compared to health and education expenditure. Data for 1996 show spending on youth, community affairs, women's affairs, housing and social security as 3.8 per cent of the recurrent budget, compared with 17.6 per cent for education and 13.3 per cent for health (Government of Grenada, 1997). The post-hurricane period saw a massive increase in capital spending on housing, however. In 2006, 14.2 per cent of the cap-

ital spending on the social services (including health and education) went to housing to rebuild infrastructure damaged by the hurricane.

**Table 6. Recurrent and capital expenditure on health and education**

	2000	2001	2002	2003	2004	2005	2006	2007
Recurrent education expenditure	15.75	16.6	20.88	21.17	22.8	24.11	25.99	27.18
Capital education expenditure (US\$m)	6.01	6.68	5.55	4.46	16.59	7.72	29.35	5.63
Total education expenditure	21.7	23.34	26.34	25.63	39.49	31.84	55.29	32.85
Recurrent education expenditure (% of GDP)	4.4	4.7	5.7	5.4	5.9	5.4	5.7	5.6
Capital education expenditure (% of GDP)	1.8	2.0	1.7	1.3	5.0	2.3	8.8	1.7
Total education expenditure (% of GDP)	6.5	7.0	7.9	7.7	11.8	9.5	16.5	9.8
Recurrent health expenditure (US\$m)	10.85	12.89	14.30	14.52	14.69	16.32	16.57	17.89
Capital health expenditure (US\$m)	7.07	10.60	4.73	3.52	1.44	3.9	5.77	4.48
Recurrent health expenditure (% of GDP)	3.1	3.7	3.9	3.7	3.8	3.6	3.6	3.7
Capital health expenditure (% of GDP)	2.1	3.3	1.4	1.0	0.4	1.0	1.4	1.1
Total health expenditure (% of GDP)	5.4	7.2	5.7	5.1	4.7	5.0	5.3	5.3
GDP in current prices	354.96	352.25	361.25	393.615	385.085	449.089	457.92	484.52

Source: Ministry of Finance, Central Statistical Office, Government of Grenada, 2008, Estimates of Revenue and Expenditure, provided electronically

Grenada has experienced persistent challenges in bridging the financing gap between revenue and expenditure. When the NDC government led by Tillman Thomas took office in July 2008, the deficit was already US\$29.1m, just short of the US\$30m projected for the entire year (Government of Grenada, 2008a), presenting the government with a cash flow problem. Successive governments have relied heavily on external sources of finance and remittances to meet the financing gap. Remittances have increasingly become an important source of finance, increasing from US\$14.55m in 1994 to US\$28.74m in 2007. Remittances become particularly important in periods of crisis, as illustrated when inflows rose to US\$48.8m in 2004 in response to hurricane Ivan. Migration, although providing substantial income in the form of remittances, comes at a high cost, reflected in the loss of human capital,

the effect of which is felt across the whole of society, particularly in the quality of education and health delivery. Grenada has one of the highest out-migration rates in the world, second only to Jamaica (Ozden and Schiff, 2006: 166, 175), having lost some 85.1 per cent of its educated work force, 66 per cent of its tertiary educated and 97.5 per cent of its physicians (Rata and Xu, 2008). It is highly unlikely that remittances could compensate for the negative effects on society of this haemorrhage of people. Even more important, and less well documented, are the probable negative social effects at the level of the household observed in child neglect and high cases of child abuse aggravated by the absence of mothers and/or fathers. In addition to increasing the stress placed on the family unit, this places a greater burden of care on childcare facilities that already suffer from limited resources.

Grenada's reliance on loans to finance expensive infrastructural development, particularly during the NNP's term of office (1995–2008), contributed to a substantial increase in the public debt. In 1990, Grenada's foreign debt was 36.9 per cent of GDP, representing a debt service ratio of 1 per cent; in 2005, after the government had successfully renegotiated debt-servicing reductions, foreign debt was 99.28 per cent of GDP, with a debt servicing ratio of 2.31, significantly lower than the 9 per cent that existed in 2004 (Ministry of Finance, 2008). Governments rely heavily on grants from foreign governments and institutions to support development programmes and the social sector. Traditional donors are Britain and the European Union, the USA and Canada. Decreased availability of concessionary financing and lower levels of support from traditional donors have led governments to diversify their sources of financing to include Cuba, Venezuela, Taiwan and, more recently, China. These countries have underwritten expensive infrastructural projects such as the Point Salines international airport (Cuba), the rebuilding of St George's General Hospital (Cuba) and the rebuilding of the national stadium (China). The role of foreign finance increased significantly after hurricane Ivan, particularly in the reconstruction effort. The government's low-cost housing initiatives, mentioned above, were funded heavily by China and Venezuela. Venezuela's Petrocaribe initiative, which allows participating states to pay for 60 per cent of oil imports from Venezuela, retaining 40 per cent as soft loans for social initiatives, has funded many of the NNP's social initiatives. This heavy reliance on external support to fund social expenditure has introduced an element of vulnerability, as such funds could dry up overnight.

