

# *An ALTERNATIVE Growth and Poverty Reduction Strategy for Grenada.*

NON STATE ACTORS PANEL  
March 2012



**Copyright © 2012 by Non-State Actors Panel of Grenada**

**All rights reserved**

**Printed in Grenada**

**First published as paperback 2012**

**Material from this publication may be reproduced with acknowledgement to *Alternative Growth and Poverty Reduction Strategy of the Non State Actors Panel -Grenada***

**ISBN 978-976-95439-1-1 (pbk)**

## FOREWORD

The Non State Actors Panel of Grenada is pleased to present its *Alternative Growth and Poverty Reduction Strategy*. The members of the Panel are grateful to have had the opportunity to move beyond offering critique and comments to presenting an alternative strategy. The Panel looks forward to the next steps of developing its *Plan of Action* to complement the alternative Strategy and to facilitating its implementation.

Considering the constraints and unique characteristics of Grenada as a small island developing state, negotiating the various global crisis, while remaining alert to opportunities that can be embraced therein, this *Alternative Growth and Poverty Reduction Strategy* has been guided by the following philosophy and principles:

- Equity and social justice
- Gender equity
- Increased self-reliance and reduced dependence
- Inclusiveness and participation
- Good governance and accountability
- Sustainable development

The Non State Actors Panel is fully cognizant of the fact that the philosophy and guiding principles which bear influence on and motivates its thinking are built on the premise that there are alternatives to the market driven philosophy advocated by mainstream economic theory. In this regard therefore, the *Alternative Growth and Poverty Reduction Strategy* embodies the concept of alternative development roots and outlines some components of the image of sustainable parts that we believe ought to be explored.

The Non State Actors Panel acknowledges the support of the following in the development of the document:

- The Drafting Committee:
  - Mr. Lennox J. Andrews, Consultant
  - Ms. Sandra Ferguson – Secretary, Non State Actors Panel
  - Mr. Norris Neckles – Caribbean Agri-Business Association
  - Ms. Denyse Ogilvie – People in Action
  - Mr. Joseph Antoine – Friends of the Earth

- Ms. Kriss Davies – Grenada National Coalition on the Rights of the Child
- All persons who attended the consultations and offered comments and recommendations.
- 10<sup>th</sup> EDF Technical Cooperation Facility and Support to Non State Actors

As the Panel advances to the next step of developing the *Plan of Action* for implementation, we are encouraged by the words of Jonathan Dale<sup>1</sup> - a Quaker who spent his life as a community worker in some of England's most challenged inner cities - which we have adapted to fit our Caribbean context.- *“First we must dream, nothing is harder. . . [because] dreaming has to break through the constantly reinforced assumption that ‘There is no alternative’....” . Our history gives us alternatives. It gives us hope. And, it can give us a stronger sense of pride in what we have accomplished and what we can dare to do”*

*Judy Williams*

***Chairperson, Non State Actors Panel – Grenada***

March 2012

---

<sup>1</sup> Dale, Jonathan, “Beyond the Spirit of the Age”, 1996 Swarthmore Lecture

## **TABLE OF CONTENTS**

### **FOREWORD**

### **TABLE OF CONTENTS**

### **LIST OF FIGURES**

### **LIST OF TABLE**

### **LIST OF ACRONYMS**

### **EXECUTIVE SUMMARY**

### **INTRODUCTION**

### **Chapter 1: Grenada: Recent Economic Performance**

#### **Macroeconomic Context**

#### **Government Commitment to Poverty Reduction**

### **Chapter 2: Grenada: Grenada Recent Economic Performance**

#### **2.1. Output**

#### **2.2. Sector Performance**

##### **2.2.1 Agriculture**

##### **2.2.2 Manufacturing**

##### **2.2.2 Tourism**

##### **2.2.3 Construction**

#### **2.3 Central Government Fiscal Performance**

#### **2.4 The National Debt**

#### **2.5 Inflation**

#### **2.6 Unemployment**

#### **2.7 Recent Macroeconomic Performance**

### **Chapter 3: Poverty Situation in Grenada**

#### **3.1. Poverty Indicators in Grenada**

#### **3.2. Causes of Poverty**

#### **3.3. Characteristics of the Poor**

##### **3.3.1. Geographic Distribution of Poverty**

##### **3.3.2. Demographic Distribution of Poverty**

- 3.3.3. Poverty and Gender
- 3.3.4. Poverty and Unemployment
- 3.3.5. Poverty and Housing
- 3.3.5.1. No. of persons per household
- 3.3.5.2. Dwelling conditions
- 3.3.5.3. Tenure of Dwelling
- 3.3.6. Poverty and Education
- 3.3.7. Poverty and Health
- 3.3.8. Poverty and Institutions

### **3.4. Previous Efforts at Poverty Eradication**

- 3.4.1. The Basic Needs Trust Fund (BNTF)
- 3.4.2. School Feeding Programme
- 3.4.3. Micro Enterprise Development Fund
- 3.4.4. Small Enterprise Development Unit
- 3.4.5. Grenada Rural Enterprise Development

### **3.5. Current Efforts at Poverty Eradication**

- 3.5.1. Market Access and Rural Enterprise Project
- 3.5.2. Energy for the Poor
- 3.5.3. Free School Books
- 3.5.4. School Transportation
- 3.5.5. Social Safety Nets and Assistance Programme

### **3.6. Other Social Safety Net Programmers**

### **3.7. Policy Recommendations**

## **Chapter 4: National Alternative Growth and Poverty Reduction Strategy**

### **4.1. Constraints/Challenges of Small Islands Developing States**

### **4.2. Philosophy and Guiding Principles**

- 4.2.1. Equity and Social Justice
- 4.2.2. Gender Equity
- 4.2.3. Increasing Self-reliance and Reducing Dependency
- 4.2.4. Inclusiveness and Participation

- 4.2.5. Good Governance and Accountability
- 4.2.5.1. Monitoring and Evaluation
- 4.2.5.2. Corporate Social Responsibility
- 4.2.6. Sustainable Development

**4.3. Key Issues for Consideration in the Alternative Growth and Poverty Reduction Strategy**

- 4.3.1. Psychology of Poverty
- 4.3.2. Community Empowerment, Sustainable Livelihood and Employment Creation
- 4.3.3. Agriculture
- 4.3.4. Education
- 4.3.5. Financing Productive Activities of the Poor
- 4.3.6. Value Added to Production
- 4.3.7. Energy
- 4.3.8. The Role of Non-state Actors

**4.4. Strategy Recommendations**

- 4.4.1. Agriculture
  - 4.4.1.1. Employment and Income
  - 4.4.1.2. Food Security
  - 4.4.1.3. Foreign Exchange
  - 4.4.1.4. Supply of Raw Materials
  - 4.4.1.5. Provision of Environmental Services
  - 4.4.1.6. Linkages with other sectors of the economy
- 4.4.2. Challenges of the Agricultural Sector
  - 4.4.2.1. Sustainable Farming and Appropriate Technology
    - 4.4.2.1.1. Traditional Cultural Practices
    - 4.4.2.1.2. Use of Products re Fertilizers and Herbicides
    - 4.4.2.1.3. Appropriate Farm Machinery

- 4.4.2.1.4. Benefits of Sustainable Farming and  
Appropriate Technology
- 4.4.2.2. Agricultural Education and Skills Training
- 4.4.2.3. Research and Development in Agriculture
- 4.4.2.3.1. Research and Development Priorities
- 4.4.2.4. Expansion of Production
- 4.4.2.4.1. Revitalization of the Sugarcane Industry
- 4.4.2.5. Infrastructure
- 4.4.2.6. Land Policy and Land Tenure
- 4.4.2.6.1. Land Policy
- 4.4.2.6.2. Land Tenure
- 4.4.2.7. Improved Marketing
- 4.4.2.8. National Agricultural Plan
- 4.4.2.9. Youth in Agriculture
- 4.4.3. Financing Productive Activities of the Poor
- 4.4.3.1. Role of Savings, Cooperatives and Credit Unions
- 4.4.3.1.1. Savings
- 4.4.3.1.2. Credit Unions
- 4.4.3.1.3. Cooperatives/Clusters
- 4.4.4. Energy
- 4.4.5. Social Investment
- 4.4.5.1. Schools and Formal Education
- 4.4.5.2. Nurturing Skills and Talents
- 4.4.5.3. Non-formal and Popular Education
- 4.4.5.4. National Education Strategic Plan
- 4.4.6. Social Safety Nets
- 4.4.6.1. Monitoring and Evaluation Mechanism
- 4.4.7. Health
- 4.4.8. Targeting Vulnerable Groups and Communities
- 4.4.9. Institutional Framework and the Role of Non-state  
Actors



4.4.9.1. Strengthening the Non-state Actors/Civil Society  
Organizations

4.4.9.2 Non-state Actors Coordinating Mechanism

## **References**

**Annex 1: Hernando De Soto and “Dead Capital”**

**Annex 2: The Antigianish Movement**

**Annex 3: Barefoot College of India**

**Annex 4: Review and Recommendations of the IADGO**

**Annex 5: IADGO Summary of Key Recommendations**

**Annex 6: Participants in the Consultations on the Alternative GPRS**

## **LIST OF FIGURES**

Figure 1: Grenada: GDP Growth 1998 – 2010

Figure 2: Inflation Rate: Grenada/ECCU

## LIST OF TABLES

Table 1:	Percentage Contribution of Agriculture to GDP
Table 2:	Percentage Contribution of Manufacturing to Gross Domestic Product at Constant Prices
Table 3:	Percentage Contribution of Tourism to GDP
Table 4:	Tourism Indicators (2003-2010)
Table 5:	Percentage Contribution of Construction to GDP
Table 6:	Grenada: Fiscal Performance
Table 7:	Grenada: Fiscal and Debt Indicators
Table 8:	Grenada: Debt Structure
Table 9:	Grenada Debt Indicators (2006-2010) & 2011p
Table 10:	Distribution of the Poor and Non Poor by Parish 2007/08
Table 11:	Distribution of Poor by Age Group
Table 12:	Distribution (%) of Males and Females by Poverty Status
Table 13:	Distribution (%) of Poor and Non Poor by Employment Status
Table 14:	Distribution of the Poor and Non Poor by Industry
Table 15:	Mean Adult Equivalent Household Size
Table 16:	Distribution of Poor and non-poor by material of outer walls
Table 17:	Distribution of Poor and non-poor by Tenure of Dwelling
Table 18:	Persons 5-15 years: Reason for not attending school
Table 19:	Micro-enterprise Development Fund: Projects Created by Parish
Table 20:	No. of Jobs Created by Parish
Table 21:	No. of Jobs Created by Project

## LIST OF ACRONYMS

BNTF	-	Basic Needs Trust Fund
CPA	-	Country Poverty Assessment
EDF	-	European Development Fund
EU	-	European Union
GDP	-	Gross Domestic Product
GPRS	-	Growth and Poverty Reduction Strategy
IMF	-	International Monetary Fund
NSA	-	Non State Actors
NSAP	-	Non State Actors Panel
OECS	-	Organization of Eastern Caribbean States
PSIP	-	Public Sector Investment Programme

## EXECUTIVE SUMMARY

### Introduction and Context:

The Non State Actors Advisory Panel (NSAP) was established in Grenada on October 9<sup>th</sup>, 2009 by a Memorandum of Understanding between the Government of Grenada and the Delegation of the European Union in Barbados. The establishment of the Non State Actors Panel fulfilled an important provision of the Cotonou Agreement, between the Government of Grenada and the European Union, which seeks to promote dialogue and collaboration between the state and non state actors. The Panel consists of 15 persons representing a wide range of sectors and interests.

In keeping with the objectives as set out under the Memorandum, the Non State Actors Panel undertook a review of the *Growth and Poverty Reduction Strategy* proposed by the Government of Grenada and offered comments. Some members of the Non State Actors Panel also participated in the national consultation on this Strategy.

Both the NSAP review and the national consultation expressed concerns about the proposed Growth and Poverty Reduction Strategy (GPRS). The NSAP review concluded that the GPRS proposed by the Government was too descriptive and not sufficiently solution-oriented, lacking specific actions for implementation.

Given the importance of the *Growth and Poverty Reduction Strategy* as the document which would guide the trajectory of social and economic development within the country over the next three to five years and would be the entry point and driver of European Union Budget support to Grenada, it was therefore critical that the GPRS platform be reflective of the social and economic needs of the country. The Panel took the decision to develop its own *Alternative Growth and Poverty Reduction Strategy* that it would present to the Government of Grenada.

The development of an Alternative Growth and Poverty Reduction Strategy by the NSAP:

- Is in keeping with the role of the NSAP to participate in and contribute to the political dialogue, policy dialogue and programming related to EU assistance.
- Will also inform the strategies and interventions of the non state actors re poverty reduction and their participation in the national development efforts.

The NSAP Alternative GPRS seeks to overcome the deficiencies of the government GPRS by detailing what it considers to be a more coherent and prescriptive approach to poverty reduction, simultaneously incorporating many of the issues raised in its own review and consultations.

### **Philosophy, Guiding Principles and Approaches:**

The philosophy and guiding principles of the Alternative GPRS are as follows:

- Equity and social justice
- Gender equity
- Increased self-reliance and reduced dependence
- Inclusiveness and participation
- Good governance and accountability
- Sustainable development

In developing this alternative GPRS, the NSAP sought inputs from the stakeholder groups represented on the panel as well as from local academics, and also took into consideration successful, innovative approaches that had been applied elsewhere. The *Alternative Growth and Poverty Reduction Strategy* has borrowed from the following innovative approaches:

- The adult education and co-operative approach of the *Antigonish Movement* of Eastern Canada
- The pioneering work of the *Barefoot College of India* in promoting solar technology in remote, rural villages in India.
- Unlocking the potential of the “dead capital” of the poor as espoused by Peruvian economist, *Hernando De Soto*.

## **Poverty in Grenada:**

### **Poverty Indicators:**

The Alternative Growth and Poverty Reduction Strategy recognizes that poverty is an accepted objective condition in Grenada and that its reduction/eradication is a national development imperative. The Country Poverty Assessment Surveys conducted in 1998 and 2008 provided information on the following poverty indicators in Grenada:

- **Indigence Level:** The level of indigence in Grenada was significantly reduced from 12.9 % in 1998 to 2.4 % in 2008 – indicating that in 2008 fewer persons were consuming below the minimum accepted level of nutrition.
- **Poverty Head Count:** The Poverty Head Count Index (Poverty Rate) is the proportion of the population whose economic welfare/standard of living is less than the poverty line (i.e. the share of the population that cannot afford to buy a basic basket of goods). The Poverty Head Count Index increased from 32.1% in 1998 to 37.7% in 2008. The increase in this indicator implies that there has been a worsening of the poverty situation and that a greater proportion of the population was falling below the poverty line.
- **Vulnerability Rate:** The Vulnerability Rate, which shows that a person is vulnerable to become poor but at the moment was not poor, was calculated as 14.6% in the 2008 survey.

### **Causes of Poverty:**

The 2008 Poverty Assessment Survey identified a number of factors giving rise to poverty. Among these were:

- Limited income arising from poor job opportunities;
- Very few safety nets;
- Poor physical infrastructure especially in the rural communities;
- Insufficient social infrastructure in rural communities;
- Lack of organized groups at the community level;
- Inadequate human resources

Closely related to these causes are a number of conditions and problems that confront the poor. These include:

- Inability to purchase the basic necessities of life;
- Lack of access to basic social amenities like clean water, quality housing, health assistance and education;
- High unemployment, low wages and a heavy dependence on agriculture;
- Lack of credit from financial institutions
- Heavy dependence on remittances and government hand outs.

### **The Face of Poverty in Grenada:**

The Country Poverty Assessment Report 2007/2008 provides the following information relative to the poverty situation in Grenada:

- **Location:** The majority of the persons who are poor reside in the parishes of St. Andrew's (31.9%) and St. George's (27.2%). These two parishes when combined account for 56% of the total population but 59.1% of the poor in the country.
- **Age:** The majority of the poor (66.4%) are within the 0-24 age-group - consisting of children and the youthful population.
- **Sex:** More males than females are poor.
- **Occupations:** The poor are involved mainly in elementary and unskilled occupations such as Agriculture and Fishing, Construction, and the Service industry which account for 11.3%, 25.6% and 35.0% respectively of the poor persons that are employed.
- **Dwellings:** Most poor persons (58.2%) had their homes built of wood or timber compared to the national average of 32.6%. Also 1.2% of the poor households had "makeshift" accommodations.
- **School Attendance:** Even with the achievement of universal primary enrolment not all children attended school on a regular basis - 6.1% of children in the poorest quintile did not attend school at all. Absenteeism decreased as one's economic situation improved.



**Poverty Eradication Initiatives:**

Efforts at the eradication of poverty in Grenada are not new. Since obtaining Independence from Great Britain in 1974 successive governments have designed and implemented programmes aimed at improving the lives of the poor. These programmes were intended to address problems which were a legacy of colonialism, demonstrate the ability the government to manage the affairs of the country and hence to gain political support. Poverty Eradication programmes were included in the governments' Annual Estimates of Revenue and Expenditure and, in many cases, received support from the international community in the form of grants. Past poverty reduction/eradication initiatives include the School Feeding Programme, the Micro-enterprise Development Fund, the Grenada Rural Enterprise Project and the Basic Needs Trust Fund.

Present efforts at poverty eradication are not different from those of the past. But the policy has received greater attention in recent years because the increase in poverty has been accentuated by the hostile external environment which has been having a negative effect on the fiscal performance of government and on the major sectors of the economy, thus constraining the ability of the government to effectively address the poverty situation in the country.

**Economy:**

Grenada is a small, open, developing country vulnerable to external shocks and natural disasters. While Grenada's economy has evolved from an agricultural based to a more diversified economy in which services play a key role. The performance of the major sectors - tourism, agriculture, manufacturing, telecommunications and banking and insurance - have been in decline in recent years, largely due in part to Hurricanes Ivan and Emily which devastated the country in 2004 and 2005 respectively. At the same time, the fiscal performance of the government has been deteriorating – experiencing a current account deficit in 2009 and small surpluses thereafter - thus hindering government's ability to finance pro-poor programmes and to contribute counterpart financing to support the development needs of the country.

The NSAP has recognized that, while many projects aimed at poverty eradication in the past have in fact been very commendable, there appeared to be the absence of a philosophy which guided development efforts and hence defined a clear road map for eradicating poverty. In designing this alternative GPRS, the NSAP recognizes the challenges/constraints, confronted by Grenada as a small island developing state which are inherent in its small size and which are also a legacy of its colonial past. These constraints can be summarized as follows:

- A very small domestic market as a result of its small population;
- Limited natural resources;
- Dependence on a very narrow range of export agricultural crops and services (i.e. tourism)
- Large distance from external markets coupled with the very high costs of transport
- Serious balance of trade problems as a result of declining export performance and rapidly growing volume of imports, particularly of food and energy
- Presence of one or a few large companies, often foreign-owned, and operating on highly privileged terms.
- Susceptibility to natural disasters e.g. hurricanes
- Fragile and vulnerable ecosystems
- Limited access to capital markets and
- Heavy dependence on aid from external institutions.

Cognizant of these constraints and challenges, the Non State Actors Panel is of the view that an Alternative Growth and Poverty Reduction Strategy must be innovative and creative if it is to address the constraints peculiar to Grenada as a small island developing state.

### **Key Issues for the Strategy:**

The Non State Actors Panel identified the following key issues to be addressed by the Alternative Growth and Poverty Strategy:

- Psychology of poverty

- Community economic empowerment, employment creation including self-employment
- The role of agriculture
- Education and the development of human capital
- The availability of affordable credit
- Value added to production
- Energy
- The role of non state actors.

### **Psychology of Poverty:**

The Alternative Growth and Poverty Reduction Strategy must address what may be termed the “psychology of poverty”. The poor are excluded and they often lack the confidence and hope that things can change for them. A significant step in empowering the poor and vulnerable and ensuring that they have a “voice” in the national development process is to address the “psychology of poverty”. Therefore the strategy must give due consideration to the following:

- What are the poor doing currently that is working for them and enabling them to cope?
- What interventions could strengthen and enhance what they are currently doing successfully?
- What is the most critical point of intervention that would make the difference to lifting that “burden of poverty”?
- When should the intervention be made?

This assessment would be a first step in “unlocking the potential” of the assets of the poor.

### **Community Economic Empowerment, Sustainable Livelihoods and Employment Creation:**

Essential to the self-reliance and empowerment of individuals and households is the ability to provide for basic needs. Employment is the key link between economic growth and poverty reduction and the creation of livelihoods in the development of an alternative

growth and poverty reduction strategy. Thus the development of sustainable livelihoods and the creation of employment, self-employment opportunities and decent work, have to be pillars of an alternative growth and poverty reduction strategy.

The Alternative Growth and Poverty Reduction Strategy advocates that communities must be empowered to participate in setting the priorities and strategies for the economic development of their communities. Broadly, this requires the following:

- Engagement of communities in identifying and mapping their community assets – physical and cultural.
- Identification of existing and emerging market opportunities for products based on the community assets. e.g. development of health and wellness products from non – timber forest products and herbs.
- Identification of the interventions would be required to support communities to develop and realize the sustainable livelihood potential of these assets.
- Facilitating the development of a community action plan for local community economic empowerment
- Facilitating the implementation by the community of its action plan.
- Development and enhancement of the institutional framework which supports community economic empowerment.

### **Role of Agriculture:**

Recognizing that a significant percentage of the poor are engaged in agriculture and agriculture related activities, the Alternative GPRS also identified agriculture as being of primordial importance in a sustainable development strategy, noting that the greatest barrier to the development of agriculture has been psychological. There has never been any systematic plan which has addressed the challenges faced by the sector in order to help it realize its untapped potential.

### **Recommendations for the Agricultural Sector:**

The following key recommendations are made in respect of agriculture:

- Promoting the application of Sustainable Farming and Appropriate Technology as practiced in Cuba.
- Application of appropriate, labour-saving farm implements
- Agricultural Education and Skills training – formal and non formal.
- Research and Development on particular products – e.g. cut-flower, breadfruit, sugarcane, and herbs - which could give rise to a number of products that have a significant domestic market and high value niche export markets
- Improvement in marketing of agricultural produce
- Development, implementation and enforcement of a Lands Policy
- Facilitating security of land tenure

### **Access to Capital and Co-operatives:**

In order to address the difficulty that the poor have in raising finance for productive activities because of their low incomes, the Alternative GPRS recommends policy reforms and interventions which would make the existing financial institutions more responsive to the needs of the poor. Specifically, the Alternative GPRS recommends:

- that affordable capital should be made available to the poor through micro – finance schemes
- Micro-finance schemes should also incorporate provisions to support the living requirements of the individual or family during the gestation period of the business or enterprise and
- Micro-finance schemes should be complemented by the provision of technical and support services.
- Savings by the poor must be encouraged in order to build their financial base.
- Credit Unions have a special role to play in encouraging and mobilizing the savings of the poor.
- Co-operatives and clusters are recommended to address the inherent constraint of the small size of production units, offering the possibilities to obtain economies of scale in many areas of production and marketing.

**Energy:**

Expenditure on energy re transport and electricity is a significant percentage of household expenditure. It can constitute one-third or more of the income of poor families. Electricity costs are burdensome for businesses, particularly those involved in manufacturing. The Non State Actors Panel recommends that an alternative growth and poverty strategy has to address the matter of energy from the following perspectives:

- Reducing the carbon footprint.
- Reducing the costs of energy to individual households and businesses

In this regard, therefore, the Alternative GPRS recommends that, in Grenada, economic development must be decentralized and local community economic development be prioritized, creating jobs and employment, thus reducing transportation requirements and associated costs as well as the carbon footprint. The Alternative GPRS favours prioritization of the development of solar energy given the significant lower capital outlay and its potential to make individual businesses and households self-reliant in respect of energy.

**The Role of Social Investment and Building Human Capital:****Education and Training:**

The Alternative GPRS recognizes that education and literacy are key to breaking the cycle of poverty and recommends that attention be given to the following areas to support quality universal education:

- More investment in education at the primary level;
- Improved housing to alleviate the conditions of overcrowding and its attendant social ills;
- More highly qualified and trained teachers who are the ones delivering the education programme.
- Accountability Mechanisms to hold the institutions and teachers responsible for the quality of education delivered. In this regard therefore, strong Parent Teachers

Associations must be strengthened to increase the social capital of communities and to have the capacity to monitor the quality of programmes being delivered.

- Non-formal education programmes at the community level which contribute to people's empowerment, raise people's awareness and consciousness and nurture talents and skills.

### **Safety Nets:**

The Alternative GPRS acknowledges that some persons will require safety nets. The Alternative Growth and Poverty Reduction Strategy recommends the following in respect of safety nets:

- Safety nets should be provided for those who are challenged mentally or physically and there be a transitional period of assistance for those who are able bodied.
- In order to avoid the abuse to which many of these programmes have been subject in the past and to ensure that the programmes target those persons who are most deserving and in need, there should be mechanisms which routinely monitor the delivery of the various programmes and periodically review their impact.
- Support should be extended to those non state actors which deliver complementary social safety net programmes vis-avis the state so that these organizations can enhance their delivery of these programmes.
- Costs of safety nets could be met by a taxation system including income tax.

### **Role of Non State Actors:**

The Alternative Growth and Poverty Reduction Strategy envisages a key role for non state actors in:

- Monitoring and Evaluation of the implementation of the strategy and other poverty reduction interventions in Grenada
- Mobilizing, organizing and facilitating the engagement of the target groups
- Advocacy and representation on behalf of communities and the vulnerable

Specific attention should therefore be given to building the capacity of these organizations to play their role effectively. Where deemed appropriate, institutional support should be considered.

**NSA Co-ordinating Mechanism:**

The Alternative GPRS acknowledges the need for a “galvanized approach” to the implementation of a Growth and Poverty Reduction Strategy. – one in which there is buy in from all sectors and each is contributing in the most appropriate way to the implementation of the strategy in an integrated and co-ordinated manner.

The Non State Actors Panel recommends that there be a *NSA Coordinating Mechanism* to facilitate the implementation of the Alternative Growth and Poverty Reduction Strategy. The *NSA Coordinating Mechanism* will also include representation from the groups targeted by the Alternative Growth and Poverty Reduction Strategy. In collaboration with institutional stakeholders, a cost-effective mechanism can be agreed upon to facilitate the required co-ordination and integration. It is envisaged that this mechanism can evolve over time.



## INTRODUCTION

### **Background:**

The establishment of the Non State Actors Advisory Panel (NSAP) in Grenada on October 9th, 2009 - with the signing of a Memorandum of Understanding by Hon. Nazim Burke, Minister of Finance on behalf of the Government of Grenada and Ambassador Diaz, Representative of the EU delegation in Barbados - fulfilled an important provision of the Cotonou Agreement between the Government of Grenada and the European Union. A unique feature of the Cotonou Agreement is the promotion of dialogue and collaboration between the state and non state actors. Article 4<sup>2</sup> acknowledges the essential role that non-state actors can play in national development.

The Panel consists of 15 persons representing a wide range of sectors and interests:- the organized private sector, the trade union sector, the development non-governmental organizations, faith based organizations, community development organizations, women's organisations, farmers organizations, environment and heritage organizations, the media, youth and representatives from Carriacou and Petite Martinique. The Memorandum of Understanding sets out the following objectives for the Panel:

- Facilitate deeper involvement of civil society in the country/EU partnership<sup>3</sup>;
- Participate in political dialogue, policy dialogue, programming and review, related to EU development assistance; and
- Provide advice on other matters related to EU – country partnership as jointly requested by the Government and the Delegation or determined by the Panel.

In keeping with the objectives, the following are some of the activities in which the NSAP has been involved since its establishment:

- Participation in consultative meetings with members of the EU missions to review EU – Grenada Country Portfolio;

---

<sup>2</sup> The Cotonou Agreement: A User's Guide for Non-State Actors – compiled by the ECDPM, 2003

<sup>3</sup> Grenada – EU partnership

- Review and make recommendations in respect of the *EU Green Paper on Budget Support*;
- Participate in a consultative meeting with EU consultants on the *Growth and Poverty Reduction Strategy* (GPRS);
- Organize a NSAP review of the Growth and Poverty Reduction Strategy proposed by the Government of Grenada;
- Participate in the national consultation on the government's proposed Growth and Poverty Reduction Strategy; and
- Participate in the consultative meetings on the development of a *Food Security Programme to Support Grenada's Attainment of the Millennium Development Goals*.

In fulfillment of its role of participating in and contributing to the political and policy dialogue, as well as participating in the implementation of national development interventions financed by EU assistance to Grenada, the Non State Actors Panel undertook the development of its own *Alternative Growth and Poverty Reduction Strategy*. This decision was in keeping with the conclusions arrived at following the NSAP's review of the government's own Growth and Poverty Reduction Strategy.

The ***Growth and Poverty Reduction Strategy*** is a very important document which serves to guide the trajectory of social and economic development within the country over the next three to five years. Given that the Government of Grenada has opted to divert its allocation under the 10<sup>th</sup> EDF from Human Settlements to General Budget Support, the Growth and Poverty Reduction Strategy would be the entry point and driver of EU Budget support to Grenada. It is therefore critical that the GPRS platform be reflective of the social and economic needs of the country. Both the review by the Non State Actors Panel and the national consultation identified what were considered to be significant gaps and deficits in the strategy document presented by the government. Among the deficiencies identified by both review sessions were the following:

- The absence of a coherent strategy for growth and poverty reduction;
- The lack of an analytical and prescriptive approach to solving poverty. The general view was that the approach was too descriptive and not sufficiently solution-oriented and hence lacked specific actions for implementation.
- The omission of many recommendations identified during the consultations.
- Gender issues were inadequately addressed.

To the extent that Grenada's receipt of budgetary support from the 10<sup>th</sup> EDF is hinged on the Growth and Poverty Reduction Strategy, the Non State Actors Panel is of the opinion that it has a responsibility to formulate an alternate strategy which details a more coherent and prescriptive approach to poverty reduction and simultaneously truly reflects the many issues raised in the consultations. This document is to be presented to Government of Grenada as an alternative to its own Growth and Poverty Reduction Strategy. Whether or not the Alternative GPRS is accepted is a matter for the Government of Grenada. However, in fulfillment of its mandate of October 9<sup>th</sup>, 2009, the Non State Actors Panel should indicate to the administration its concerns re the proposed GPRS. The Non State Actors Panel has therefore undertaken to provide Government with an alternative GPRS for its consideration. In addition, this alternative GPRS would serve to inform the programmes and interventions of various non state actors re their participation in various national development processes aimed at poverty reduction.

### **Philosophy, Guiding Principles and Approaches:**

This alternative GPRS is considered qualitatively different from government's own GPRS, being guided by the following philosophy and principles:

- Equity and social justice
- Gender equity
- Increased self-reliance and reduced dependence
- Inclusiveness and participation
- Good governance and accountability
- Sustainable development

In developing this Alternative GPRS, the NSAP sought inputs from the stakeholders groups represented on the panel as well as from local academics, and also took into

consideration successful, innovative approaches that have been applied elsewhere. The strategy has borrowed from the following innovative approaches :

- The adult education and co-operative approach of the *Antigonish Movement* of Eastern Canada
- The pioneering work of the *Barefoot College of India* in promoting solar technology in remote, rural villages in India.
- Unlocking the potential of the “dead capital” of the poor as espoused by Peruvian economist, *Hernando De Soto*.

This Alternative Growth and Poverty Reduction Strategy document is organized as follows:

- Chapter 1 provides a brief analysis of the macro economy of Grenada.
- Chapter 2 looks at the recent performance of the economy of Grenada.
- Chapter 3 describes the state of poverty in Grenada and the past attempts at poverty eradication.
- Chapter 4 outlines the proposed alternative strategy.

## CHAPTER 1

### **1.0. The Economy of Grenada and Government's Commitments to Poverty Reduction**

#### **1.1. Macroeconomic Context:**

The State of Grenada consists of three main islands - Grenada, Carriacou and Petit Martinique. The country has a land area of approximately 344 square kilometers with a population of 107,000 based on the 2007 Census report.

Grenada has a small, open economy, vulnerable to external shocks and to natural disasters. For many years the country depended on agriculture for income, employment and output - a legacy of its colonial past - but there was a shift in the 1990s when efforts commenced to the economy away from agriculture to tourism and telecommunications services. This diversification was catalyzed by the plummeting of world nutmeg prices in 1991 as a result of the de-regulation of the Indonesian economy by the International Monetary Fund. The arrangements between Grenada and Indonesia in respect of the international trading of nutmegs were terminated with catastrophic results for Grenada and occasioned what came to be known as the “collapse of the rural economy”.

The agricultural sector has undergone some changes. Whereas, the sector agricultural once was once dominated by the traditional export crops of cocoa, nutmeg and bananas, today fishing and non-traditional crops are key sub-sectors. Crops account for about 40% of the contribution of agriculture to GDP. The manufacturing sector has also grown over the years, and today the country has a vibrant agro-processing sub-sector in which a large number of small agro-processors are involved. Tourism is another sector that has made great strides with the building of an international airport (in the 1980s), the construction of two large hotels and additional guest houses since the 1990s and more recently a cruise terminal to accommodate large cruise ships. The domestic private sector dominates economic activities in tourism and agriculture.

Apart from the changes that have taken place in the productive sectors of agriculture, tourism and manufacturing, heavy expenditure on the country's physical and social infrastructure has resulted in a well developed road network, modern banking facilities, a significant improvement in education and health facilities and an advanced telecommunications system that is on par with that which exists in the developed world. Grenada can now be described as having a much diversified economy with seven sectors making comparable contributions to GDP. However, government service, with 14% is the largest contribution to GDP.

### **1.2. Government Commitment to Poverty Reduction:**

The existence of poverty in Grenada is an undeniable fact. It is viewed as one of the legacies of the colonial past. Since Independence in 1974, successive governments have pledged to eradicate poverty, placing it at the centre of their economic agenda. Budgets were designed to include projects and programmes aimed at poverty alleviation. Moreover, successive governments have over the years prepared *Medium Term Economic Strategic Papers*, in which specific pro-poor projects aimed at poverty alleviation were identified.

In 1996, in support of government's efforts at poverty alleviation, a major poverty assessment survey was conducted for Grenada. The study was undertaken by *Kariri Consultants* of Trinidad and the report was released in 1999. The report identified the main areas of poverty in the country and pointed to the need for a concerted effort to implement programmes to assist the poor and in order to reduce poverty. The second official poverty assessment was conducted in 2008. This document indicated that there was no major improvement in the poverty situation in the country, and reiterated the recommendation for a more concerted effort to alleviate the poverty situation in the country.

Following the passage of Hurricanes Ivan and Emily in 2004 and 2005 respectively, a *Core Welfare Indicators Questionnaire (CWIQ)* survey was conducted, with external support, to confirm the state of poverty in the country following the hurricanes and to

identify appropriate measures to alleviate poverty. Moreover, in an effort to rebuild the economy after the hurricanes of 2004 and 2005, the government designed and implemented a Medium Term Economic Strategy Paper of March 2006 aimed at restoring growth and bringing balance to macroeconomic indicators. The programme included a number of measures aimed at protecting the poor and vulnerable. The document was submitted to the International Monetary Fund, as the basis for garnering financial support for the country's development programme.

Between the release of the two Country Poverty Assessment Reports in 1999 and 2009, there have been a number of events that would have contributed to the worsening of the poverty situation in Grenada. Among these were the following:

- The decline in economic activity in Grenada with the September 11<sup>th</sup>, 2001 events in the USA;
- The destruction of the economy of Grenada with the passage of Hurricane Ivan in 2004 and Hurricane Emily in 2005;
- A series of external shocks as of 2005 which resulted in a rise in fuel and commodity prices; and
- As of 2008, the world economic crisis which led to a fall in economic activity in Grenada.

All these events would have impacted negatively on the poor worsening their economic situation and warranting the need for deliberate policies to address their circumstances.

## CHAPTER 2

### 2.0: Grenada: Recent Economic Performance:

#### 2.1: Output

The following Chart shows the performance of the Grenadian economy for the period 1998-2010. The economy of Grenada recorded positive growth averaging 5.5% during the period 1998-2003. This was largely due to increased capital expenditure by the Government and a favorable external environment characterized by growth in the major economies of the world. Economic activity declined in 2004 with the passage of Hurricane Ivan which destroyed the economy. The damage caused by the hurricane was estimated to be the equivalent of twice the country's GDP in 2003<sup>4</sup>. Efforts at rehabilitation after Hurricane Ivan resulted in positive high growth in 2005 mainly due to increased construction activity. That positive growth continued for the next three years

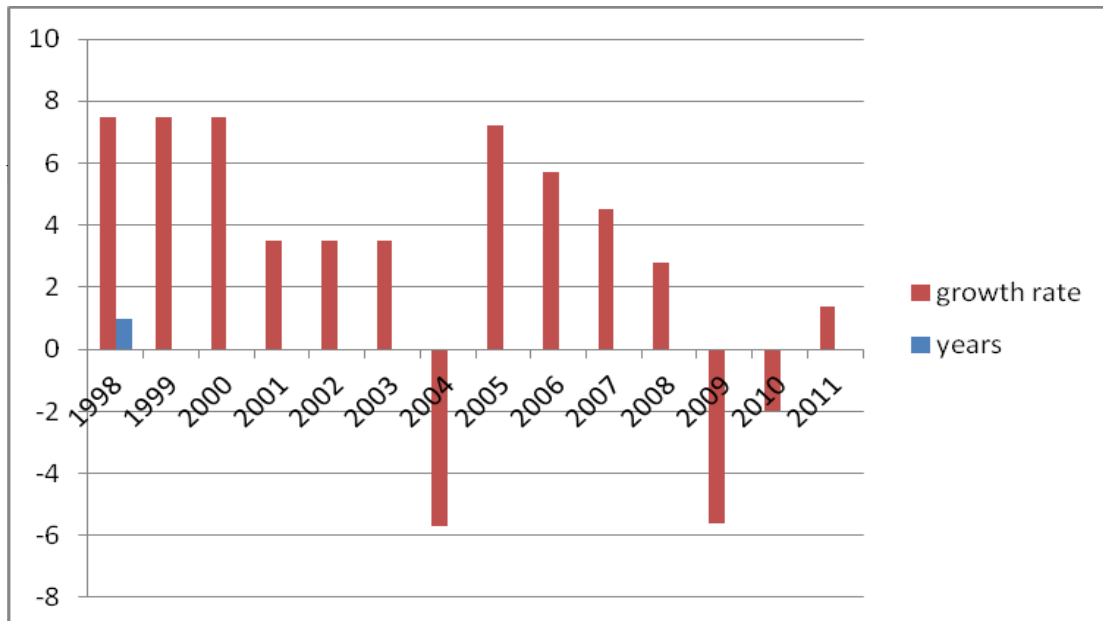


Figure 1: Grenada: GDP Growth 1998 – 2010

Source: Ministry of Finance

<sup>4</sup> GDP at current prices in 2003 was \$1,062.76



but with a declining trend until it became negative in 2009 and 2010 as the full onslaught of the world economic recession was felt on the domestic economy. For 2011, growth is projected to be positive, on the basis of a recovery in the world's economy.