## Summary

The government remains the dominant provider of social welfare and protection, with some input from the private and NGO sectors, particularly in education and health. The range of social security programmes is limited, however, both in terms of scope and coverage. Significant sections of the population are denied security of income in the absence of jobs and in old age, are not given full protection at the workplace, do not enjoy adequate health coverage and continue to be denied access



to education beyond post-primary level.

The effectiveness of programmes has been hampered by weaknesses in targeting and delivery, and more generally in management and co-ordination among the various bodies engaged in providing social welfare. Initiatives have been ad hoc rather than representing a concerted effort at covering the wide range of needs. This reflects the parlous state of the economy, with limited avenues for generating income, leading to large fiscal deficits and high public debt. Further, social welfare initiatives, limited as they are, are based on insecure sources of funding, which raises questions as to their sustainability. In addition, despite fairly high levels of government spending in health and education, which have been crucial in improving human capital, this has not resulted in the delivery of quality health and education. Thus, the state has been unable to provide the range of coverage of protection and welfare measures necessary to mitigate the effects of high levels of unemployment and poverty.

## Strengthening the Legislative Framework for Social Protection

The discussion so far suggests that the approach to social policy has for the most part been ad hoc and reactive, and that many gaps persist. Protection for poor and vulnerable groups remains weak. Given the limitations of social protection and welfare that have been identified, government faces the challenge of extending the range and coverage of benefits. The legislative and regulatory framework is important to the construction and delivery of social policy. International conventions spearheaded by the UN, which help to create and promote norms in respect of social policy, are important vehicles for advancing social policy at national level. Thomas (2001) notes that this has had the effect of shifting perceptions of social policy in the direction of rights grounded in a legal framework. In Grenada, regulation and legal protection are particularly important in respect of the treatment of women and children where, despite tremendous gains, gaps remain. The main conventions in respect of children's and women's rights to which Grenada is a party are the United Nations Convention on the Rights of the Child (CRC), which it signed and ratified in 1990, and the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW), which it signed in 1980 and ratified in 1990. There is a strong relationship between international conventions and regional obligations, which has had implications for the development and implementation of legislation in the national sphere. When government resources are limited, international conventions play an important role in providing impetus at national level for the commitment of scarce resources to putting in place the necessary framework for meeting obligations.

Laws in place to address women's issues are the Criminal Code, which was amended in 1991 to cover incest and rape, providing for them to be heard *in camera*; the Maternity Leave Act, introduced in 1983 and amended in 1989; the Employment of Women, Young Persons and Children Act and the Status of the Child Act, introduced in 1991; the Labour Code and the Factories Employment of Women, Young Persons and Children Act, which address health conditions in the workplace; the 1994 Adoption Act; and the 2001 Domestic Violence Act. The Domestic Violence Act addresses violence against women but has some significant weaknesses: these include the absence of custodial powers and protection orders against perpetrators, which would remove them from the family home. The Act's effectiveness is weakened by inadequate supportive structures and prevailing social attitudes towards domestic violence. The adoption of the OECS Status of Children Bill would be a significant development for women, especially female heads of poor households, as it would provide greater legal certainty in respect of fathers' responsi-

bilities towards their children. This should help to relieve some of the burden of child-care and maintenance that contribute to poverty among women. The OECS is an important resource in strengthening protective legislation in the subregion, producing a number of model laws covering protection for children which are already beginning to influence the scope and content of legislation in Grenada.

Legislation provides some protection for women in the workplace. The 1983 law on maternity leave protects pregnant women against discrimination by safeguarding their employment and providing them with paid leave. However, an outstanding gap in legislation protecting women in the workplace remains. Women are not offered legal protection against sexual harassment, although Grenada is signatory to a number of conventions which address this. These include CEDAW and the ILO's Discrimination (Employment and Occupation) Convention 1958 (No. 111), which Grenada ratified on 14 May 2003 (GNOW, 2008: 19, 20). The Grenada National Organisation of Women (GNOW), working with the Ministries of Labour and Social Welfare, has been pressing government to introduce regulations to close this gap.