The following observations must be noted in respect of Grenada's economy during the last decade:

- The economy underwent major structural reform moving from a highly dependent agricultural-based economy to a diversified one with at least seven sectors (agriculture, construction, tourism, manufacturing, banking, telecommunications, transport) contributing to income, employment and output;
- The economy has become more service oriented with telecommunications, banking and insurance and government services playing a greater role in the country's GDP;
- Given the country's diversified nature, the economy has become more resilient to external shocks and natural disasters.
- Major capital projects undertaken by governments over the years have significantly improved the country's social and economic infrastructure and have created the conditions for a greater private sector involvement in the economy. For example, in 2009, of the country's 47,500 labor force, an estimated 22,500 persons found employment with the private sector.

## **2.2. Sector Performance:**

### **2.2.1. Agriculture:**

For many years agriculture remained the backbone of the Grenadian economy contributing up to over 30% of the country's GDP in the 1970s and 1980s. Efforts at economic diversification, fostered by fluctuating world prices for traditional crops and the decline of banana production due to *Moko* disease in the early 1980s, resulted in a reduced role for agriculture in the economy. The cocoa sub-sector was adversely affected by the incidence of diseases and low prices on the international market while, in the mid-90s, the world market prices of nutmegs plummeted resulting in what was described in Grenada as the "collapse of the rural economy".

Today, agricultural production consists of traditional agricultural crops of cocoa, nutmeg and mace geared mainly for the external market and non-traditional vegetable crops geared to meet domestic consumption and to satisfy local food security needs.

A significant non-traditional product with export potential is cut flowers. While the sector remains relatively small and under-developed, Grenadian cut flowers have been showcased at the annual *Chelsea Flower Show* in England. In 2011, the Grenadian exhibit won a record-breaking ninth gold medal. The apiculture sub-sector is also another sector which remains underdeveloped in spite of the international awards received by Grenadian honey exhibits at the *International Honey Show* in England in 2001 and 2002.

**Table 1: Percentage Contribution of Agriculture to GDP**

<b>Years</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<b>% Contribution to GDP</b>	8.6	4.5	5.7	4.2	6.4	5.3	5.9

*Source:* Ministry of Finance, Grenada

As indicated in the above table, the sector's contribution to GDP has remained relatively stable as of 2005, reflecting the efforts of government to revive the sector following the passage of Hurricane Ivan in the previous year. Those efforts focused on the provision of farm labour support (supplied mainly by persons in the poor and vulnerable categories), planting materials and fertilizers to farmers. As a consequence of these efforts, output grew by 4.2% in 2007; by 11.1% in 2008 and a further 9.4% in 2009 reflecting substantial increases in the production of traditional (nutmeg and cocoa) and non-traditional crops (mainly fruits and vegetables).

The implementation of the Medium Term Economic Strategy Paper, 2000-2003, prioritized the fishing sub-sector as a growth area for agriculture. The value of fish

production moved from \$27.88 million in 2003 to a projected value of \$32.15 million in 2011.

It is useful to add here that the agricultural sector received a boost in 2011, a year in which the world price of nutmegs has been the highest ever recorded in history. Similarly, the international prices for cocoa prices were also high. In 2011, nutmeg and cocoa were the two most buoyant sub-sectors of agriculture even though their production has not attained the pre- Hurricane Ivan levels of 2004. The growth now taking place in these sub- sectors provides an ideal opportunity to position it as key element in poverty reduction/ eradication efforts.

### **2.2.2. Manufacturing:**

The manufacturing sector has traditionally been small in Grenada, with output being mainly paints, oxygen, feeds, flour, wheat bran, drinks (rum, malt stout, beer) and macaroni. A major constraint to manufacturing output in Grenada is that most of the inputs are imported. This has serious implications for the high cost of domestic production and the inability of the sector to compete with similar, externally manufactured goods. For this reason, manufacturing output in Grenada is mainly for domestic consumption.

The sector experienced a major boost with the establishment of the Grenada Industrial Development Corporation in the 1980s which created factory spaces for small and medium size enterprises and facilitated the inflows of foreign direct investment in the enclave industries that attempted to exploit apparently low domestic labour cost. However, given the higher cost of labor in Grenada and the more rigorous industrial relations standards supported by strong trade unions, many of the enclave industries soon relocated to regions of Central and South America where labour costs were substantially lower and industrial relations standards less rigorous.

The manufacturing sector in Grenada is also characterized by a large number of small agro-processors who use local agricultural output to produce products such as candies,

cakes and wines. These are mainly cottage type industries where production takes place at home and output is for the domestic market. These small agro-processors have been growing in recent years as the quality of their output has captured local demand. The growth in quality has been largely due to organized training received from the Grenada Bureau of Standards with assistance from international organizations such as the Food and Agricultural Organization.

In recent years, the sector has seen the introduction of two new agro-processing activities whose production is for the external market. These are the nutmeg oil (produced from local nutmeg) and chocolate bars (produced from local cocoa). The local chocolate has received international awards on two occasions<sup>5</sup>. These two products are presently experiencing high price and increasing demand on the external market, which suggests that there is growth potential for these two sub-sectors. The potential exhibited by these two sub-sectors could also be explored for other locally produced agricultural produce.

The following table shows the contribution of the manufacturing sector to GDP over the last ten years.

**Table 2: Percentage Contribution of Manufacturing to Gross Domestic Product at Constant Prices**

<b>Years</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010e</b>	<b>2011p</b>
<b>Manufacturing % Contribution to GDP</b>	6.65	5.91	6.22	6.21	6.04	5.62	5.81	5.82	5.73

Source: Ministry of Finances

As indicated in the above table, for the period 2003 to 2011, the sector's contribution to GDP has been relatively stable averaging around 6.0% over the period stated.

---

<sup>5</sup> In 2011, the Grenada Chocolate Company won a "Bean to Bar – Best Chocolate Award", silver medal awarded by the London Academy of Chocolate Awards for its 82% chocolate bar; in 2011 the company was also nominated for the U.S.A Secretary of State Award for Corporate Excellence.

### 2.2.3. Tourism:

For many years, governments of the OECS including Grenada considered tourism to be major engine of growth for these islands and having a pivotal role to play in any strategy aimed at poverty reduction/eradication. The importance of the sector was also seen from the perspective of its potential to reduce unemployment, increase foreign exchange earnings and strengthen the linkages with the agricultural and manufacturing sectors.

In Grenada, successive governments therefore provided substantial assistance in the form of concessions to local and foreign investors in their efforts to develop the tourism sector. The emphasis was on foreign direct investment in new hotels mainly in the southern belt of the island, together with increased government outlays on promotion and human resources development, (especially in hospitality management) and the implementation of certain projects aimed at enhancing the tourism product.

With these efforts, the industry began to play a leading economic role at the start of the new millenium as reflected in its increased contribution to income, employment and output.

**Table 3: Percentage Contribution of Tourism to GDP**

<b>Years</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010e</b>	<b>2011p</b>
<b>Tourism % Contribution to GDP</b>	7.87	7.25	3.75	5.79	6.18	5.87	5.23	5.08	5.09

*Source:* Ministry of Finance, Grenada

In the above table, it can be seen that the sector's contribution to GDP fell in 2005 in comparison with preceding years. Like agriculture, the sector also suffered significantly from the passage of Hurricane Ivan in September 2004 when eighty percent (80%) of the hotel plant was destroyed. With renewed efforts to have the sector ready for the staging of the 2007 World Cup Cricket, government concessions to hoteliers resulted in over ninety-five percent (95%) of the hotels rehabilitated and also at a much higher standard.

Additionally, in preparation for said event, over 1,300 rooms were added to the room stock through a special Home Stay Programme.

The following table illustrates the performance of the major tourism indicators for the period 2003-2010.

**Table 4: Tourism Indicators (2003-2010)**

	2003	2004	2005	2006	2007	2008	2009	2010
<b>No. of Stay-over arrivals</b>	142,355	133,865	98,548	118,654	130,096	130,363	109,474	104,694
<b>No .of Cruise ship passengers</b>	146,925	229,800	274,956	218,684	270,259	292,712	342,852	333,765
<b>No. of cruise ship calls</b>	267	249	260	221	259	217	246	209
<b>Av. Length of stay (days) of stay-over arrivals</b>	7.7	7.4	7.5	7.6	n.a	n.a	n.a	n.a
<b>Visitor Exp. (EC\$M)</b>	470.3	418.8	254.9	309.7	290.78	293.2	267.22	259.7
<b>No. of rooms</b>	1,758	860	1,470	1,537	n.a.	n.a.	n.a.	n.a.

*Source:* Grenada Board of Tourism

As indicated in the table, stay-over arrivals fell in 2004 but went up slightly until 2008 as the economy recovered from the hurricane. With the advent of the world economic crisis, stay-over arrivals declined in 2009 and 2010.

The number of cruise ship passengers visiting the country from 2003 showed a tendency to rise even if there was a fluctuation in the number of cruise ship calls over the same period. It is noted however, that the increase in the number of cruise ship passengers was not accompanied by higher visitor spending. In 2009 for example, when total visitor arrivals exceeded 450,000, spending was only \$267 million, lower than the \$309.7 million recorded in 2006 when total visitor arrivals were under 350,000 passengers.

From a macroeconomic view point, the contribution of the sector to Gross Domestic Product remained relatively stable as of 2006, with its contribution averaging 5.5% between 2006 and 2011.

#### **2.2.4. Construction<sup>6</sup>:**

The other sector considered as having a major role to play in any strategy aimed at poverty eradication and employment generation in Grenada is the construction sector. In addition to being labour intensive, the sector has strong positive externalities for the rest of the economy since it provides the physical infrastructure which contributes to an enabling environment for private sector participation.

During the latter half of the 1980s and the decade of the 1990s, private sector construction activities benefitted from remittances of migrants which were used to construct large homes by Grenadians returning to reside permanently in their country of birth, following decades of living abroad. These returnees came mainly from the United Kingdom. Migrant transfers has however declined in the new Millennium and with it the level of private sector construction activity in the country.

Public sector construction activity over the last ten years has been focused to a large extent on infrastructural development. Government invested heavily in the construction of farm and feeder roads, bridges, the rehabilitation of the country's seaport and airport, and the construction of schools and a new hospital. Among the major infrastructural projects undertaken over the last twenty years include a new hospital, the expansion and modernization of the Maurice Bishop International Airport, the National Stadium, the Ministerial Complex, the expansion of reliable electricity services throughout the country and the provision of modern telecommunications services. The sector received a boost with the rebuilding efforts after 2004 coupled with the preparation for the staging of the 2007 World Cup in Grenada.

---

<sup>6</sup> Data on private sector construction is not readily available, hence the analysis here is mainly on government public sector construction

During the period 2003-2011, the construction sector played a major role in the country's economic development as can be seen in the following table.

**Table 5: Percentage Contribution of Construction to GDP**

<b>Years</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010e</b>	<b>2011p</b>
<b>Construction % Contribution to GDP</b>	8.63	9.67	15.94	11.42	9.83	8.17	6.64	6.65	4.65

*Source:* Ministry of Finance

Following Hurricane Ivan in 2004, in 2005 the contribution of the construction sector to GDP rose to a high of 15.94 percent. In 2005, the construction sector grew by 83.1 per cent but declined to 30.1% in 2006 as many rehabilitation projects neared completion. It declined by a further five percent (5%) in 2007, despite the implementation of major private sector projects, especially in the hotel industry. In 2006, the sector contributed 11.42% to the country's GDP, but this contribution fell to 9.83% in 2007. The downward trend in the sector continued in 2008, on account of the slowdown in the world economy and the scarcity of financing for many private sector projects. - contributing 8.17% to GDP In 2009, the percentage contribution of construction dipped further to 6.64 per cent as the global crisis intensified and financing for several major projects became even scarcer. Preliminary estimates for 2011 indicate that the sector's contribution to GDP declined further to 4.65 per cent as the commencement of several major projects was delayed. Given its labor intensive nature, the construction sector can play a major role in poverty reduction/eradication efforts in Grenada.

#### **2.2.5. Central Government Fiscal Performance:**

Poverty reduction/eradication efforts would no doubt depend upon government's ability to address the challenges confronting the poor and to provide counterpart financing for capital projects. Over the last five years, central government operations deteriorated with current expenditure growing faster than current revenue resulting in a declining current



account balance<sup>7</sup> and in fact a deficit (0.1% of GDP) in 2009. This was the first time government would have recorded a deficit in its current operations in more than ten years.

Government operations improved slightly in 2010 with a current account surplus of 2.3% of GDP, as new tax measures (in particular the Value Added Tax) were introduced to broaden the tax base and encourage greater compliance in an effort to raise revenue. A slight improvement in government operations is projected for 2011 reflecting the projected improvement in economic activity.

**Table 6: Grenada: Fiscal Performance (EC\$m)**

	2006	2007	2008	2009	2010e	2011b
<b>Current revenue</b>	379.6	428.4	465.0	405.3	428.4	454.2
<b>Current expenditure</b>	313.1	3441.8	421.1	415.3	415.1	446.0
<b>Current account balance</b>	66.5	86.7	44.0	-10.0	13.3	8.1
<b>Capital revenue</b>	0.1	0.1	0.1	0.1	0.2	0.0
<b>Capital expenditure</b>	285.8	223.1	207.6	157.8	118.4	203.7
<b>Grants</b>	118.7	17.3	68.2	68.3	78.3	47.6
<b>Overall balance</b>	-100.4	-119.0	-95.3	-99.3	-26.7	-148.0

*Source:* Ministry of Finance

For the period 2006-2010 capital expenditure declined continuously given the small current account surplus and falling capital grants. The decline was also a deliberate attempt of government to keep capital spending in line with available resources and hence control the overall deficit which fell in 2008 and 2009.

---

<sup>7</sup> A consistently large current account deficit may hinder the country's ability to acquire external support for its development programme.

**Table 7: Grenada: Fiscal and Debt Indicators**

	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010e</b>	<b>2011p</b>
<b>Current revenue to GDP (%)</b>	25.0	26.1	20.7	20.0	19.7	20.0
<b>Current expenditure to GDP (%)</b>	21.3	21.7	18.7	19.8	17.4	17.2
<b>Current account balance to GDP (%)</b>	3.7	4.4	2.1	-0.1	2.3	2.8
<b>Overall deficit (% of GDP)</b>	-6.4	-8.2	-4.1	-3.4	-6.6	-8.6

Source: Ministry of Finance

Table 7 shows that as a percentage of GDP, Government's overall deficit widened in 2007 with higher outlays on capital spending in that year related to World Cup Cricket. The deficit however narrowed in 2008 and 2009 as government curtailed major capital spending to bring the overall deficit in line with its established benchmark.

Reduction in capital spending can be a major hindrance to poverty reduction/eradication efforts since capital spending (which takes the form of capital projects), in addition to achieving the goal of poverty alleviation, can lead to the fulfillment of many other macro-economic objectives of government:

- i. **GDP Growth** - growth in GDP when projects are implemented in specific sectors of the economy;
- ii. **Private Sector Participation** - a greater involvement of private sector participation in the economy which simultaneously will help the achievement growth targets;
- iii. **Increased Employment** – an increase in the level of employment since most of the public sector investment projects (PSIP) are labour intensive;
- iv. **Income Distribution** - an improvement in income distribution since most of the persons employed in the projects will receive an income;
- v. **Balance of Payments** - balance of payments support, as most of the projects in the PSIP are usually financed by external grants or loans.

Consideration must therefore be given to a certain level of capital spending to support the efforts at poverty reduction/eradication.

### 2.2.6. The National Debt:

The size of a country's national debt is largely linked to its fiscal performance. Countries with large fiscal deficits usually incur large debt to meet the expenditure needs of the country. The extent to which a country borrows is also related to its development needs and the urgency to satisfy these needs. Small island developing states like Grenada usually have urgent development needs and, to the extent that domestic resources may be insufficient to meet those needs, the next best option (in the absence of grants) is to incur loans to satisfy them.

Obviously, not all development projects (normally the means of addressing development needs) can be implemented simultaneously; they have to be prioritized for implementation, taking into consideration the urgency of the objective situation, the absorptive capacity of the country, and the extent to which a particular project would fulfill the macroeconomic priorities of the country.

**Table 8: Grenada: Debt Structure (EC\$m)**

	2003	2004	2005	2006	2007	2008	2009	2010
<b>Total domestic debt</b>	<b>292.3</b>	<b>329.3</b>	<b>205.1</b>	<b>196.5</b>	<b>229.1</b>	<b>227.1</b>	<b>262.4</b>	<b>282.9</b>
Treasury bills	87.5	72.5	68.9	71.4	78.2	78.1	99.7	112.0
Bonds	127.7	153.7	31.2	31.2	27.0	11.7	11.7	11.7
Loans	23.8	22.9	30.6	38.1	58.1	58.9	64.9	54.0
Others	53.3	80.3	74.5	55.8	65.8	78.4	86.1	83.8
<b>Total external debt</b>	<b>733.9</b>	<b>874.7</b>	<b>1,215.8</b>	<b>1,297.4</b>	<b>1,354.3</b>	<b>1,369.9</b>	<b>1,463.4</b>	<b>1,473.1</b>
Bilateral	138.3	134.5	177.8	210.1	226.5	212.2	207.2	203.3
Multilateral	230.9	271.1	308.1	357.4	401.9	398.4	530.4	544.0
Bonds	349.7	459.9	721.6	721.6	721.6	721.6	721.6	721.6
Others	14.9	9.2	8.2	4.2	4.2	4.2	4.2	4.2
<b>Grand Total</b>	<b>1,026.2</b>	<b>1,204.0</b>	<b>1,420.9</b>	<b>1,493.8</b>	<b>1,583.3</b>	<b>1,607.3</b>	<b>1,725.8</b>	<b>1,755.9</b>

Source: Ministry of Finance

As indicated in *Table 9, Grenada: Debt Structure*, Grenada has incurred debt from both domestic and external sources. The size of the domestic debt (which is mainly in the form of Treasury Bills and which is less than 30% of the total debt), has remained relative

stable over the last eight years. This may reflect the inability of government to raise revenue from domestic sources because of the small size of the market.