The CRC, to which Grenada is a signatory, provides for children to be protected against a wide range of abuses, including violence, injury, neglect, exploitation and sexual abuse. This is supported by the WFFC goal to 'protect children from all forms of abuse, neglect, exploitation and violence' (UNICEF, 2008: 46). The main laws in place for meeting these obligations are the 1994 Adoption Act, the 1998 Child Protection Act, the 2001 Domestic Violence Act<sup>43</sup> and the Criminal Code. Important gaps remain in the standard of protection offered under these various pieces of legislation.<sup>44</sup> These include the absence of mandatory reporting of abuses and of custodial sentences for failure to report abuse; the failure to protect boys against sexual abuse; the low age of criminal responsibility; and the failure to separate juvenile offenders from the adult prison population. Existing legislation does not protect children from corporal punishment in the penal system, within schools or in the home. The 2002 Education Act sought to limit the application of corporal punishment in schools by, *inter alia*, restricting its use to specially designated persons and allowing parents to request exemption for their children (Government of Grenada, 2007a: 38). Children are also not adequately protected from child labour, although the extent of the problem is unknown in the absence of adequate monitoring and data collection systems. Grenada has not ratified the ILO Conventions on Minimum Age for Admission to Employment (No. 138) and on the Elimination of the Worst Forms of Child Labour (No. 182), although it has sought to monitor school attendance with the introduction of school attendance officers and the requirement that children under 15 years of age obtain a special licence from the Ministry of Labour to seek employment (Government of Grenada, 2007a: 45). The entry of under-age children to the world of work is likely to be a problem as long as the country is unable to provide universal access to secondary education. Another gap in legislation that is a cause for concern is the cultural practice of not registering children at birth, but delaying until baptism, which normally occurs several months later or even, in some

cases, at the point of registration at school (Government of Grenada, 2007a: 22). One of the WFFC targets is to ensure the registration of every child at or shortly after birth, on the basis that a child's right to a name and nationality are basic human rights which could have negative consequences if violated (UNICEF, 2007: 47). These include their ability to claim protection in respect of minimum age of work, age of marriage and challenges in keeping track of children in crisis situations (UNICEF, 2007: 47).

Weaknesses in legislation are compounded by limited capacity and a weak regulatory framework. For example, one of the reasons for failure to implement the Child Abuse Protocol is the limited capacity to place children who are victims of abuse in care, which requires the commitment of financial resources to build children's homes. Another critical weakness is the continued absence of a family court. Reform is also hampered by weak data collection systems; poorly financed and supported institutions, such as the Child Welfare Authority which has prime responsibility for regulating child care facilities, identifying and placing children in care; and the paucity of counselling services.

## **Summary**

Grenada has made important progress in strengthening the legislative framework that supports the formulation and delivery of social policy, particularly in respect of women and children. The United Nations and other international organisations of which Grenada is a member have played an important role in spearheading legislation which has been adopted and implemented at national level. Despite improvements, however, significant gaps remain in the legal protection provided for women and children. These include sexual harassment of women in the workplace and the protection of children from child labour and abuse. Regional organisations, particularly the OECS and CARICOM, are playing an important role through the formulation of model laws to cover some of these gaps, which member states are then expected to modify and adopt.



## Hurricane Ivan: Challenges in Social Policy

Natural disasters are important in exposing weaknesses in social policy in terms of coverage, identifying and targeting vulnerabilities, and the capacity of the family and wider community to cope. They also provide an opportunity for observing instances of resilience that can be built upon. Hurricane Ivan revealed weaknesses in disaster preparedness; exposed and intensified existing vulnerabilities, particularly among women, children and the elderly; highlighted weaknesses in the national economy; and sharpened political differences. On the other hand, it illuminated the importance of family and community as the first line of defence in responding to a national crisis and of regional and international agents in supporting resilience.

Grenada's small size meant that hurricane Ivan's impact was comprehensive, disrupting economic life and destroying livelihoods in its main economic sectors – agriculture, tourism and manufacturing. It severely handicapped social institutions (churches and schools in particular) and wreaked havoc on infrastructure (housing, roads and bridges). The hurricane meant that the economy ground to a standstill for at least a year, leaving construction as the main economic activity. The significant reduction in employment opportunities immediately revealed the vulnerability of women who, for the most part, were excluded from participating in this sector. At the same time, the burden of care for children and the elderly fell more heavily on women, especially with the closure of most educational facilities. The normal vulnerability of women, evident in high numbers of female-headed households, employment in the informal sector with little protection and generally higher dependency ratios, intensified the problems inherent in their situation. The vulnerability of children and elderly people who depended on women also increased. The hurricane exposed vulnerability among the old, particularly those without pensions or home insurance or without secure land tenure, resources which would have facilitated rebuilding after the hurricane.

The hurricane also revealed weaknesses in disaster preparedness and management, particularly the inadequacy of public facilities. Some shelters were poorly constructed and so were also damaged during the hurricane; some were inconveniently located; and conditions in general were not particularly suitable for women (UNDP/ECLAC, 2005). Weaknesses were also exposed in the National Emergency Relief Organisation's (NERO) preparedness and capacity to deliver relief. There were no systems in place, such as for counselling and psychological assessment, to address the traumatic effects of a disaster. There were also institutional weaknesses that increased Grenada's vulnerability to natural hazards. Chief among these was the absence of a comprehensive land use policy to regulate zoning and failure to implement the build-

ing code. Efforts were made to address these with the cadastral mapping of the country undertaken by the Agency for Reconstruction and Development (ARD) and the development of a building code with supportive manuals and training.

## **Effects on children**

Children are particularly vulnerable to the effects of hurricanes and other natural disasters, as hurricane Ivan showed. They suffer from the economic dislocation their parents experience as a result of economic derailment, expressed in their access to adequate nutrition and safe shelter. As a result, they may be subject to temporary dislocation from their homes and families, as they are obliged to shelter with other family members, friends and neighbours, or remain in shelters, which can increase their vulnerability to abuse, including sexual abuse, as these informal arrangements are not subject to scrutiny by welfare authorities. The Legal Aid and Counselling Centre (LACC) provided anecdotal evidence of an increase in reports of sexual abuse of children after hurricane Ivan, which could suggest an intensification of the problem in the aftermath and/or at least a greater visibility of the problem (Sealey-Burke, 2006). The absence of an adequate database of abuse and poor reporting makes it difficult to assess the impact of the problem.

Children were also affected by the hurricane's effect on social institutions, particularly schools, most of which experienced severe damage and were subject to prolonged closure or were used for extended periods as shelters. This increased their reliance on the family and community for care, at a time when they were least placed to provide it. Children also suffer disproportionately from the psychological effects of a disaster, requiring proper intervention to help them cope with the experience. Grenada lacked the necessary social and psychological resources to address this problem immediately, although psycho-social interventions, supported by regional and international agencies, were eventually put in place. Grenada's institutional ability to address the vulnerability of children was weak. The diminished capacity of families and communities to meet children's needs after the hurricane required stronger social intervention at a time when all economic and social institutions were under severe stress. There is no evidence that disaster preparedness plans paid any particular attention to the special needs of children. Indeed, the scale of damage caused by hurricane Ivan limited the country's ability to address their needs, even if such plans were in place. A specific example was the destruction of the Juvenile Justice Centre which was being constructed to house juvenile offenders which would separate them from adult offenders detained at the Richmond Hill Prison (Government of Grenada, 2007a: 52).

## **Strengths and innovations**

Areas of strength were found in the response of communities to the disaster, evident in light of disruption in the functioning of government and the breakdown in public

services. Communities were important in providing shelter for those without homes, in rebuilding homes for the elderly and female-headed households and in providing voluntary labour to resuscitate agricultural production. NGOs and service groups played an important role in overcoming challenges in communication and more generally in providing and distributing relief supplies and in the rebuilding exercise. The regional response to the disaster, which began at the non-governmental level and was centred around channelling supplies of food and clothing in advance of the official government response, revealed the depth of regional solidarity that existed and augured well for the strength of the regional movement. This informal response, strengthened by the official response of regional governments and organisations, highlighted the region's role as the first line of defence in a disaster. Grenada's ability to bounce back so quickly after the disaster was also in large measure due to the support of international agencies and extra-regional governments in providing resources to rebuild infrastructure, particularly houses and schools.

A number of innovations emerged from the experience that should strengthen the country's resilience in recovering from a natural disaster. At the national level, NERO was reorganised and renamed the National Disaster Management Agency (NADMA), with a stronger focus on managing disasters and strengthening links with local communities and NGOs. The absence of counselling services led to the development of a more structured psycho-social disaster plan to provide counselling and help communities to cope after a disaster. Government's weak co-ordinating capacity and the poor relations with the opposition were addressed through the institution of the Agency for Reconstruction and Development as the main channel for development funds. At regional level, the Caribbean Disaster Emergency Response Agency was strengthened and a regional insurance fund, the Caribbean Catastrophe Risk Insurance Facility (CCRIF), was introduced to cushion the shocks of a disaster by spreading risk.