The external debt, which accounts for over eighty percent (80.0%) of the country's debt stock, almost doubled between 2003 and 2010. The following were contributory factors:

- A large overall deficit in excess of 6.0% of GDP experienced during that period, linked to reconstruction efforts after Hurricanes Ivan and Emily and the construction obligations of World Cup Cricket.
- The support the Government received from the international community by way of loans for the country's rehabilitation and reconstruction, after Hurricanes Ivan and Emily; and
- Commercial debt and loan guarantees to private sector projects.

From a macroeconomic standpoint, at the end of December 2010 Grenada debt to GDP ratio was high (86%), significantly above the established benchmark of 60%.

**Table 9: Grenada Debt Indicators (2006-2010) & 2011p**

	2006	2007	2008	2009	2010e	2011p
<b>Interest payment/current revenue(%)</b>	8.3	8.9	7.4	11.1	12.7	12.0
<b>Debt stock (EC\$ million)</b>	1,493.8	1,583.3	1,607.3	1,725.8	1,755.9	1,493.8
<b>GDP nominal(ec\$m)</b>	1,893.3	2,052.2	2,241.8	2,055.9	2,152.1	2,392.7
<b>Debt stock to GDP (%)</b>	78.9	76.2	72.7	81.0	81.8	62.5

Source: Ministry of Finance

Nonetheless, at the end of December 2010, interest payments to current revenue was 12.7%, well within the ECCB established benchmark of 16%.

### **2.2.7. Inflation:**

Grenada is part of the Eastern Caribbean Currency Union (ECCU), which is a Monetary Union with a common currency and a pool of foreign exchange. The common currency known as the Eastern Caribbean dollar (EC\$) has been fixed to the United States dollar (US\$), since July 1976. This fixed exchange rate regime means that inflation is

externally driven, caused mainly by high import prices. However, this has also accounted for inflation remaining relatively stable over the years.

Inflation, as measured by the change in consumer price index, moved from 4.3% in 2006 to a projected 5.8% in 2011. Inflation was at its peak in 2008 when it reached 8.0% as food and fuel prices sky-rocketed, reflecting events in the external economy. Inflation, however, fell sharply in the following year to -0.3% then rose again to 5% in 2010.

High levels of inflation can be a major factor affecting government's ability to eradicate poverty. As prices rise, the purchasing power of consumers decline (in the absence of a nominal increase in wages), making it more difficult for consumers to pay for basic needs, thus warranting an increase in nominal income, and hence, placing pressure on government's recurrent expenditure.

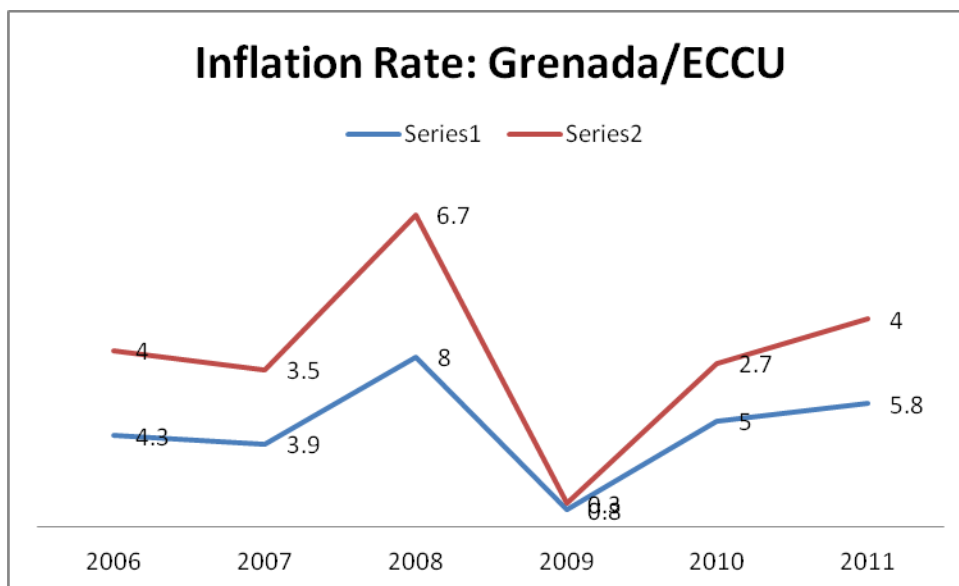


Figure 2: Inflation Rate: Grenada/ECCU

### **2.2.8. Unemployment:**

No official data on unemployment is collected for Grenada. Unemployment figures are usually rough estimates from the Ministry of Finance, based on data received from the National Insurance Scheme on newly registered employees.

Unemployment in Grenada is closely related to the level of economy activity, and would have therefore risen substantially with the passage of Hurricane Ivan in 2004. However, unemployment levels declined in 2005 and 2006 when construction boomed due to reconstruction efforts. Construction contributed 15.9% to GDP in 2005 and 11.4% in 2006.

With the contraction of the economy from 2008 and the fall in the level of construction activity in the country since then, unemployment has been estimated to be as high as 30% of the labour force. Any effort at poverty reduction/eradication must seek to reduce the level of unemployment in the country. Increased investment in the productive sectors of the economy and on government implementation of a carefully targetted expanded capital programme can make a significant contribution to these efforts.

### **2.3. Recent Macroeconomic Policies:**

Following the destruction of the economy in 2004, the government prepared a *Memorandum of Economic and Financial Policies and Technical Memorandum of Understanding* aimed at restoring growth and bringing balance to macroeconomic indicators. The growth measures focused on rebuilding agriculture, tourism and other productive sectors and on rebuilding the social infrastructure of education, health and recreational facilities. The programme also provided incentives for private sector involvement in the economy. The *Memorandum* was submitted and approved by the IMF in April 2006 as a basis for receiving financial support of US\$15.2 million under *Poverty Reduction and Growth Facility* arrangement. The *Memorandum* also facilitated the mobilization of financial support from the international community for the country's reconstruction effort. In that regard, in 2006, the European Union approved Budgetary Support to the government in the amount of 10 million euros.

Since then, there have been not been any major reform measures implemented by government aimed at restructuring the economy of Grenada. However, in 2008, with support from the World Bank, a *Doing Business* report was prepared for Grenada in which a number of recommendations were made for improving the business climate and environment in Grenada. These measures were as follows:

- The passage of the *Doing Business Act* which aims at reducing the time taken to do business in Grenada;
- The implementation of *Value Added Tax (VAT)* intended to broaden the tax base, increase compliance and enhance government's revenue.

## CHAPTER 3

### 3.0. Poverty Indicators in Grenada:

The poverty situation in Grenada is fully detailed in the reports of the two Country Poverty Assessment Surveys conducted in 1998 and 2008:

- **Indigence:** The 2008 survey showed a significant decline in the level of indigence, 2.4 % in 2008 compared to 12.9 % in 1998 – indicating a reduction in the number of persons whose nutritional consumption was below the minimum accepted level.
- **Poverty Head Count Index:** The Poverty Head Count Index (Poverty Rate), which is defined as the proportion of the population whose economic welfare/standard of living is less than the poverty line (the share of the population that cannot afford to buy a basic basket of goods), increased from 32.1% in 1998 to 37.7% in 2008. The increase in this indicator implies that there has been a worsening of the poverty situation with a greater proportion of the population falling below the poverty line.
- **Vulnerability Rate:** The Vulnerability Rate, which shows that a person is vulnerable to becoming poor but at the moment is not poor, was not calculated in the 1998 survey but was 14.6% in the 2008 survey.

### 3.1. Causes of Poverty:

The 2008 Country Poverty Assessment Report 2007/2008 identified a number of factors giving rise to poverty. Among these were:

- Limited income resulting from poor job opportunities;
- Very few safety nets;
- Poor physical infrastructure especially in the rural communities;
- Insufficient social infrastructure in rural communities;
- Lack of organized groups at the community level;
- Inadequate human resources



Among the various problems and conditions confronting the poor are:

- Inability to purchase the basic necessities of life;
- Lack of access to basic social amenities like clean water, quality housing, health assistance and education;
- High unemployment, low wages and a heavy dependence on agriculture;
- Lack of credit from financial institutions;
- Heavy dependence on remittances and government hand outs;

Any programme of poverty reduction/eradication should therefore address these problems confronting the poor.

### **3.2. Characteristics of the Poor:**

#### **3.2.1. Geographic Distribution of Poverty:**

**Table 10: Distribution of the Poor and Non Poor by Parish 2007/08**

<b>Parish</b>	<b>% of Poor</b>	<b>% non-poor</b>	<b>% of total population</b>
St. George's	27.2	30.5	29.2
St. George's Town	1.5	5.2	3.8
St. John's	8.4	8.8	8.6
St. Mark's	5.7	2.9	3.9
St. Patrick's	15.4	7.1	10.3
St. Andrew's	31.9	23.7	26.8
St. David's	8.8	12.7	11.2
Carriacou	1.1	9.1	6.1
<b>TOTAL</b>	<b>100</b>	<b>100.0</b>	<b>100.0</b>

*Source:* Country Poverty Assessment Report 2007/08

According to the 2008 survey:

- The majority of the persons who are poor reside in the parishes of St. Andrew's (31.9%) and St. George's (27.2%). These two parishes when combined account for fifty-six percent (56%) of the total population but at the same time has 59.1 percent of the poor in the country.
- . The percentage of the poor residing in the parishes of St. Mark and St. Patrick were 5.7% and 15.4% respectively. When combined, these two parishes accounted for 21.1 percent of the entire country's poor. However, only 14.2% of the population resides in these two parishes which indicate that there is a high concentration of poverty in these two parishes.

### 3.2.2. Demographic Distribution of Poverty:

**Table 11: Distribution of Poor by Age Group**

<b>Five Year Age Group</b>	<b>% in Poor Population</b>	<b>% in Total Population</b>
0-4	14.5	10.0
5-9	12.6	9.7
10-14	12.3	9.5
15-19	14.6	11.7
20-24	12.4	9.7
25-29	6.6	6.6
30-34	3.4	4.1
35-39	3.5	4.9
40-44	4.6	5.0
45-49	4.2	5.2
50-54	3.1	4.7
55-59	2.8	3.9
60-64	1.3	3.6
65+	4.0	11.3
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

*Source:* Country Poverty Assessment Report 2007/08

- A review of the poor by age-group shows that the majority of the poor (66.4%) are within the 0-24 age-group; this age group consists of children and the youthful population.
- A further evaluation shows that children account for 29.2 percent of the poor whilst the youth accounted for 21.4%. The table above also shows that the elderly (persons 65 and over) accounted for 4% of the poor in the country.

### 3.2.3. Poverty and Gender:

**Table 12: Distribution (%) of Males and Females by Poverty Status**

Sex	Poor	Non-poor	Total population
Male	39.5	60.5	100.0
Female	36.2	63.8	100.0
Total	37.7	62.3	100.0

*Source:* Country Poverty Assessment Report 2007/2008

The *Country Poverty Assessment Report 2007/2008* noted the following:

- More males (39.5 %) than females (36.2%) are poor.
- The unemployment rate is much higher among women (31.8%) than among men (17.9%).
- Young males (47.6%) are the most likely to be unemployed as compared with women (38.8%) of all unemployed women..
- The segmentation of the Labour Market therefore means differential growth rates by sector. This would result in differential unemployment rates for men and women.

The relationship between gender disparities, economic disempowerment and education is highlighted in the following recommendation of the CPA report (2007-2008):

*“There is need to open up opportunities for training in those areas where women have been blocked by social and customary rules. The removal of barriers to women will not*

*only have a radical impact on the workplace but also on the home and on gender relations. Women and their children have been subjected to abuse in part because of favourable entry into some areas of the labour market enjoyed by men”<sup>8</sup>.*

#### **3.2.4. Poverty and Unemployment:**

Table 13, which presents the distribution of the poor and non poor by employment status, shows that 65.1% of the employed are poor compared to 34.9% of the non-poor. This seems to suggest that there are a number of households whose members are employed but are not earning sufficiently in order to keep the household from poverty.

**Table 13: Distribution (%) of Poor and Non Poor by Employment Status**

<b>Employment status</b>	<b>Poor</b>	<b>Non-poor</b>	<b>Total population</b>
<b>Employed</b>	65.1	80.8	75.1
<b>Unemployed</b>	34.9	19.2	24.9
<b>Total</b>	100.0	100.0	100.0

*Source:* Country Poverty Assessment Report 2007/08

The following table, Table 14, which shows the distribution of the poor and non poor by industry, suggests that the poor are involved mainly in elementary and unskilled occupations such as agriculture and fishing, construction, and the service industry, respectively accounting for 11.3%, 25.6% and 35.0% of the poor persons that are employed.

---

<sup>8</sup> Kariri Consultants, *Country Poverty Assessment Report 2008-2009*, pg 145

**Table 14: Distribution of the Poor and Non Poor by Industry**

<b>Industry</b>	<b>Poor</b>	<b>Non-poor</b>	<b>Total</b>
<b>Agriculture &amp; fishing</b>	11.3	7.7	8.8
<b>Manufacturing</b>	1.7	3.8	3.1
<b>Construction</b>	25.6	18.5	20.7
<b>Wholesale &amp; retail</b>	4.9	6.3	5.9
<b>Hotel and Restaurant</b>	2.6	3.3	3.0
<b>Transportation</b>	3.0	3.7	3.5
<b>Services</b>	35.0	37.2	36.5
<b>Admin./Social Security</b>	0.8	1.1	1.0
<b>Education/Social work</b>	5.7	9.6	8.4
<b>Other</b>	9.5	8.9	9.1
<b>Not Stated</b>	0.0	0.0	0.0
<b>Total</b>	100.0	100.0	100.0

*Source:* Country Poverty Assessment Report 2007/08

### **3.2.5. Poverty and Housing:**

#### **3.2.5.1. No. of Persons per Household:**

According to the Country Poverty Assessment Report 2007/2008:

- Poorer households tend to have a large number of persons relative to non-poor households.
- The average number of individuals in a household in the poorest quintile was five (5), compared to the national average of three (3) persons per household across all consumption groups.
- Most of the individuals living in poor households were adults.

- There were also more persons per bedroom in the poorer quintile than in the less poor quintiles.

The following table, Table 15, illustrates.

**Table 15: Mean Adult Equivalent Household Size**

	Household Quintiles					
	Poorest	11	111	1V	V	Total
	Mean					
<b>Persons per Bedroom</b>	2.4	1.79	1.39	1.09	0.78	1.51
<b>Adult Equivalent household Size</b>	4.01	3.29	2.57	1.90	1.28	2.61
<b>Mean Size of Household</b>	5	4	3	3	2	3

*Source:* Country Poverty Assessment Report 2007/2008

### **3.2.5.2. Dwelling Conditions:**

The *Country Poverty Assessment Report 2007/2008* notes the following in respect of dwelling conditions of the poor:

- Most poor persons (58.2%) had their homes built of wood or timber compared to the national average of 32.6%.
- 1.2% of the poor households had “makeshift” accommodations.
- Over the last ten years there has been substantial rural-urban drift, manifested in the many tenements located in the vicinity of St. George’s. This rural-urban drift has been due in part to the sluggish growth or decline in agricultural production<sup>9</sup>.

---

<sup>9</sup> This therefore suggests that there must a focus on developing the rural economy.

Table 16 presents information on the material of outer wall of the dwellings of the poor and non-poor.

**Table 16: Distribution of Poor and non-poor by material of outer walls**

Material of Outer Walls	Socio economic status		
	Poor	Non-poor	All Households
	%		
Wood/Timber	58.2	24.0	32.6
Concrete/Concrete Blocks	16.0	46.7	38.9
Wood & Concrete	16.4	24.8	22.7
Stone	0.0	0.1	0.1
Plywood	5.6	3.7	4.2
Makeshift	1.2	0.0	0.3
Other/Don't Know	2.6	0.8	1.3
Total	100.0	100.0	100.0

Source: Country Poverty Assessment Report 2007/2008

### 3.2.5.3. Tenure of Dwelling:

In respect of ownership of homes:

- Most householders in Grenada are likely to own the homes they live in, but the poor were significantly less likely to own their homes.
- 76.3% of the poor households own their homes, compared to 85.5% non-poor households.
- More poor householders lived in rented homes compared to non-poor householders.
- A very small percentage of the poor lived in rent-free accommodations and were squatters.
- The majority of the poor households used pit latrines.

Table 17 shows the distribution of the poor and non poor by tenure of dwelling.

**Table 17: Distribution of Poor and non-poor by Tenure of Dwelling**

Tenure of Dwelling	Socio-economic Status		
	Poor	Non-poor	Total
	%		
<b>Owned with/without a Mortgage</b>	76.3	85.5	83.2
<b>Rented-Furnished/Unfinished/Private/Gov't)</b>	15.7	8.1	9.9
<b>Rent Free</b>	7.9	4.9	5.7
<b>Squatted</b>	0.0	0.3	0.3
<b>Other</b>	0.0	1.2	0.9
<b>Total</b>	100.0	100.0	100.0

Source: Country Poverty Assessment Report 2007/2008

### 3.2.6. Poverty and Education:

Education is considered fundamental to breaking the cycle of poverty. Various governments have been of that persuasion and committed their administrations to expanding the educational opportunities for all in the country. There have also been specific programmes aimed at increasing educational opportunities for the poor. Grenada has recently introduced universal secondary education. However, primary universal enrollment has long been achieved and Grenada boasts a high literacy rate irrespective of persons' economic status. However, according to the report, there was a greater probability of illiteracy<sup>10</sup> being reported among the elderly in the lower consumption quintile.

With the achievement of universal primary education, enrolment for school in the early age groups (5-9 and 10-15) was very high (93.8% and 97.2% respectively). However, enrollment by the older age groups (15-19; 20-24 and 25-29) for secondary and tertiary education was largely dependent on economic status. The high level of unemployment

---

<sup>10</sup> Illiteracy though can be considered as a general problem within the society.



among that age group therefore suggests that persons in the lowest consumption quintile entered the job market early, or dropped out of school very early and also forfeited tertiary education since they were unable to pay for it.

Even with the achievement of universal primary enrolment, not all children attended school on a regular basis. There was absenteeism and, according to the report, absenteeism decreased as one's economic situation improved. It is reported that 6.1% of children in the poorest quintile did not attend school at all. A number of reasons have been given for absenteeism. The most common one was illness. According to the report, 28.8% of the persons in the poorest quintile reported illness as the main reason for not sending their children to school. This therefore suggests a close correlation between education and health. Persons in the poorest quintile also cited financial problems as another reason for not being able to send their children to school. The following table indicates the reasons for absenteeism from school.