## **Summary**

Hurricane Ivan devastated the national economy, disrupting social life, with disproportionate effects on women and children. At a time when the functioning of government was disrupted, the ability of social groups and institutions to fill this gap was also severely constrained by the hurricane's effects. Even as the hurricane marginalised women from the economy, they were called upon to play a greater role in the home and community. Nevertheless, the hurricane illustrated the importance of NGOs and community groups in sustaining communities in the immediate aftermath of a disaster. It also provided the basis for strengthening public institutions at the forefront of disaster relief and management. It also underscored the region's critical role in strengthening resilience at the national level.





## Summary and Conclusion

Post-colonial governments in Grenada, despite challenges and different approaches, have performed reasonably well in improving the standards of living of their people. Grenada has made tremendous progress in addressing some of the main developmental problems deriving from the colonial experience, manifested in real improvements on all fronts: economic, social and in the quality of political representation available. This has occurred despite challenges presented by limited geographical space, the small size and openness of the economy, which amplifies the effects of external developments, particularly in relation to trade and the country's narrow economic base.

Grenada has found it hard to move beyond these early successes to address underlying social problems which now appear to be structural: notably, high levels of unemployment and poverty. Initial progress was achieved on a model of development that expanded the range of economic options available to the country, primarily the development of tourism and the continuation of the export sector. The conditions supporting this model, which was fragile at best, have since changed, leaving structural weaknesses exposed. The main development has been the embedding of trade liberalisation in goods and services as the primary basis for economic relations among states. This has underscored the narrowness of the economic base which was expected to tackle the more intractable challenges of development, but also lays bare the more structural features of the country that underpin its development challenges. The most important of these is small geographical size, which constrains the scope for diversification and fiscal sustainability, aggravated by vulnerability to environmental hazards. Thus the economic model being pursued, particularly in the context of the physical and environmental constraints already mentioned, is proving inadequate to move the society beyond its early gains in human development. Its failure is compounded by weak systems of management of social protection and welfare. Improvement in these will undoubtedly bring benefits in stretching the limited measures to larger numbers, but will not address the structural problems of poverty and unemployment that make such programmes necessary.

Macroeconomic policy has contributed to significant changes in the structure of the economy, with a shift from agriculture to services, although this has not altered the economy's fundamental frailty, evident in the failure to move agriculture away from primary products up the value chain and to appreciably strengthen the role of manufacturing. The country continues to be vulnerable to external shocks; although this situation is unlikely to change significantly, its vulnerability could be lessened. Despite fairly favourable growth rates and reasonable levels of spending on the social sector, particularly health and education, the inability to keep unemployment down

and significantly reduce poverty present challenges for maintaining and improving on the social gains achieved in the post-colonial period. In particular, the various experiments with structural adjustment programmes appear to have had a negative impact on unemployment; falls in unemployment occurred during periods of high social spending under the PRG and NNP (1995–2008) administrations. In both instances this was made possible only by inflows of external assistance, loans made available on concessionary terms and increased borrowing, which increased the public debt. The trend of declining FDI inflows, lower concessionary financing, the end of one-way preferential access to markets – replaced increasingly by reciprocal access which will result in direct competition from larger, better equipped and financed firms from developed countries – signal problems ahead. If trade liberalisation does not result in the expansion of growth and employment opportunities as promised, but instead leads to the collapse of national firms with the generation of new economic activities, then unemployment and poverty are likely to become even bigger challenges.

In this climate, it is likely that governments will find it even more difficult to finance social welfare. The gaps in social policy would suggest the need to commit even more resources. These include the need to expand secondary school infrastructure to achieve the goal of universal access and to strengthen social protection by increasing the value of NIS benefits and expanding its coverage to embrace the unemployed or by introducing additional schemes to cover the unemployed and vulnerable. In any event, the government could respond by strengthening the role of the informal networks of NGOs, communities and the family in delivering social welfare through developing genuine partnerships based on their more active participation in formulating social policy and increasing their contributions to their financial support. It could also strengthen the private sector's involvement in providing social welfare through appropriately directed incentives. Thomas (2001) notes the important role the region has played in supporting social policy and suggests that a concerted focus at the regional level to address some of the challenges of social welfare could help meet some of these challenges. Ultimately though, the government's ability to further social development is related to the strength of the economy and the extent to which it can mitigate its vulnerabilities. This appears to be limited by the economic model currently being pursued.