**Table 18: Persons 5-15 years: Reason for not attending school**

Reason did not attend school	Consumption Quintiles					
	Poorest	11	111	1V	V	Total
	%					
<b>Illness</b>	28.8	12.9	6.9	17.2	0.0	17.3
<b>Financial problems</b>	14.1	11.7	8.9	3.4	0.0	9.3
<b>Transportation problems</b>	2.9	0.0	0.0	0.0	0.0	1.1
<b>Working</b>	2.9	0.0	0.0	0.0	12.4	2.5
<b>Not worth going</b>	0.0	0.0	6.9	0.0	0.0	1.1
<b>School closed/holidays</b>	41.1	44.8	51.1	21.1	40.0	39.5
<b>Truant/Delinquent (no reason)</b>	1.6	3.5	0.0	7.7	0.0	2.6
<b>Menstrual problems</b>	0.0	0.0	0.0	7.7	0.0	1.4
<b>Other</b>	8.7	27.0	26.1	42.9	47.7	25.2
<b>Total (%)</b>	100.0	100.0	100.0	100.0	100.0	100.0
<b>Total (Nos.)</b>	1,238	573	514	598	371	3,295

*Source:* Country Poverty Assessment Report 2007/2008

### **3.2.7. Poverty and Health:**

The *Country Poverty Assessment 2007/2008* noted the following:

- Chronic diseases account for most of the reported health problems of the population. Diet and lifestyle changes were responsible for the increased incidence of chronic disease.
- HIV/AIDS had emerged as critical among infectious diseases, requiring a special programme.
- Many girls became pregnant under the age of 16 – they were therefore vulnerable to HIV/AIDS given that they were engaging in unprotected sex.
- The high cost of medicine was burdensome to many and the public health centres were the first place visited for medical attention.
- There was a link between socio-economic status and health with implications for the well-being of the poor. The poor were pre-occupied with “making two ends meet”, lacked access to good health care and had a lower level of awareness of their health conditions.. Therefore, the poor suffered greater levels of morbidity and mortality from the “silent” chronic diseases.

### **3.2.8. Poverty and Institutions**

Volume 3 of the *Country Poverty Assessment Report 2007/2008* provides a detailed list of the institutions addressing poverty and undertaking various poverty alleviation interventions. It also provides an assessment of the weaknesses of those institutions. The document also outlines the actions that are necessary to close the gap in order to allow these institutions fulfill their roles in the eradication of poverty. Specific reference is made to non-government organizations such as Project for Adolescent Mothers, New Life Organisation, and Grenada Community Development Agency et al and of the need to have them well resourced to effectively address the issue of poverty eradication.

### **3.3. Previous Efforts at Poverty Eradication:**

Poverty alleviation and eradication programmes in Grenada can be divided into two broad groups:

- i. **Social Safety Net Programmes:** These are essentially “hand-outs”, geared towards cushioning the impact of external shocks on E.g. food baskets in response to rising food prices;
- ii. **Pro-poor Projects:** These are essentially “hands-up”. They are specific projects aimed at building the capacity of the poor and creating institutions that would ensure the sustained eradication of poverty overtime.

These programmes and projects became prominent in governments budgets dating back to 1990 and, in many cases, were designed and implemented with the support from the international community. The following is a brief description of the nature and objectives of some of these projects.

### **3.3.1. The Basic Needs Trust Fund:**

This project started in the late 1980s and has been financed by a grant from the Caribbean Development Bank with counterpart funding from the Government of Grenada. It represents the first major attempt by government, working with an international donor organization, to improve the social and economic conditions of the poor in a sustainable manner. The project involves the construction of pre-schools, secondary roads, drains and footpaths, medical centers; construction of community/craft markets, the provision of water supply and other social projects in communities that are in most need. The BNTF also facilitated the empowerment of local communities by building their capacity to organize and mobilize their members as well as to encourage community ownership of the projects.

Since it is the communities which decide on the projects to be implemented in their specific locations, over the years, the BNTF has had a direct impact on the lives of the rural poor in Grenada. For the period 2008 to 2010, EC\$9.1 million was budgeted with EC\$5.9 million actually being expended.

### **3.3.2. School Feeding Programme**

This project commenced in 1992. It involves the provision of hot meals for the children (from poor households) attending primary schools throughout the country. The

programme was originally funded by UNICEF, but over the last ten years has been fully funded the Government of Grenada. For the period 2008-2010, government spent \$8.9 million on this project.

### 3.3.3. Micro-Enterprise Development Fund

One aspect of government's policy in respect of poverty reduction/eradication was the implementation of programmes aimed at employment generation. One of the most significant programmes which targeted employment generation was the establishment of the Micro-enterprise Development Fund. The programme which started in 1996 and ended in 2010, provided loans in excess of EC\$20m to over 600 persons, mainly in the rural communities, generating employment for about 900 persons. The following table provides details of the projects created by the programme in the different parishes.

**Table 19: Micro-enterprise Development Fund: Projects Created by Parish**

Sectors	Projects Created by Parish							
	St. Patrick	St. George	St. Andrew	St. Mark	St. John	St. David	C'cou	Total
<b>Fishing</b>	24	17	20	20	30	7	12	130
<b>Farming</b>	28	10	21	6	4	11		80
<b>Services</b>	73	45	19	34	18	6	4	199
<b>Pig Rearing</b>	12	5	8	2	1	1	1	30
<b>Sewing</b>	4	16	5	2	2	3		32
<b>Poultry</b>	5	2	3	2	2		1	14
<b>Furniture Making</b>	1	6	4	2	0		1	15
<b>Block Making</b>	3	3	3	1	1			10
<b>Bakery</b>	12	0	1	1	3			17
<b>Agro-processing</b>	10	3	3	1	0			17
<b>Art &amp; Craft</b>	4	6	1	1	1			14
<b>Livestock</b>	5	0	2	8	1			16
<b>Barbering</b>	3	3	1	2	1			9
<b>Grand Total</b>	174	116	91	82	64	28	19	574
<b>% of Total</b>	30.3	20.2	15.9	14.3	11.2	4.9	3.3	

*Source:* Country Poverty Assessment Report 2007/2008

Table 19 indicates that 79.8 per cent of the projects generated from the micro-enterprise fund were located in parishes other than St. George's, notwithstanding that St. George's was the second largest single recipient of the projects. The projects are fairly spread

throughout the island. Notwithstanding, the poorer parishes of St. David and St. Mark were not major recipients, 4.9% and 14.3 % respectively. The table further indicates that services alone accounted for 34.7 per cent of the projects, followed by fishing (22.6 per cent) and farming (13.9 per cent). It is useful to note that, according to the 2008 *Country Poverty Report*, fishing and farming are activities in which a significant number of the poor are involved.

In keeping with this distribution, it is observed that the projects funded by the Micro-enterprise Development Fund created the largest number of jobs (reference Table 20) in St. Patrick's and St. George's, with the least jobs being created in the poorest parish of St. David's. St. Marks was able to generate significant employment even though it was not a major recipient of projects compared to the other parishes. Services were dominant in the parishes of St. Patrick and St. George and farming was concentrated in the rural parishes of St. David, St Patrick and St. Andrew.

**Table 20: No. of Jobs Created by Parish**

	<b>Jobs Created by Parish</b>							
<b>Parish</b>	St. Patrick	St. George	St. Andrew	St. Marks	St. John	St. David	C'cou	Total
<b>No. of Jobs</b>	261	168	154	147	120	49	35	934

Source: Country Poverty Assessment Report 2007/2008

Table 21 reflects the nature of the projects undertaken in the parish. For example, fishing which is labour intensive activity and is a significant livelihood activity in the rural parish.

**Table 21: No. of Jobs Created by Project**

	<b>Project</b>
<b>Fishing</b>	300
<b>Farming</b>	145
<b>Services</b>	241
<b>Pig Rearing</b>	45
<b>Sewing</b>	38
<b>Poultry</b>	25
<b>Furniture Making</b>	25
<b>Block Making</b>	25
<b>Bakery</b>	23
<b>Agro-processing</b>	22
<b>Art &amp; Craft</b>	19
<b>Livestock</b>	16
<b>Barbering</b>	10
<b>Grand Total</b>	934

Source: Country Poverty Assessment Report 2007/2008

The conclusion is that the Micro-enterprise Development Programme seemed to have impacted positively on the lives of the rural poor in respect of job creation.

#### **3.3.4. Small Enterprise Development Unit:**

Other efforts at employment generation have been promoted through the Small Enterprise Development Unit (SEDU) of the Grenada Development Bank. Here the emphasis was on technical training and the identification of suitable business ventures for recent secondary school graduates. This aspect of the work of the Grenada Development Bank has now been transferred to the Grenada Industrial Development Corporation, where a business development centre is now in operation.

### **3.3.5. Grenada Rural Enterprise Development Project**

The Grenada Rural Enterprise Project was a response by the Government of Grenada to the first *Country Poverty Report* of 1998. It consisted of the following components:- community participation and support, rural investment fund, enterprise development and rural financial services. The goal of the project was to reduce poverty in a sustainable and gender equitable manner by offering rural households the chance to enhance their income through the creation of economic opportunities. The project activities included the following:

- Diversification and improvement of income generating activities
- Strengthening capacity and building community organisations
- Strengthening of rural service providers to meet community needs
- Promoting efficient and environmentally sustainable production and processing activities
- Fostering sector and market linkages.

The project was funded by the International Fund for Agricultural Development, the Caribbean Development Bank and the Government of Grenada at an estimated cost of EC\$20.7m. The project ended in 2010 but a final report is not available on the impact this project would have had on poverty reduction and eradication in Grenada.

## **3.4. Current Efforts at Poverty Reduction/Eradication:**

### **3.4.1. Market Access and Rural Enterprise Project:**

The Market Access and Rural Enterprise Project (MAREP), which started in 2010, is a continuation of the original Grenada Rural Enterprise Project (GREP) which started in 2001. It is funded by the Caribbean Development Bank, the International Fund for Agricultural Development (IFAD) and Government of Grenada at a cost of EC\$22.0 million. MAREP is another specific project aimed at providing direct assistance to the poor. It involves the identification of specific projects in areas such as farming, fishing and small business to be undertaken in rural communities thereby providing employment, income and output for the poor.

The project is based in the rural parish of St. Patrick. Work has already started in four rural communities - Mt Craven in St. Patrick's, Mt Horne in St. Andrew's, Maran in St. John's, and La Tante in St. David's. Moreover, in collaboration with the Ministry of Agriculture, research has been undertaken on goat milk production in St Patrick's and poultry production in St David's.

#### **3.4.2. Energy for the Poor Project:**

The *Energy for the Poor Project* commenced in 2009 and involves providing poor persons with cooking gas bottles and stoves. Some 500 persons have so far benefitted from this project.

#### **3.4.3. Free School Books:**

This programme commenced in 2008 and involves the provision of free books to all secondary school children. For the period 2008-2010, EC\$12.9 million were spent on this project.

#### **3.4.4. School Transportation:**

This programme was initiated in 2008 and involves providing transport assistance to rural students attending tertiary level institutions in the city. Over the period 2008 to 2010, approximately EC\$5.0 million were spent on this programme.

#### **3.4.5. Social Safety Nets and Assistance Programme:**

This project is funded by the World Bank at a cost of EC\$13.0 million and will help to ensure that Government's safety net programmes especially the Public Assistance, the Necessitous Fund and the Transportation Allowance for students, target and benefit the most vulnerable persons.

#### **3.5. Other Social Safety Net Programmes:**

Apart from these major projects, a number of other social safety nets programmes have been implemented. These include the following:



- The establishment of a public assistance programme which provides cash transfers to needy persons, principally the aged
- The establishment of the “*Water for the Poor*” programme;
- Subventions to Day Care Centers for the very young and to Homes for the Aged;
- The establishment of a “*Disaster Fund*” for fire victims;
- Assistance to persons in crisis and for the burial of the poor;
- The establishment of a *Senior Citizens Outreach Programme*;
- Assistance to needy persons requiring medical services such as CT Scan, Dialyses, Chemotherapy radiotherapy; and
- The provision of free drugs to needy persons.

### **3.6. Policy Recommendations:**

Having examined the state of the country’s economy as well as the poverty situation in Grenada, the following are policy recommendations, intended to inform the development of any strategy aimed at poverty reduction/eradication in Grenada:

- A poverty reduction/eradication strategy must be predicated on sustainable development – i.e. environmental, social and economic sustainability.
- The poverty reduction/eradication strategy must be underpinned by a philosophy which seeks to empower the poor so that they can be “masters of their destiny”. In this context therefore, education and building the economic self-reliance of the poor and their communities are essential.
- The NSAP recommends that the *Alternative Growth and Poverty Reduction Strategy* should not restrict its target to adults. Various vulnerable groups and communities should be targeted with appropriate activities.
- The programme must address issues confronting vulnerable families. Special attention should be given to single parent households.
- The implementation of a growth and poverty reduction strategy must be inclusive, integrated and co-ordinated, with a role for non state actors including the private sector, non governmental organizations and community based organizations.

- The development of sustainable livelihoods and the creation of employment, self-employment opportunities and decent work, have to be pillars of a growth and poverty reduction strategy.
- A poverty reduction/eradication strategy must give special attention to addressing the challenges facing the agricultural sector.
- A carefully targeted social investment and public sector investment programme are recommended a part of a growth and poverty reduction/eradication strategy.

## CHAPTER 4

### 4.0. National Alternative Growth and Poverty Reduction Strategy:

#### 4.1. Constraints/Challenges of Small Island Developing States:

In designing the *Alternative Growth and Poverty Reduction Strategy*, the Non State Actors Panel is acutely aware of the many challenges and constraints faced by Grenada as a small island developing state, challenges which are inherent in its small size and are also a legacy of its colonial past. Among these constraints/challenges are:

- A very small domestic market as a result of its small population;
- Limited natural resources;
- Dependence on a very narrow range of export agricultural crops and services (i.e. tourism)
- Large distance from markets coupled with the very high costs of transport
- Serious balance of trade problems as a result of declining export performance and rapidly growing volume of imports, particularly of food and energy
- Presence of one or a few large companies, often foreign-owned, operating on highly privileged terms.
- Susceptibility to natural disasters e.g. hurricanes
- Fragile and vulnerable ecosystems
- Limited access to capital markets and
- Heavy dependence on aid from external institutions.

This alternative strategy must be innovative and creative if it is to address the constraints peculiar to Grenada as a small island developing state.

#### 4.2. Philosophy and Guiding Principles

It is within the context of the abovementioned challenges and constraints that the Alternative Growth and Poverty Reduction Strategy, proposed by the Non State Actors Panel, is guided by the following philosophy and principles which may not necessarily be in tandem with the conventional liberal market driven philosophy advocated by mainstream economic theory which has guided the government's strategy:

- Equity and social justice
- Gender equity
- Increased self-reliance and reduced dependence
- Inclusiveness and participation
- Good governance and accountability
- Sustainable development

#### **4.2.1. Equity and Social Justice:**

Citizens and nature are the silent victims of the way economies have grown. Globalization and market liberalization are creating wealth but also increasing and deepening the inequities between the “haves” and the “have nots”. Rapidly growing economic activity is breaching ecological limits and poor people are suffering as a result. The poorest forty percent (40%) of the world’s population have only five percent (5%) of global income and lack access to environmental services. While wealth is being created the issues of inequity, wealth distribution and poverty have not been addressed. It is therefore the view of the Non State Actors Panel that an alternative growth and poverty reduction strategy must take into consideration not only growth and wealth creation, but also the issues of the inequity in wealth distribution and poverty. The Non State Actors Panel proposed strategy, is grounded in the philosophy of a rights based approach which prioritizes not only growth and wealth creation but also the issues of rights and equity.

Mainstream economics appears to view people, particularly the poor, merely as factors of production, to be utilized in the pursuit of profit maximization. The Non State Actors Panel is of the view that the well being of people is of paramount importance and a paradigm shift is required – a shift that positions the economy as a means to an end i.e. to facilitate the well being of people rather than being an end in itself..

#### **4.2.2. Gender Equity:**

The Alternative Growth and Poverty Reduction Strategy equally accepts and values women and men and their social roles. Therefore, the Alternative GPRS proposes gender sensitive interventions which take account of the existing differences in circumstances among men and women, and makes special provisions to meet the needs of each group. The Alternative GPRS recommends interventions which impact the following:

- Upgrading of skills and creation of jobs for specific groups of vulnerable men and women
- Expand business and investment opportunities within a gender sensitive framework
- Improve access to information, services and resources in building capacity of women to negotiate for status and rights advocacy
- Support for the development of a national policy for equal opportunity
- Support for positive behaviour modification in men and the general population as it relates to gender discrimination.
- Protect the most vulnerable men and women
- Encourage women in the informal sector to find niche markets for trade and encourage the development of 'Fair Trade'

#### **4.2.3. Increasing Self-reliance and Reducing Dependence:**

While an alternative growth and poverty reduction strategy must be innovative, it must also pay due regard to the culture and traditions linked to coping strategies and practices which have contributed to the resilience not only of the poor and vulnerable but also the country as a whole.

An alternative strategy must address how best Grenada's resources could be harnessed for the equitable benefit of its people. The strategy should identify the available resources, the future potential and emerging markets for the goods and services to be produced from these resources, the skills and interventions required in order to support the development of sustainable livelihoods – for example, in Grenada, the development of a health and wellness sector based non timber forest products such as traditional herbs

The strategy acknowledges a role for foreign direct investment in any growth and poverty reduction strategy. However, facilitating foreign direct investment should not be to the detriment of the poor and the alienation of natural assets of the country, in particular land – land being a critical asset in the nation’s ability to feed itself.

In dealing with foreign direct investment, the Non State Actors Panel recommends the adoption of a co-investment and partnership model so that Grenada will retain ownership of its natural assets and that the interests of its people are protected.

#### **4.2.3. Inclusiveness and Participation:**

Poverty is a national burden which has serious economic and social “fall out” for the country. Therefore an alternative strategy requires that “all hands be on deck”. Poverty reduction and eradication is not a matter exclusively for the government or the private sector. Those who are considered the poor must be empowered to have a “voice” in the development and implementation of an alternative Growth and Poverty Reduction Strategy. In this regard, the citizens’ organizations, rural producer organizations, non-governmental organizations are of critical importance in facilitating that “voice” of the poor.

#### **4.2.4. Good Governance and Accountability:**

Inclusiveness and participation is a fundamental element of good governance. Good governance therefore requires the inclusion and participation of the poor in the decision-making process. There must also be transparency, accountability and wise use of the nation’s resources. This alternative growth and poverty reduction will give priority to interventions at the micro-level where the poor will be most impacted.

##### **4.2.4.1. Monitoring and Evaluation:**

The role of the public sector is to create the enabling environment and policy framework and to undertake strategic interventions in specific areas of the economy. The Non State Actors Panel is however concerned that those public sector institutions are not

sufficiently responsive to the demands of the population and this in itself can be a major constraint to the effective implementation of poverty reduction interventions. The Non State Actors Panel therefore recommends a key role for private sector and civil society both in the implementation of the strategy and in its monitoring and evaluation. The participation of the Non State Actors Panel will allow for the promotion of transparency and accountability to the wider nation as well as to ensure value for money in the implementation of the strategy.