## ***Postscript on the effects of the economic crisis***

The global economic crisis, which began as a financial crisis in the USA in mid-2007, was transmitted to the region towards the end of 2008 when this paper was being written. This added a new dimension to the challenges Grenada was already experiencing, underscoring existing weaknesses in social welfare and protection. Grenada's economy suffered a fall in real GDP growth from 4.5 per cent in 2007 to 0.3 per cent in 2008, and was projected to experience a further fall of 0.7 per cent in 2009 (IMF, 2009b: 3, 4) which will carry it into negative growth. The global crisis was transmitted through the main channels of revenue inflow: tourism and remittance receipts; grants; FDI; and trade-related taxes. The tourism sector had already experienced a 5 per cent fall in stayover visitors in 2008 (IMF, 2009b: 4), a trend which was expected to continue into 2009, and a halt in tourism-related construction. The effect of the crisis was a fall in government capital expenditure which, alongside the halt in tourist-related construction, led to a 14 per cent contraction in the construction industry in 2008, which had accounted for 10 per cent of real GDP in 2007 (IMF, 2009b: 4). This, along with the freezing of wages in the public sector and measures including job losses and job rotation in the private sector to reduce costs, had negative implications for the labour force. Given the observed features of poverty, groups already considered vulnerable – women, particularly female heads of households and their dependants, young people and poor households in rural communities – were likely to fall deeper into poverty; this could well threaten social gains in education and health. The even more limited resources available to governments would leave the state with few options for addressing the larger numbers of vulnerable people that the crisis was likely to create. In addition to illuminating the challenges in social policy delivery already outlined, the crisis further underscored the limitations of the economic path Grenada had pursued for most of the post-independence period.



## Appendix

### List of Interviewees

26 May 2008

Anne-Marie Bullen, District Supervisor, IMANI, Ministry of Social Development

Arlene Daniel, Chief Welfare Officer, Ministry of Social Development

*The following provided economic data:*

Halim Brizan, Department of Statistics, Ministry of Finance and Economic Development

Cassandra Julien, Department of Statistics, Ministry of Finance and Economic Development

27 May 2008

Jacqueline Sealey-Burke, Legal Aid and Counselling Centre, Grenada Cooperative Development Agency

Hon. Anthony Boatswain, Minister of Finance and Economic Development

Mike Sylvester, Permanent Secretary, Ministry of Finance and Economic Development

Rvd Clement Francis, Desk for the Elderly, Ministry of Social Development

28 May 2008

Cyrus Griffith, Labour Commissioner, Ministry of Labour

Gemma Bain-Thomas, Permanent Secretary, Ministry of Social Development

Junior Alexis, Statistician, Ministry of Education

Julian Ogilvie, Chief Education Officer, Ministry of Education

Terrence Smith, Civil Engineer, Consultant

Chester Humphrey, Independent Senator and President, Grenada Technical and Allied Workers Union (TAWU)

29 May 2008

Prime Minister Keith Mitchell

Ms Jeremiah, Prime Minister's office

Peter David, Member of Parliament, Town of St George, National Democratic Congress

Sylvan McIntyre, Acting Co-ordinator, National Disaster Management Agency (NADMA)

Dr LaGranade, Director of Community Health Services, Ministry of Health

Sandra Ferguson, CEO, Agency for Rural Transformation, former Director, Inter Agency Group of Development Organisations (IAGDO)

Sister Francis Nelson, Director, Child Welfare Authority, Ministry of Social  
Development