#### **4.2.4.2. Corporate Social Responsibility:**

Corporate Social Responsibility is seen as one way in which profit making businesses can fulfill a social development role in the country. While recognizing the key role of the private sector in poverty reduction interventions and the role of foreign direct investment in a growth and poverty reduction strategy, the Non State Actors Panel is of the view that corporate social responsibility must be defined by the actors in social development and not by businesses themselves. Thus, defining the indicators of corporate social responsibility for private business will be another aspect of the monitoring and evaluation role to be played by the Non State Actors. Sponsorship of community and social development activities, projects and programmes can be an important indicator of corporate social responsibility.

#### **4.2.5. Sustainable Development:**

There is the view that the challenges imposed upon society from an unsustainable ecological system cannot be overcome using the same tools and instruments that play a major role in the creation and entrenchment of poverty in the first place.

The basis of Grenada's economy is its natural and human resources. Sustainability requires social and environmental resilience, health and wholeness. If there is a continuation of the economic arrangements which promote constant growth on a finite planet and which generates frequent ecological imbalances and social discontent, then the ranks of the poor will continue to swell. This unsustainable approach must, of necessity, be replaced by one that encourages the transformation of society from a consumer to conserver one. The continued insistence on and advocacy for a more robust consumer

culture is a counterproductive strategy when applied to a policy of poverty eradication. As such, the development of a conserver society must become the number one priority. This requires cultural and structural change which will assist in conservation and restoration of ecosystems.

It must also be recognized that the poor contributes less to environmental degradation than the non-poor. In that regard, the onus is on the non-poor to adjust its consumption behavior and adopt a more conserver approach to consumption.

Therefore in the context of sustainability and an Alternative Growth and Poverty Strategy, the following recommendations are made:

- **Precautionary Principle:** The Grenadian government must adopt the *precautionary principle* approach when dealing with environmental and developmental issues. At the same time, a link must be established between sustainable development and the protection/creation of livelihoods and the role/function of healthy ecosystems.
- **Land Use Policy and Plan:** A land use plan that incorporates the idea that "*development must be in harmony with the environment,*" and which follows the principles of sustainable development must be developed. The plan must take into account such issues as the preservation of genetic and species diversity, the protection of people's livelihoods, compatible land uses, soil stability, coastal protection and preservation of historical and cultural sites.
- **Agricultural Systems and Practices:** Government should encourage farmers to produce organically grown foods, or to reduce their dependence on chemical fertilizers and pesticides, thus giving people the opportunity to purchase organic produce. A certification program for organically grown produce should be developed for local growers/producers, and consumers should be made aware of the benefits of organically produced foods with the Grenada Food and Nutrition Council playing an important role in promoting organic foods and foods free of genetic modification.



- **Energy:** Government should intensify its shift to a more efficient use of energy, and the adoption of a policy promoting the use of clean technologies and alternative energy sources for the production of energy, especially solar and wind generated energy.
- **Disaster Risk Reduction, Vulnerability and Climate Change:** Dealing with climate change will be a part of the reality of future life in Grenada. The government is now being challenged to become innovative in its leadership and appeal in securing support from all sectors and from every citizen in addressing this challenge. Furthermore, better decision-making, improved planning, effective risk management, innovation in development and environmental protection activities are indispensable in reducing the vulnerability of communities.

From now on, any genuine effort toward the eradication of poverty in Grenada must endeavor to integrate risk assessment and disaster reduction as key components of such projects and policies from the time of their conception. To this end, Government must take action to enable people, business/commercial entities and communities across the country to manage the risks ahead, capture new opportunities and adapt to the impact of a changing climate. The Government must also take action to manage Grenada's natural resources responsibly and sustainably, and minimize the damaging effects of climate change on the country's infrastructure, built environment and communities.

Government is also called upon to quickly introduce a "green" plan for its offices - a plan that encourages more sustainable use of office materials such as paper, energy and ink. Additionally, government can work to promote more environmentally friendly election campaigns, reducing the use of campaign posters, controlling litter at rallies and reducing the carbon footprint by substituting town hall meetings in place of mass central rallies which require the transportation of large numbers of persons.

All Grenadians, including the poor, will need to adapt to the new reality of a changing climate. Many of the actions that are to be taken to adapt to climate change will generate significant social and environmental benefits and ultimately lead to more vibrant and resilient communities, industries and ecosystems.

#### **4.3. Key Issues for Consideration in the Alternative Growth and Poverty Reduction Strategy:**

Given the guiding principles, it is the view of the Non State Actors Panel that the Alternative Growth and Poverty Strategy must address the following:

- Psychology of poverty
- Community Economic Empowerment, Sustainable Livelihoods and Employment Creation
- Agriculture
- Energy
- The availability of affordable capital
- Value added to production
- The role of non state actors.

##### **4.3.1. Psychology of Poverty:**

The Alternative Growth and Poverty Reduction Strategy must address what may be termed the “psychology of poverty”. The poor are excluded and they often lack the confidence and hope that things can change for them. A significant step in empowering the poor and vulnerable and ensuring that they have a “voice” in the national development process is to address the “psychology of poverty”. Therefore the strategy must give due consideration to the following:

- What are the poor doing currently that is working for them and enabling them to cope?
- What interventions could strengthen and enhance what they are currently doing successfully?

- What is the most critical point of intervention that would make the difference to lifting that “burden of poverty”?
- When should the intervention be made?

This assessment would be a first step in “unlocking the potential” of the assets of the poor.

Peruvian economist, Hernando De Soto in his celebrated book, *The Mystery of Capital*, has posited that the high incidences of poverty and economic failure in developing and underdeveloped economies was not the lack of assets of the poor but the absence of a framework which permitted the poor to convert their assets into capital. De Soto recommended reform processes that scaled up titling, i.e. ensured the secure and legal titles of the assets and scaled down regulatory barriers that stifled entrepreneurship of the poor.

In this regard therefore, it is expected that non state actors, particularly non-governmental organizations, rural producer organizations and community based organizations, will have a significant role to play in facilitating the process of engagement with and involvement of those persons who are considered poor and vulnerable. This would also facilitate the engagement of the target group in designing and articulating policies and programmes to address their situation.

#### **4.3.2. Community Economic Empowerment, Sustainable Livelihoods and Employment Creation:**

Essential to the self-reliance and empowerment of individuals and households is the ability to provide for basic needs. Employment is the key link between economic growth and poverty reduction and the creation of livelihoods in the development of an alternative growth and poverty reduction strategy. Thus the development of sustainable livelihoods and the creation of employment, self-employment opportunities and decent work, have to be pillars of an alternative growth and poverty reduction strategy.

In keeping with De Soto’s philosophy that it was not the lack of assets of the poor but the absence of a framework which permitted the poor to convert their assets into capital, the

NSAP recommends that communities must be empowered to participate in setting the priorities and strategies for the economic development of their communities. Broadly, this requires the following:

- Engagement of communities in identifying and mapping their community assets - physical, cultural and heritage, biological et al.
- Identification of existing and emerging market opportunities for products based on those community assets. e.g. development of health and wellness products from non – timber forest products.
- Identification of the interventions would be required to support communities to develop and realize the sustainable livelihood potential of these assets.
- Facilitating the development of a community action plan for local community economic empowerment
- Facilitating the implementation by the community of its action plan.
- Development and enhancement of the institutional framework which supports community economic empowerment.

#### **4.3.4. Agriculture:**

The *Country Poverty Assessment Report 2007/2008* has noted that sixty five percent (65%) of the poor and eighty percent (80%) of the non poor were engaged in agriculture and agriculture-related activities. This fact therefore suggests that addressing the challenges faced by the local agricultural sector would significantly contribute to the output, productivity, income and employment potential of the sector.

These statistics also suggest that significant “capital” and “assets” of the poor are invested in this sector. According to De Soto, the question would be “*how can the capital and assets of the poor in this sector be “unlocked” to realize the potential for poverty reduction among those already engaged in the sector?*” or put differently, “*What measures can be taken to address the challenges and constraints faced by the local agricultural sector in order to increase the level of employment and productivity within*

*the sector?”* An appropriate response to these questions will allow the poor to be gainfully employed in the agricultural sector and earn a decent income which would contribute to alleviating their poverty.

#### **4.3.5. Education:**

Education provides a fundamental tool for self-improvement, empowerment and national development. It is also a basic human right. An Alternative Growth and Poverty Strategy must offer a variety of opportunities: - both formal and non-formal training for youth and adults, popular education and programmes for children.

#### **4.3.6. Financing Productive Activities of the Poor:**

One of the major factors contributing to poverty in Grenada is the low income of the poor and the difficulty in raising finance for productive activities. The poor in Grenada do not have access to finance. They are unable to meet the conditions to access credit laid down by financial institutions like commercial banks. One of the main conditions is the provision of some form of collateral as security for a loan. Since a large percentage of the poor in Grenada do not own land or their assets are tied up in what Hernando De Soto refers to as “dead capital”<sup>11</sup>, they are unable to secure finance from mainstream financial institutions.

The Non State Actors Panel does not recommend the establishment of new financial institutions. Rather it recommends policy reforms and interventions which would make the existing institutions more responsive to the needs of the poor.

The NSAP recommends:

- The availability of affordable capital
- Micro-finance schemes which also support the living requirements of the individual or family during the gestation period of the business or enterprise.
- Provision of technical and support services

---

<sup>11</sup> De Soto, Hernando , *Mystery of Capital*

Given that the poor also operate in the informal ‘undocumented’ sector, in keeping with De Soto thesis of unlocking the potential of “dead capital”, the NSAP also recommends stock-taking:

- What are the assets of the poor?
- What are their traditional means of providing finance
- What interventions are needed to scale up and provide access and support?

This assessment can be done collaboratively between government, non state actors and institutions set up to serve the micro and small business sector.

#### **4.3.7. Value Added to Production:**

A legacy of Grenada’s colonial past is its continuing export of its primary agricultural products, nutmegs and cocoa, to be used as raw materials in the food processing and pharmaceuticals industry.

Grenadian economist, George Brizan<sup>12</sup> has determined that, in the production and processing of a pound of nutmegs, Grenada’s principal agricultural export, over ninety (90) percent of the value-added involved goes to the foreign manufacturers, wholesalers, retailers, and less than ten (10) percent is enjoyed by the local economy, i.e. the farmers and the local marketing Co-operative<sup>13</sup>. In a study entitled, *The Nutmeg Industry: Grenada’s Black Gold*, Brizan identified the nutmeg industry as Grenada’s flagship industry and made recommendations for the creation of value-added in the industry through the manufacture of secondary and tertiary products. e.g. nutmeg oil and other derivatives such as oleoresin and trimyristin.

The creation of value-added would protect the income of farmers from violent price fluctuations which are a feature of commodity markets. It would create foreign exchange earnings, increase income, create income stability, generate increased employment and

---

<sup>12</sup> Brizan, George I, *The Nutmeg Industry: Grenada’s Black Gold – The Sequel*, April 2003, Grenada

<sup>13</sup> Grenada Co-operative Nutmeg Association

create more vertical integration in the economy ultimately leading to more self-sustained growth.

#### **4.3.8. Energy:**

The *National Energy Policy*<sup>14</sup> makes the following key observations in respect of Grenada's energy sector:-

- Energy consumption is dominated by transportation which accounted for approximately half of the energy consumed in 2008.
- The generation of electricity power accounts for approximately forty (40) percent of total consumption.
- Grenada's energy sector is based on imported fossil fuels. In 2008, the oil import bill represented seven percent (7%) of total imports and approximately seventy-six percent (76%) total export revenues.
- In 2008, the price of electricity soared to over EC\$0.81(US\$0.30) which was among the highest in the world, pushing up the costs for householders and rendering business and industry uncompetitive.
- The principal energy expenditure of households are on electricity, cooking gas transportation.

In considering the issue of energy, climate change and Grenada's vulnerability to climate change impacts must also be considered. Therefore the Alternative Growth and Poverty Reduction Strategy must address the issue of energy not only from the point of view of reducing the expenses of the poor re electricity, transport and cooking fuel and but also from the point of view of reducing their carbon footprint.

#### **4.3.9. The Role of Non State Actors:**

Government policy has long articulated the primordial role of the private sector as “the engine of growth” of the economy. However, besides the organized private sector and

---

<sup>14</sup> Government of Grenada, *The National Energy Policy of Grenada: A Low Carbon Development Strategy for Grenada, Carriacou and Petite Martinique*, November 2011

labour, there is a wide spectrum of other non state actors/civil society organizations participating in national development processes.

A 2011 NSAP survey<sup>15</sup> of civil society organizations which were not part of either the organized private sector or organized labour – i.e. non-governmental organizations, rural producer organizations, faith based organizations and rural producer organizations – confirmed that these organizations were making significant contributions to national development activities spanning a wide range of interests and sectors:- poverty alleviation, environment, women, general health and specific issues ( HIV-AIDS, lupus and sickle cell), agriculture, small business, education and training, children and youth, culture and heritage and community development. These were efforts which complemented the efforts of the state or filled gaps that the state was unable to meet. The *Alternative Growth and Poverty Strategy* envisages a key role for the non state actors in the implementation of the strategy. The **Strategy** must also focus on strengthening the capacity of the non state actors to fulfill this important role.

#### **4.4. Strategy Recommendations:**

##### **4.4.1. Agriculture:**

Contrary to the prevailing paradigm which continues to minimize the significance and role of agriculture in the national development strategy, the Non State Actors Panel is of the view that agriculture is of primordial importance in a sustainable development strategy.

It is the view of the Non State Actors Panel that the greatest barrier to the development of agriculture has been psychological, given its links to slavery during Grenada's colonial past. In the post-independence period, there has never been a systematic plan which addressed the challenges faced by the sector in order to help it realize its untapped potential. The Non State Actors Panel sees a role for agriculture in the following areas:

---

<sup>15</sup> Non State Actors Advisory Panel, , *Survey and Needs Assessment of Civil Society Organisations, 2011*



#### **4.4.1.1. Employment and Income:**

The *Country Poverty Assessment Report 2007/2008* has noted the significant contribution of agriculture to employment and income - sixty five percent (65%) of the poor and eighty percent (80%) of the non poor were engaged in agriculture and agriculture related activities.

#### **4.4.1.2. Food security:**

It is ironic that even though Grenada has a small domestic market, it has a very high level of food imports. In 2007, the value of food imports amounted to \$155.7 million, a growth of 19.7% over the previous year. In 2007, food imports accounted for 15.8% of total imports. This high level of imports is a significant contributor to foreign exchange leakage and to the high balance of payments deficit that Grenada needs to address. A programme of agricultural production for domestic consumption can therefore increase Grenada's food security, reducing the demand for foreign food imports and at the same time contribute to correcting the deficit in the balance on visible trade re the balance of payments.

#### **4.4.1.3. Foreign exchange:**

The traditional agricultural export sector – nutmegs, cocoa and bananas - has been a significant contributor to foreign exchange earnings for Grenada. While the banana sub-sector has been affected by the loss of preferential markets in Europe, nutmegs and cocoa have always been traded on the open market. Grenada's cocoa has always obtained a premium price on the international market because of its special status as “flavored cocoa”. Grenada is also widely recognized as the world's second largest exporter of nutmegs. Like cocoa, the country is also well known for the quality of its nutmegs which is currently enjoying its highest price ever on the international market. Additionally, nutmegs contribute to Grenada's international branding as the “*Isle of Spice*” in the west. While tourism is now the most important contributor of foreign exchange earnings, the contribution of agriculture to foreign exchange earnings remains significant and has the potential to increase. Presently on the international market, the price of Grenada's

nutmegs is the highest in its history while its cocoa is experiencing both high price and increased demand.

Apart from cocoa and nutmegs, there are many other locally produced agricultural crops (mainly spices and herbs) that have significant foreign exchange potential.

#### **4.4.1.4. Supply of Raw Materials:**

Agriculture is a significant provider of raw material for the local agro-processing sector. There is potential to increase supply for the further development of a significant agribusiness sector to supply products to be consumed locally or on the external market.

#### **4.4.1.5. Provision of Environmental Services:**

This function of agriculture has been, to date, overlooked and undervalued. Prior to Hurricane Ivan, the agricultural sector was dominated by export agriculture, primarily nutmegs and cocoa, both of which are found primarily in watershed areas and contribute to ecosystem stability and provision of important ecosystem services like the production of water and the conservation of watersheds and biodiversity.

#### **4.4.1.6. Linkages with other Sectors of the Economy:**

Besides the provision of raw materials for the agro-processing sector, there is the potential to increase the value of the output of the agricultural sector through linkages with other sectors of the economy. In this regard, the Non State Actors Panel has prioritized two such possibilities:

- the development of community agro-tourism, capitalizing on Grenada's branding as *Isle of Spice*.
- The development of a health and wellness sector based on the development of medicinal herbs, organically grown food and Grenada's pristine environment.

#### **4.4.2. Challenges to the Agricultural Sector:**

The Non State Actors Panel is of the view that the agricultural sector has floundered not because of the constraints inherent in small size or the vagaries and uncertainty of natural risks or international prices. Rather, there has never been any priority placed on the sector since Independence nor has there ever been any systematic plan to address the challenges of agriculture in order to realize its potential.

Among the principal challenges faced by the agricultural sector are high costs and low productivity which in turn leads to low competitiveness. However, an analysis of the costs would indicate:

- a high level of imported oil-based inputs, the price of which is affected by the fluctuating prices of oil on the international market
- low output per acre linked to low labour productivity

The Non State Actors Panel therefore prioritizes the following as components of the Alternative Growth and Poverty Reduction Strategy to address the challenges faced by the agricultural sector in order to realize the potential of agriculture re its contribution to income, productivity, output and employment:

1. Sustainable farming and appropriate technologies
2. Increasing productivity through the use of appropriate labour saving implements
3. Agricultural education and skills training
4. Agricultural research and development
5. Investment in agriculture with particular reference to physical infrastructure and production
6. Lands Policy and land tenure
7. Improved marketing
8. National Agricultural Plan
9. Attracting Youth into the sector

#### **4.4.2.1 Sustainable Farming and Appropriate Technology:**

There are many lessons to be learned from Cuba which successfully introduced sustainable farming practices and appropriate technology when forced to adapt in the face of the economic crisis by which it was confronted following the break-up of the Soviet Union. The Non State Actors Panel recommends that the agricultural sector should introduce sustainable farming practices. Key actions which can be immediately implemented are:

- Promotion of the re-introduction of traditional cultural practices
- Promotion of :
  - the use of composting to minimize the use of chemical fertilizers and
  - the use of natural herbicides.
- Introduction of appropriate labour-saving implements
- Agricultural education and skills training

##### **4.4.2.1.1. Traditional Cultural Practices**

Grenada needs to revisit the traditional cultural practices which minimize the use of oil-based chemical inputs re fertilizers and pesticides. These can be replacing with practices like crop rotation, mulching and drainage.

##### **4.4.2.1.2. Use of Natural Products re Fertilizers and Herbicides:**

A deliberate effort should be made to introduce the use of natural products as substitutes for imported herbicides and chemical fertilizers:

- Promotion of the use of natural herbicides e.g. the Neem plant. The Neem plant is well known as a pesticide. It also commands a premium price on the international market. Significant research has already been done on the Neem plant in Antigua so the technical expertise is available regionally. Neem plants are known to grow in Grenada.
- Composting should be promoted.

#### **4.4.2.1.3. Appropriate Farm Machinery:**

The costs, availability and productivity of agricultural labour are also a major constraint to agricultural output. This can be resolved by the use of farm machinery appropriate to the size of farm holdings and the steep terrain. The introduction of hand implements which work on the lever principle is recommended for use. The use of these implements will significantly reduce labor costs for individual farmers. It is understood that such equipment is available in Brazil, China and India, countries with which Grenada now has excellent relations.

#### **4.4.2.1.4. Benefits of Sustainable Farming and Appropriate Technology:**

The NSAP is of the opinion that the introduction of sustainable farming practices and appropriate technology would have many benefits which include the following:

- It would address concerns related to environmental sustainability and the negative impact of land based sources of pollution on our rivers and marine environment, generated by the use of these imported chemical inputs. Promoting wide spread composting has the added benefit of reducing waste and the pressure on Grenada's landfills.
- The promotion of sustainable farming practices and appropriate technology would be contributing to Grenada's environmental sustainability and support its national commitments under the following Multi-lateral Environmental Agreements – the UN Convention on Biodiversity and the UN Convention to Combat Desertification and Land Degradation.
- There would be opportunities in research and development for engaging Grenada's bright young minds as well as opportunities for spin off businesses.

#### **4.4.2.2. Agricultural Education and Skills Training:**

The poor and others involved in agriculture should be educated and trained in agricultural skills and business skills. They must be encouraged to be innovative and creative. In order to promote the development of human and social capital in communities and in the agricultural sector, agricultural and business education and skills training should be

facilitated by offering formal and informal skills training to persons in communities and in the agricultural sector.

#### **4.4.2.3. Research and Development in Agriculture:**

Research and development in agriculture are required. Grenada possesses a wealth of agricultural products. The Food and Agricultural Organization has already identified a number of these products and indicated that there is both a significant domestic and niche export market potential for them. Examples of these products are cut-flowers, breadfruit, sugarcane, and herbs. In keeping with the recommendation for agricultural production to be market-led, the NSAP recommends that research should be undertaken to identify and develop new and emerging products which are economically and technically viable for Grenada. Research and development activities would also increase the employment opportunities available in the agricultural sector, particularly for Grenada's young and educated population.

##### **4.4.2.3.1. Research and Development Priorities:**

- **Value Added and Existing Products:** The NSAP strongly recommends that priority in research and development activities should be given to the nutmeg and spice sector. Mr. George. Brizan's study, *The Nutmeg Industry: Grenada's Black Gold*, already provides considerable information on the possibilities for value added in respect of the nutmeg sector and can be the platform from which the research agenda can be prioritized. Already there is the production of nutmeg oil for which there is significant potential for further value added and for increased production.

There is also significant potential for Grenada's cocoa, other spices and other agricultural products. Grenada needs to prioritize a research and development agenda which will involve cocoa, other spices and some of the products, available in Grenada, which have already been identified by the research of the Food and Agricultural Organisation.

- **Health and Wellness:** Another area of research that should be prioritized is research on local medicinal herbs and agricultural products. Examples are:
  - soursop which is being promoted as a cancer treatment
  - cinnamon is being promoted in the management of diabetes
  - Yam which is promoted in the treatment of menopausal symptoms and also seems to have an ingredient which promotes athletic prowess.

Scientific research of both product and the traditional indigenous knowledge could be the basis of the development of an indigenous health and wellness sector.

#### **4.4.2.4. Expansion of Production:**

Even though Grenada's principal export commodities are experiencing their highest ever prices on the international market, production is still far from the pre – Hurricane Ivan levels. If Grenada is to maximize the benefits, investment is required to assist farmers in re-planting and expanding production of existing the export crops, cocoa and nutmegs, as well as new crops. E.g. other spices like cinnamon

##### **4.4.2.4.1. Revitalization of Sugar Cane Industry:**

It is also the recommendation of the NSAP that consideration should be given to the revival of the sugar cane industry as part of an Alternative Growth and Poverty Reduction Strategy. In Grenada, sugar cane production is inadequate to sustain the rum production of the two distilleries. Raw material is therefore being imported, a foreign exchange loss to the country.

In the *Country Poverty Assessment Report 2007/2008*, St. Patrick's was identified as a parish where there was very high levels of poverty in Grenada. It is also the parish which has significant available land for sugar cane cultivation. Sugar cane production can contribute to:

- Improved employment and incomes
- Improved food security since it can be intercropped with a number of other food crops.
- Foreign exchange savings

- Local feed production for livestock - research can be undertaken to look at the possibility of producing sugarcane as an input for livestock feed, contributing to the value-added of land under sugar cane production. Considerable research has already been undertaken in other regions of the Caribbean.

#### **4.4.2.5. Infrastructure:**

Investment in physical infrastructure serving agricultural communities is required. In particular, since the passage of Hurricanes Ivan and Emily, access to a number of farming areas remain difficult - hampering in particular the rehabilitation of nutmeg fields. The Non State Actors Panel recommends that the current de-bushing programme, a significant safety net and employment programme of the Government of Grenada, be re-structured to focus on cleaning and maintenance of drains on estates and farm roads. This action would also have significant positive spin-off effects for the prevention of flooding and disaster mitigation in these areas.

#### **4.4.2.6. Lands, Lands Policy and Land Tenure:**

##### **4.4.2.6.1. Lands Policy:**

Grenada's limited land area is under severe competition from other uses, primarily resort tourism and housing. Speculative tourism is also driving land prices way beyond the reach of locals, making it near impossible for locals to own land in the future.

A ***Lands Policy*** is therefore of paramount importance to manage the conflicting uses, to protect remaining agricultural lands and to ensure that, in the future, ownership of lands is not beyond the reach of most locals. The policy should also address the matter of access to and availability of lands for persons, particularly young persons, interested in agriculture.

##### **4.4.2.6.2. Land Tenure:**

In Grenada, the principal type of land tenure among poor persons is what is called *family owned* land. Land is often bequeathed to all the siblings. No one individual has clear title. This is one of the institutional arrangements contributing to what Hernando De Soto calls "dead capital". Without clear title to the land, it cannot be leveraged into productive capital. In the absence of documentation, i.e. clear title, these assets:-



- Cannot be traded.
- Cannot be used as collateral for a loan
- Cannot be used as a share against an investment

In order to “unlock” the potential of this “dead capital”, De Soto proposed reform strategies which move these “defective” assets from the “extra-legal” sector to an “inclusive” market economy. In the case of Grenada, this would mean providing persons with assistance to regularize their land titles. It could also mean that institutions providing capital could have more flexible, responsive programmes which would permit farmers to leverage their “untitled” land as productive capital.

#### **4.4.2.7. Improved Marketing:**

Marketing of agricultural produce domestically and marketing of non-traditional agricultural exports continue to be a challenge. The NSAP subscribes to a market-led approach in respect of the production of agricultural production and recommends that the issue of marketing needs to be addressed in order to deliver the potential benefits. Marketing needs to address the price received by the farmer, prices to local consumers, post harvest handling, storage to minimize losses in times of glut, packaging and standards.

It is also the view of the NSAP that the *Marketing and National Importing Board* has an important role to play and that it should be restructured to become an efficient and responsive marketing mechanism.

#### **4.4.2.8. National Agricultural Plan**

Given the importance and significance of agriculture to the economic, social and environmental well-being of Grenada, a plan is necessary to drive the development of the sector. This plan should reflect the collective vision of the state and non state actors. Therefore the Non State Actors Panel and other civil society organizations should be a part of the development and implementation of such a plan. In addition, the Non State

Actors Panel sees a key role for itself as well as part of the Monitoring and Evaluation Mechanism re the implementation of this plan.

#### **4.4.2.9. Youth in Agriculture:**

A key challenge for the agricultural sector is its aging population, particularly in the areas of export agriculture. This partly explains the challenge of rehabilitating those sectors and getting them back up to their pre- Hurricane Ivan levels. A key question to be addressed is how to attract youth into the sector. Given the high percentage of youth under the poverty line – 66.4 percent of the poor are between the ages of 0-24 years - and the key role ascribed to agriculture by the Alternative Growth and Poverty Reduction Strategy, the involvement of youth in agriculture is an imperative.

The Non State Actors Panel is of the opinion that there is a need to once again socialize Grenada's youth into the active involvement in agriculture and create an awareness of the sector's importance and its potential. The NSAP recommends the following:

- Revitalization of the *4-H movement*
- Special schemes to support young persons who graduate from the agricultural programme at the T.A. Marryshow Community College and are interested in pursuing agriculture. Among these interventions would be facilitating access to land and labour saving implements.
- Implementation of a research and development programme which would provide opportunities for young scientists.
- Undertake efforts to raise the profile of agriculture in Grenada so that it becomes “fashionable” to choose agriculture

#### **4.4.3. Financing Productive Activities of the Poor:**

The *Country Poverty Assessment 2007/2008* has identified the low income of the poor and their difficulty in raising finance for productive activities as one of the major factors contributing to poverty in Grenada. The poor in Grenada do not have access to finance for productive activities. They are unable to meet the conditions laid down by financial

institutions like commercial banks in order to access credit since one of the main conditions is the provision of some form of collateral as security for a loan. Since a large percentage of the poor in Grenada do not own land or their assets are tied up in what Hernando De Soto refers to as “dead capital”<sup>16</sup>, they are unable to secure finance from mainstream financial institutions.

The Non State Actors Panel does not recommend the establishment of new financial institutions. Rather it recommends policy reforms and interventions which would make the existing institutions more responsive to the needs of the poor. The NSAP recommends:

- The availability of affordable capital
- Micro – finance schemes which also provide support to the living requirements of the individual or family during the gestation period of the business or enterprise.
- Provision of technical and support services

Given that the poor also operate in the informal ‘undocumented’ sector, in keeping with De Soto thesis of unlocking the potential of “dead capital”, the NSAP also recommends stock-taking:

- What are the assets of the poor?
- What are their traditional means of providing finance
- What interventions are needed to scale up in order to provide access and support?

This assessment can be done collaboratively between government, non state actors and institutions set up to serve the micro and small business sector.

---

<sup>16</sup> De Soto, Hernando, *Mystery of Capital*

#### **4.4.3.1. Role of Savings, Co-operatives and Credit Unions:**

##### **4.4.3.1.1. Savings:**

The Non State Actors Panel is of the view that saving is essential to strengthening the financial base of the country and that everyone, including the poor, should be encouraged to save.

##### **4.4.3.1.1.1. Role of Sou-Sou:**

One of the traditional means by which persons in Grenada, particularly the poor, have been able to access capital is by the “*Sou-Sou*” savings method where persons pooled their savings and took turns accessing it. In this way, persons were able to access finance well over their income to finance significant capital outlays. E.g. house repairs, financing the education of their children. Again, the NSAP recommends that existing institutions look at ways in which the lessons of the *Sou-Sou* method may contribute to the “scaling up” of this method.

##### **4.4.3.1.2. Credit Unions:**

Given that credit unions are local financial co-operatives whose aim is to meet the financial needs of its members, the NSAP holds the view that credit unions also have significant role to play in any national growth and poverty reduction strategy. Particularly, credit unions can address the issue of mobilizing and encouraging saving on the part of the poor and making credit more accessible and affordable to them.

##### **4.4.3.1.3. Co-operatives/Clusters:**

Traditionally, co-operatives have played a significant role in poverty reduction in many parts of the world. In Eastern Canada, the *Antigonish Movement*<sup>17</sup> arose as a deliberate community-centered strategy to address poverty and other challenges of the Great Depression in the late 1920s. It gave rise to the co-operative and credit union movement in Canada.

---

<sup>17</sup> Antigonish Movement founded by two priests, Father Jimmy Tompkins and Dr. Moses M. Coady, who used the strategy of adult education to build self-reliance and rebuild the economy in the Maritime Provinces of Canada during the Great Depression.

In Grenada, there are lessons to be learnt from the success stories of Commodity Boards<sup>18</sup> which pooled the production of several thousand small producers and successfully facilitated the international marketing of high quality produce. Given the inherent constraint of the small size of production units generally, co-operatives or clusters offer the possibilities to obtain economies of scale in many areas of production and marketing.

Independent skilled management and the adequate training of co-operative members would be essential to the proper functioning of these co-operatives.

The Non State Actors Panel therefore proposes that the Department of Co-operatives, the Grenada Co-operative Credit Union League, the Grenada Chamber of Industry and Commerce and various non-governmental organizations have a significant role to play in the realization of the potential of the co-operative movement for poverty reduction in Grenada.

#### **4.4.4. Energy:**

Expenditure on energy re transport and electricity is a significant percentage of household expenditure. It can constitute one-third or more of the income of poor families. Electricity costs are burdensome for businesses, particularly those involved in manufacturing. The Non State Actors Panel recommends that an alternative growth and poverty strategy has to address the matter of energy from the following perspectives:

- Reducing the carbon footprint.
- Reducing the costs of energy to individual households and businesses

In this regard, therefore, the NSAP recommends that in economic development must be decentralized and local community economic development be prioritized, creating jobs and employment in communities, thus reducing transportation requirements and associated costs as well as the carbon footprint.

---

<sup>18</sup> Grenada Co-operative Nutmeg Association, the Grenada Banana Co-operative Society and the Grenada Cocoa Association

A significant challenge to the development of a more competitive liberalized energy sector based on renewable energy sources is the fact that there is a monopoly supplier of electricity in Grenada, with an exclusive licence for electricity generation till 2073. This issue has to be satisfactorily and amicably resolved so that the potential of renewable energy may be realized in a manner which will also render household and businesses self-reliant.

In respect of generating electricity for household and business use, the Non State Actors recommends:

- Research and application of innovative, alternative and appropriate technology. The Non State Actors Panel favours the development of solar energy given the significant lower capital expenditure and the potential to make individual businesses and households self-reliant in respect of energy.
- Promoting alternative cooking fuels e.g. solar cookers and bio-gas digesters. Bio-gas digesters can be linked with the development of the agricultural livestock sub-sector for food security purposes.
- Research on long term solutions such as smart grid systems, micro-generation, and net metering systems that will permit individual entities to contribute to the generation of electricity.
- Partnership with institutions involved in the research and development of appropriate technology targeting poor and vulnerable communities. In this regard, the Non State Actors Panel recommends that the experience of the *Barefoot Institute of India*<sup>19</sup> be studied with a view to how its successes could be appropriately applied to Grenada.

#### **4.4.5. Social Investment:**

Investment in human and social capital is essential to addressing the psychology of poverty.

---

<sup>19</sup> Barefoot College in India is an alternative, “community-based learning centre” founded by Sanjit Bunker Roy in the Indian state of Rajasthan in 1972. It is involved in the application of solar technology in poor, rural communities in India.

#### **4.4.5.1. Schools and Formal Education:**

The Non State Actors Panel subscribes to the philosophy that education and literacy are key to the eradication of poverty. While there is now universal primary and secondary education in Grenada, there are still constraints faced by poor families that prevent their children from maximizing the opportunities offered by universal education. These constraints include cost of transportation, uniforms, and meals. Thus, social investment programmes are required to provide the additional support needed by low-income families. The NSAP is also concerned about the quality of the education programme delivered and the accountability of those institutions and individuals responsible for the delivery of the programmes.

NSAP recommends that immediate attention be given to the following areas to support quality universal education:

- More investment in education at the primary level – more highly qualified and trained teachers since they are the ones delivering the education programme. Moreover, principals and teachers must also take responsibility and be held accountable for the quality of education that is delivered in their schools.
- Improved housing for low-income families to alleviate the conditions of overcrowding and its attendant social ills;
- A National Parenting programme to assist parents in coping with the challenges of parenthood
- Facilitating the creation of strong Parent Teachers Associations which will be able to co-operate with and complement the work of the school. Strong parent teachers associations are also essential to holding the institution of the school and its teachers accountable by monitoring the quality of the programmes delivered.
- Safety net programmes which provide support to parents in respect of their children - school uniforms, transportation, and hot meals at school for the children.

#### **4.4.5.2. Nurturing Skills and Talents:**

A fundamental aspect of overcoming the psychology of poverty and empowering the poor is the nurturing of their talents and skills to help them to earn while also building their self-esteem and confidence. Therefore, opportunities for education and skills training programmes at the community level should be available to the poor and other persons who are interested. In this regard, schools and other community educational institutions should become resources for education of the wider community after the school day is ended. These programmes can be arranged in collaboration with the National Training Agency, educational institutions and various non-governmental organizations/community based organizations.

#### **4.4.5.3. Non-formal and Popular Education:**

The NSAP also recommends non-formal education and popular education programmes at the community level which contribute to people's empowerment by raising people's awareness and consciousness. Specifically, these programmes should help the poor to become aware of the conditions and of the causes of poverty. Such programmes should contribute to building the capacity of citizens to participate in the governance processes in their communities and in the country.

#### **4.4.5.4. National Education Strategic Plan:**

There is a National Education Strategic Plan that is intended to deliver universal education and curriculum reform. It is recommended that the Non State Actors Panel and parent teachers associations must be a part of a monitoring and evaluation mechanism re the implementation of this plan.

#### **4.4.6. Social Safety Nets:**

The philosophy of the Non State Actors Panel in formulating the Alternative Growth and Poverty Reduction Strategy is one which seeks to lessen dependence and increase self-reliance. Nonetheless, the NSAP acknowledges that some people will require assistance. Since Government does have a responsibility to assist the less fortunate, this assistance should be within the framework of a social investment programme. The Alternative



Growth and Poverty Reduction Strategy recommends the provision of a safety net for those who are challenged mentally or physically and a transitional period of assistance for those who are able bodied.

The NSAP also recommends that costs of safety net programmes could be met by a taxation system including income tax.

#### **4.4.6.1. Monitoring and Evaluation Mechanisms:**

The Non State Actors Panel is aware that there has been a review<sup>20</sup> of the various social safety net programmes implemented under various ministries. The review has recommended that there be a consolidation of programmes for more effective targeting and cost-effective administration. A number of non state actors are also involved in the delivery of social safety net programmes which complement those offered by the state.

The Non State Actors Panel recommends the following:

- In order to avoid the abuse to which many of these programmes have been subject in the past and to ensure that the programmes target those persons who are most deserving and in need, there should be mechanisms which monitor the delivery of the various programmes and routinely review their impact.
- Support should be extended to those non state actors which deliver complementary social safety net programmes vis-a-vis the state so that these organizations can enhance their delivery of these programmes.

#### **4.4.7. Health:**

Health is a key indicator of the well being of people. The Non State Actors Panel is of the view that “good health is the nation’s wealth” and that the good health of the population is a resource for national development, contributing to productivity, production and national development.

---

<sup>20</sup> Government of Grenada, *Developing a social Safety Net Policy Framework Consultation Document* October-November 2011

The health and wellness brief<sup>21</sup> presented for the National Budget 2012 Consultation advised that, *“More recently, health statistics indicate an increase in the burden of illness, specifically in the chronic, non communicable diseases such as hypertension, diabetes, cardiovascular disease, obesity, cancer and mental disorders. Additionally, there has also been an increase in the disease burden as it relates to communicable diseases and in particular HIV/AIDS and STI Virus”*.