30 May 2008

Judy Williams, Director, Grenada Cooperative Development Agency

Louise Pascal, Deputy Vice-President, GNOW

Elaine Henry McQueen, Director, GNOW

Nazim Burke, Grenada National Democratic Congress

## Notes

- 1 The members of CARICOM are the OECS countries listed; and Trinidad and Tobago, Jamaica, Belize, Barbados, The Bahamas and Haiti. The Bahamas and Haiti were not yet party to the CSME.
- 2 Grenada's share of FDI moved from being below the OECS average for the 1980s (8.1%) to surpass this in the early 2000s, when the OECS average was 8.8 per cent.
- 3 The Governor had broad powers of veto over the passage of bills and could pass bills rejected by the Legislature (Brizan, 1998: 356).
- 4 These included the Hotel Aid Act (1954), the Fiscal Incentives Act (1975), the Aliens Landholding Regulation Acts (1968, 1972, 1983, 1987, 1992) and the Investment Code Incentives Act (1983).
- 5 Computed from Government Statement of Accounts and Estimates of Revenue and Expenditure from data provided electronically by the Central Statistical Office, Ministry of Finance, Grenada.
- 6 The negative growth which the country recorded in 2001 was attributable to a downturn in tourism in response to the 11 September 2001 attacks on the USA.
- 7 The total public sector debt, which includes foreign and domestic debt, was much larger. In 2004 it amounted to 120.5 per cent of GDP, the highest level recorded. See ECCB, *Annual Economic and Financial Review*, 2008, p. 99.
- 8 These figures should be read as reflecting a broad trend rather than representing an accurate measurement, as the 1965 data refer to finance, while the 2005 classification includes business services.
- 9 This was calculated from the birth data presented in the Vital Statistics Report 2000–2006, 2007 (Table 6b), Ministry of Finance, Grenada.
- 10 Kairi (1999, vol. 1: 77) described this as monthly expenditure being unable to meet minimum food requirements.
- 11 The ratio of household members aged 0–14 years and over 65 years to members aged 15–65 years.
- 12 Only 76 per cent owned the land on which their homes were located (UNDP *et al.*, 2005: 30).
- 13 A USAID sponsored report (2005) noted issues of tenure with respect to house repair and rebuilding programmes conducted after hurricane Ivan and suggested that the magnitude of the problem was unknown.
- 14 This was lower than the 21.5 per cent recorded in the 2001 census (UNDP *et al.*, 2005: 31).
- 15 Access refers to the location of a water source within 15 minutes walk.
- 16 Safe water is defined as public piped water into dwelling, yard or public standpipe.
- 17 This difference can be accounted for by different weather conditions, with Carriacou experiencing lower levels of rainfall and having no rivers. This requires government to commit more resources to putting in place proper water collection and purification systems.
- 18 The data used for analysis are based on national statistics supplied by the Central Statistical Office, Ministry of Finance. Where necessary, these are supplemented by data from UNESCO's UIS survey. These data sources, along with the CWIQ 2005 survey, are generally in accordance. The main area of variation concerns secondary enrolment. The CWIQ 2005 survey showed net secondary school enrolment of just over 76 per cent in 2005. UNESCO, while showing similar levels of enrolment in 2002 (77%), estimated enrolment to have increased to 88 per cent in 2007. No basis is provided for this estimate, which if the CWIQ data are representative suggests an 11 per cent increase in the space of two years; some explanation would be required for this rapid increase. In the absence of such an explanation, the CWIQ survey data are used. There are other data sources, such as the UNDP (MDGs indicator 2009) which have been ignored because the data, particularly for primary enrolment, are not supported by the other sources mentioned. Thus, while the CWIQ, Ministry of Finance and UNESCO UIS data reinforce one another, the UNDP data (MDG indicator 2009) show an erratic movement in net primary enrolment from a high of 99 per cent in 2003 to an average of just under 87 per cent in 2004 and 2005, falling dramatically to 78.7 per cent in 2007. Again, no explanation is provided for this. Moreover, the national data, because they provide greater detail on drop-out ratios and increases in enrolment, *inter alia*, were considered the best source.
- 19 This represented a real gain not accounted for by population increase. The growth in secondary enrolment represented an annual rate of increase of 4.8 per cent (computed from table), compared with an annual population growth rate of 1.5 per cent (UNESCO UIS, 2009).
- 20 As noted in note 18, UNESCO UIS has a more optimistic estimate – 85 per cent in 2007.
- 21 There is some discrepancy in the definition of access (within 30 minutes) here and how it is defined in the body of the study (p. 15), where access is defined as a school within 15 minutes 'using normal means of transportation'.



- 22 The sharp drop in enrolment between 1994/95 and 2003/04 is probably due to a fall in gross enrolment, which fell from 144 per cent in 1995/96 to 114 per cent in 2004/05 (Ministry of Education, 2008b). The CWIQ survey has a lower figure of just under 110 per cent. This can be accounted for by the expansion in pre-primary care, which reduced the early enrolment of children in primary schools and increased throughput to secondary level. It is also a reflection of the growth in the availability of private primary education.
- 23 These figures are indicative as they represent enrolment for different years. The data for the public sector are current, reflecting enrolment in the 2006/07 academic year, while for the private sector the data are for the 2003/04 year.
- 24 The 'Badness out of Style' programme was introduced by the Ministry of Youth Empowerment, Culture and Sports. It was probably inspired by the 'badness outta style' initiative to end youth violence across the Caribbean introduced by the Tempo entertainment network. See "Badness Outta Style" Tempo Takes A Stand Against Violence', [http://www.trinijunglejuice.com/tempo\\_badnessouttastyle.html](http://www.trinijunglejuice.com/tempo_badnessouttastyle.html), posted 25 January 2007.
- 25 Grenada's Central Statistical Office showed life expectancy at 73.7 in 2006, 76.8 for women and 70.43 for men. See Government of Grenada, 2007c, Table 31, p. 112.
- 26 This measures the number of deaths of women per 100,000 live births.
- 27 Cost may well be a factor in the low usage of health facilities as it was the second most common reason, behind long waiting time, for dissatisfaction with the services. It must be noted, though, that the level of satisfaction with health services was high (UNDP *et al.*, 2005: 27), except for Carriacou, where 40 per cent expressed dissatisfaction, primarily because of high costs. St Andrew's also registered high costs as the main reason for dissatisfaction.
- 28 This was made possible by the OECS drug procurement initiative, based on the bulk buying of basic generic medicines at regional level.
- 29 The FGTP<sub>2</sub> index (based on measures proposed by Foster, Greer and Thorbecke) records the severity of poverty by assessing the degree of deprivation of poor individuals. See Kairi, 1999, vol. 1: 3.
- 30 The NDC government was committed to introducing VAT by February 2010.
- 31 However, this was repealed by the NDC government in its 2009 budget.
- 32 For details and an assessment of various government land settlement schemes embarked upon between 1930 and 1940, see Brizan (1998: 252–255).
- 33 There is a slight difference here from the previous source cited (Brizan) but it is minor so is unlikely to change the validity of the observation.
- 34 The PRG's co-operative initiative was dismantled by successive governments after the 1983 US invasion, so it is difficult to say whether it would have succeeded, although elements such as training and the greater availability of resources should have contributed to raising productivity and strengthened the sector's viability.
- 35 The scope of the school feeding programme, which was supported by grants from the government of Taiwan, was reduced after Taiwan broke diplomatic relations with the Grenada Government in 2004.
- 36 The World Bank (1990: 54, 55) was unhappy with this state of affairs, including among its recommendations further redundancies, and the elimination of price controls and the MNIB's monopoly on the goods it imported, as well as the privatisation of 11 enterprises, beginning with the banks.
- 37 The PRG's Sandino prefabricated housing plant, a gift from the Cuban government to meet the need for low-cost housing, was destroyed during the US invasion and never repaired.
- 38 The programme was suspended after hurricane Ivan in light of the broad-based initiatives to repair and reconstruct damaged homes.
- 39 The Governments of Venezuela and China built 160 houses and 1,000 houses, respectively, in 2008.
- 40 The IMF has continued to target the removal of gas subsidies and the introduction of VAT as elements of the Grenadian economy that require adjustment.
- 41 The house repair programme attracted the most criticism from NGO representatives, with charges of duplication as well as failure to identify those in need of assistance.
- 42 The various avenues of trade liberalisation include CARICOM, the EC EPA, which was expected to take effect in 2011, and the WTO, once the Doha Round of negotiations is completed. In addition, CARICOM has begun negotiations on a reciprocal trading agreement with Canada to replace the one-way preferential access it enjoyed under the CARIBCAN agreement.

- 43 This Act was primarily a response to Grenada's obligations to protect women under CEDAW, but is also applicable to children, although it has been applied mainly in relation to offences against women.
- 44 For a detailed discussion of gaps in the current legislation see Jacqueline Sealey-Burke (2006).

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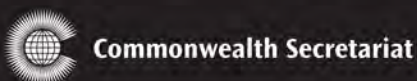
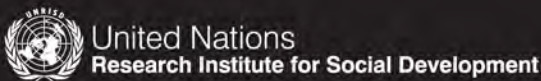
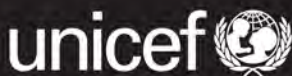
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Grenada is a small state that has made impressive initial achievements in economic and human development since independence, especially in education and health. However, continuing unemployment and poverty, the recent erosion of trade preferences, and the changing international donor aid environment have exposed structural weaknesses in its economic model. Patsy Lewis assesses developments in social policy approaches and delivery in the post-colonial period, including the economic strategies pursued and their effects on social policy, particularly in respect of children. She looks at the challenges faced by governments and presents a brief case study of Hurricane Ivan, as an instance for exploring community and national responses, resilience and innovation.



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