Given the burden of chronic non communicable diseases on the poor and on the nation and the importance of community health facilities re the access to health care for the poor, the Non State Actors Panel recommends that health priorities should focus on the preventative and the improvement of the delivery of primary health care services at the community level..

The NSAP envisages a role for non state actors in the area of health promotion through support to community and workplace health education, addressing particularly the issue of non communicable chronic diseases which are linked to lifestyle - particularly nutrition and physical activity. These interventions can be integrated into the non-formal education interventions proposed in Section 4.4.5.3. as part of the development of the human and social capital. Among activities recommended are the following:

- Promotion of Home Gardening and “Grow what you eat! Eat what you grow!” campaigns.
- Food Preparation and Nutrition classes
- Promoting recreational and sporting activities
- Conflict Resolution and Community Peace Building programmes
- Community and Work Place Health Fairs in collaboration with the Ministry of Health and relevant health personnel
- HIV Education and Prevention Campaigns

---

<sup>21</sup> Government of Grenada , Ministry of Finance, *Working Paper: Health and Wellness, National Consultation on 2012 Budget*, November 2011

#### **4.4.8. Targeting Vulnerable Groups and Communities:**

The NSAP recommends that the *Alternative Growth and Poverty Reduction Strategy* should not restrict its target to adults. Various vulnerable groups should be targeted with appropriate activities. The *Country Poverty Assessment Report of 2007/2008* identifies children as making up two-thirds of Grenada's poor. The NSAP therefore recommends that children be targeted with recreational, life skills and educational programmes which will contribute to helping them to break the cycle of poverty.

The NSAP acknowledges that a number of non-state actors, particularly non-governmental organizations, run various programmes targeting children and other vulnerable groups. Assistance should be given to helping these organizations scale-up their programmes so that these programmes can be replicated in communities where they are needed, thus contributing to increased coverage of the target groups.

#### **4.4.9. Institutional Framework and the Role of the Non State Actors Panel:**

##### **4.4.9.1. Strengthening the Non State Actors/Civil Society Organizations:**

The *Alternative Growth and Poverty Reduction Strategy* envisages a key role for non state actors in:

- The implementation of the *Alternative Growth and Poverty Reduction Strategy*
- Monitoring and Evaluation of the implementation of the strategy and other poverty reduction interventions in Grenada
- Mobilizing, organizing and facilitating the engagement of the target groups
- Advocacy and representation on behalf of communities and the vulnerable

Specific attention should therefore be given to building the capacity of these organizations to play their role effectively. Where deemed appropriate, institutional support should be considered.

##### **4.4.9.2. Non State Actors Coordinating Mechanism:**

The Non State Actors Panel acknowledges the need for a “galvanized approach” to the implementation of a Growth and Poverty Reduction Strategy. This approach suggests that all sectors are on board, contributing in the most appropriate way to the

implementation of the strategy so that there is integration and co-ordination. However, it is the view of the NSAP that an institutional structure is only one element of the strategy. This *Alternative Growth and Poverty Reduction Strategy* has deliberately chosen to refrain from proposing any type of institutional framework.

The Non State Actors Panel does not support the setting up of any new structure to implement the *Alternative Growth and Poverty Reduction Strategy*. It is of the view that existing institutions must become more responsive and accountable. Where desirable, existing institutions, state and non state, can be strengthened to so that they become more effective and efficient.

There is a need for co-ordination and integration. Therefore, the Non State Actors Panel recommends that there be a *NSA Coordinating Mechanism* to facilitate the implementation of the *Alternative Growth and Poverty Reduction Strategy*. The *NSA Coordinating Mechanism* will also include representation from the groups targeted by the *Alternative Growth and Poverty Reduction Strategy*. In collaboration with institutional stakeholders, a cost-effective mechanism can be agreed upon to facilitate the required co-ordination and integration. It is envisaged that this mechanism can evolve over time.

## References

1. Government of Grenada: *Estimates of Revenue and Expenditure 2005-2011*
2. Kariri Consultants, *Country Poverty Assessment Grenada, Carriacou and Petit Martinique: Main Reports*, 1998 and 2008.
3. Prime Minister Tillman Thomas: *National Address on Economic Plan and Update*, September 9, 2011
4. Abel, Andrew; Bernanke, Ben and Croushore *Macroeconomics*, Seventh Edition; 2011.
5. Khan, Moshin. 1990. "Macroeconomic Effects of Fund-supported Programs" *IMF Staff Papers*, No.2 Vol.37 pp.195-231.
6. Khan, Moshin. 1989. "Stabilisation in Developing Countries: A Formal Approach" *IMF Staff Papers* No.31 Vol.1.
7. Khan, Moshin et. al. 1991." Macroeconomic Models for Adjustment in Developing Countries" *IMF Staff Papers*, No.1 Vol.37
8. Khan, Moshin and Malcolm Knight. 1982." Some Theoretical and Empirical Issues relating to Economic Stabilisation in Developing Countries" in *World Development* No.9\_Vol. 10, pp. 709-732.
9. Dornbusch, Rudiger 1990. *Open Economy Macroeconomics* NY Basic Book Inc.
10. Dornbusch, Rudiger and Leslie Holmes (eds). 1988. *The Open Economy: Tools for Policy Makers in Developing Countries*. Washington: EDI Series
11. "External Shocks and Domestic Responses" in Dornbusch & Helmers *Open Economy*. NY Basic Books Inc
12. The World Bank, *World Development Report*, 1980

13. Brizan, George I., *The Nutmeg Industry: Grenada's Black Gold – The Sequel*, April 2003, Grenada
14. Government of Grenada, *The National Energy Policy of Grenada: A Low Carbon Development Strategy for Grenada, Carriacou and Petite Martinique*, November 2011
15. Non State Actors Advisory Panel, *Survey and Needs Assessment of Civil Society Organisations*, 2011
16. Government of Grenada, *Developing a Social Safety Net Policy Framework Consultation Document*, October-November 2011
17. Government of Grenada , *Ministry of Finance Working Paper: Health and Wellness, National Consultation on 2012 Budget*, November 2011
18. Quigley, Allan, “*Masters of Their Own Destiny*”: *Moses Coady and the Antigonish Movement* available at [http://www.on.literacy.ca/hist\\_lit/law/1](http://www.on.literacy.ca/hist_lit/law/1)
19. Coady International Institute, *The Antigonish Movement* available at [http://www.mystfx.ca/institutes/coady/text/about\\_antigonishmovement.html](http://www.mystfx.ca/institutes/coady/text/about_antigonishmovement.html)
20. Robert Home(2006), “Not Squatters But Settlers”: Land Titling and de Soto's *Mystery of Capital* presented at “Land Poverty, Social Justice and Development “ International Conference 9-14 January 2006 Institute of Social Studies(ISS), The Hague- The Netherlands
21. Nguyen Xuan Thanh(2001), Book Summary on *The Mystery of Capital* by Hernando de Soto, Fulbright Economics Teaching Programme 2001-2002, /Economics Executive Education Programme, available at [http://www.fetp.edu.vn/shortcourse/0102/eco\\_management/English/2-Fri-Jan11/Mystery\\_of\\_Capital\\_Abstract\\_En.pdf](http://www.fetp.edu.vn/shortcourse/0102/eco_management/English/2-Fri-Jan11/Mystery_of_Capital_Abstract_En.pdf)

## ANNEX 1

### Hernando De Soto and “Dead Capital”

Peruvian economist, Hernando De Soto in his celebrated book, *The Mystery of Capital*, posits that the high incidences of poverty and economic failure in developing and underdeveloped economies was not the lack of assets of the poor but the absence of a framework which permitted the poor to convert their assets into capital.

Based on research done among the peri-urban poor in Peru and several other underdeveloped and developing countries, he estimated that it would take the richest nation on earth 150 years to transfer to the world’s poor the value of resources equal to that which they already possessed. However, he noted that the resources of the poor were held in “defective” forms:

- Houses built on land whose ownership rights had not been adequately recorded.
- Unincorporated businesses with undefined liability
- Industries located where financiers and investors could not see them

De Soto argues that the basis of the market economy is capital and that the basis of capital as an economic tool is rational property law. However, the assets of the poor were rooted in “extra-legal” and “informal” arrangements. Therefore these resources were “dead capital”, assets that could not be leveraged into productive capital because of poorly defined systems of property and legal frameworks that limit the size and scope of business ventures. In the absence of documentation, these assets:-

- could not be traded.
- could not be used as collateral for a loan
- could not be used as a share against an investment

In order to “unlock” the potential of this “dead capital”, he proposed reform strategies which move these “defective” assets from the “extra-legal” sector to an “inclusive” market economy.

A characteristic of this inclusive market economy was “secure and defensible property rights”. However, the process of obtaining legal titles to their resources was bureaucratic, burdensome and expensive. De Soto recommended reform processes that scaled up titling, i.e. ensured the secure and legal titles of the assets and scaled down regulatory barriers that stifled entrepreneurship of the poor.

His **Institute for Leadership and Democracy** in Lima, Peru provided technical assistance to the World Bank to design titling programmes and streamline the regulatory environment to facilitate the integration of the poor into the mainstream market economy. Over 1.3 million properties were titled in the peri-urban centres of Peru resulting in increased investment in homes and businesses, increased access to credit, the creation of a real estate market and increased property values. Women made up more than half of the beneficiaries.



## ANNEX 2

### The Antigonish Movement

The *Antigonish Movement* was a local community development movement, born in the 1920s, during the years of the Great Depression, as a response to the resultant poverty afflicting farmers, fishers, miners and other disadvantaged groups in the Maritime Provinces of Eastern Canada. It was the brain child of two priests, Father Jimmy Tompkins and Rev. Dr. Moses M. Coady, who advocated the use of adult education to build self-reliance and rebuild the economy.

The assistance of the St. Francis Xavier University was co-opted and in 1930 it established an Extension Department to “go out to the people”. Rev. Moses Coady was its first Director. Thus began the Antigonish Movement whose **mission was, “the improvement of the economic, social, educational and religious condition of the people of eastern Nova Scotia”**.

Rev. Coady’s life’s philosophy was that people could create their own answers by building upon adult education, using their own strength. They could be “*masters of their own destiny*” if they worked together. His principle was that adult education would occur if it was based on people’s real lives and real, immediate problems. He went out to villages speaking to people, urging people to pool their resources, create co-operatives, and market their own products directly. But most of all, he encouraged the people to stand up for themselves because they had knowledge, they had ability, they could learn, and they could act.

**Study Clubs** were created in communities. There was no centralized base. Families helped families, and neighbours helped neighbours. Out of the Study Clubs and the awareness building came co-operatives and credit unions:

- Fishermen built their own boats and equipment.
- Farmers got small loans and began to market their products through co-operatives.
- Steel workers and miners began to organize for better wages.

- Some persons in the villages and towns started to build their own new houses using co-operative housing.

The adult learning process employed by the Antigonish Movement, now known as participatory research and learning, can be summarized as follows:

- Study club discussions and education sessions, which were facilitated by educators – the adult learners gained a greater awareness of the issues and powers that were affecting their lives and their communities.
- Study club discussions and brainstorming sessions – adult learners would come up informed alternatives.
- Collective action, facilitated by adult educators when needed – based on what had been read and what had been discussed.

Using adult education, this process applied by Rev. Coady and the Antigonish Movement helped the disadvantaged to create their own answers based on their own strengths and working together.

The Antigonish Movement has influenced adult education and community development programmes throughout the world. The *Coady International Institute* of the St. Francis Xavier University, Nova Scotia is dedicated to the memory and ideals of Dr. Moses Coady, after whom it is named. It trains adult educators and community development practitioners from all over the world on the theories and practices of the Antigonish Movement for application to their own countries.

## ANNEX 3

### Barefoot College of India

The Barefoot College of India has been applying solar energy as an alternative source of lighting (solar home lighting units), heating (solar water heaters), cooking (parabolic solar cookers) and drinking water (solar powered desalination plant) since 1989.

Described as “an alternative, community-based learning centre”, it was founded by Sanjit Bunker Roy in the Indian state of Rajasthan in 1972.

According to its website<sup>22</sup>, the Barefoot College has “internalized and implemented” the belief and message of Mahatma Gandhi:

- *Knowledge, skills and wisdom found in the villages should be used for development before getting skills from outside.*
- *Sophisticated technology should be used in rural India but it should be in the hands and in the control of the poor communities so that they are not dependent or exploited as it leads to replacement.*

Thus the driving idea behind the College is to demonstrate that “the key to alleviating rural poverty lies within communities themselves and do not necessarily come from urban professionals, government intervention or big foreign aid packages — it is grassroots and cooperative innovation at its finest”.

The Barefoot College has pioneered solar electrification in rural, remote, non-electrified villages. It has “demystified solar technology” and “decentralized its application” - the fabrication, installation, usage, repair and maintenance of sophisticated solar lighting units are in the hands of rural, illiterate and semi-literate men and women who are trained as Barefoot Solar Engineers. Villages all over India send disadvantaged members — typically women — to attend the College to be trained as Barefoot Solar Engineers.

---

<sup>22</sup> [http://www.barefootcollege.org/sol\\_approach.asp](http://www.barefootcollege.org/sol_approach.asp)

They receive a small stipend to learn skills that can be contributed back to the community to increase technical and financial self-reliance. Villages are encouraged to give the opportunities to women and persons who will stay and work for the development of the village rather than migrate soon after being trained.

Over a period of six months, Barefoot Solar Engineers (BSEs) are trained to:

- make the units
- install, repair and maintain solar lighting units for a period of five years at least
- set up a “Rural Electronic Workshop” where components and equipment needed for the repair and maintenance of solar units will be stored.

The process of solar electrification in a rural village is community managed, controlled and owned, facilitated by the Village Environmental Energy Committee – a committee of village elders. There are obligations to be fulfilled by the villagers before the solar electrification process begins:

- the payment of a nominal fee to cover the costs of the unit
- arrangements for a Rural Electronic Workshop
- the training of Barefoot Solar Engineers,.

The College’s innovative approach to the application of solar technology has been successfully adopted in other parts of the world.

## ANNEX 4

### **Review and Recommendations of the IAGDO Re Country Poverty Assessment Report 2007/2008**

The Inter Agency Group of Development Organizations (IAGDO) is a registered umbrella organization of the eight principal development NGOs in Grenada and can be considered the platform organization for development NGOs in Grenada. Its members met in December 2010 to review the *Country Poverty Assessment Report 2007/2008* with a view to offering their recommendations re strategies for an appropriate response to the address the issues and challenges identified in the report.

It is hoped that these recommendations will help to influence the development of Grenada's ***Growth and Poverty Reduction Strategy*** - being developed under the Government's IMF programme in response to the challenges of the economic recession and of poverty.

The review noted that poverty has a human face. Therefore any strategy developed must be people-centred. It must empower the poor to break the cycle of poverty and develop their capacity to participate in governance and decision-making processes which affect their lives. The strategy needs to be shaped by the appropriate, inclusive development vision which will address issues of participation, equity and sustainability.

The review noted that any strategy had to address the following:

- **The family** – it must address issues of vulnerable families,
- **Sustainable management** of natural resources including land management and ownership issues
- **Education** – to develop the self-esteem and confidence of people, and develop their capacity to analyze and to participate in the decision-making process; to be productive citizens
- **Participation** – the poor had a right to information and to participate in the decision-making and governance processes of their country.
- **Production and Productivity** – as a nation, Grenada had to address issues of production and the productivity of its labour force.

- **Heritage and Culture** – There was a need for Grenada’s assets to be respected and protected; they were resources upon which Grenada could build.

The IAGDO’s review and recommendations focused on the following areas:

- Economic sectors – tourism and agriculture
- Education
- The family
- Environment

The accompanying table, **Summary of Key Recommendations**, summarizes the key issues and recommendations in respect of these specific areas.

## ANNEX 5

### Inter Agency Group of Development Organizations: A Summary of Key Recommendations re a Response to the 2007/2008 Country Poverty Assessment Report

AGRICULTURE		
PROBLEM	DESIRED IMPACT	RECOMMENDED ACTIONS
Loss of scarce agricultural land to tourism for resort and residential development	Agricultural lands are protected and used appropriately	Development, implementation and enforcement of a <i>Lands Policy</i>
- high degree of wastage when local fruits in season while food imports were high	Cut down on wastage of fruits and encourage use	Improve and increase storage facilities to - reduce wastage
Local agriculture's dependency on imported inputs	Identification and research of the use of local herbs as pesticides; promote composting	Involve farmers in a participatory research process re the use of local herbs as pesticides
High price of local products	Local products are more affordable and available year round	Stabilize prices by increasing volumes year round; National fruit tree planting campaign- e.g. each school plant a fruit tree
Low incomes and limited opportunities for earning income	Expanded demand for local products resulting in increased incomes	Create internal demand for local fruits through the school feeding programme
	Decentralize market-ing	Support to introduction of Farmers Market
Low incomes and limited opportunities for earning income	Enhanced employment opportunities in agriculture	Introduce new initiatives in agriculture – e.g. Recommence shrimp farming in St. Andrew's Expansion and development of the spice sub-sector
Low value placed on agriculture and natural resources	Identification and valuation of agricultural and natural resources	Undertake a study to quantify and value agricultural and natural resources Research and quantification of initiatives such as Gouyave Fish Friday Festival and St. Mark's Food Festival
Low labour productivity of agricultural labour	Enhanced productivity and income earning opportunities	Upgrade Mirabeau <i>Training School</i> ; establish demonstration farms and implement best practices
		Introduction of appropriate agricultural labour saving implements Appropriate and widespread agricultural skills training programmes

<b>TOURISM</b>		
<b>PROBLEM</b>	<b>DESIRED IMPACT</b>	<b>RECOMMENDED ACTIONS</b>
Absence of information on the cost–benefit analysis of tourism	Decisions informed by sound research and data	Undertake research and document existing community initiatives – Gouyave Fish Friday Festival and St. Mark’s Food Festivals  Undertake research into the level of earnings and wage levels within the tourism industry
<b>ENVIRONMENT</b>		
Communities unaware of the value of their natural assets and its potential for economic development	People in communities aware of their natural assets and their value	Mapping of community assets so that community persons become aware of these assets and its potential  Introduction of Environmental Studies as part of schools curriculum  Formation of environmental clubs in schools  Public education and awareness programmes
Poor management of environmental resources	People in communities able to manage these assets well to generate livelihoods.	Support for the formation and training of community organizations capable of managing community natural resources.
Absence of or lack of enforcement of appropriate polices  Inappropriate development strategies	Appropriate and effective management of environmental resources.  Rethinking of the development vision.	Development and implementation of a Lands Policy;  Enforcement of existing policies, laws;  Development and implement new polices where required;  Development and implementation of appropriate, environmentally sustainable development strategies;  Develop strategies to take advantage of carbon credit trading.



<b>ENVIRONMENT</b>		
Many environmental threats: inadequate dumping of refuse, inadequate co-ordination between ministries and agencies, de-bushing programme, indiscriminate destruction of watershed areas with negative impact on biodiversity and rainfall, under- resourced and insensitive Physical Planning Unit	A coordinated approach to the implementation of projects and programmes	Inter-agency and inter-ministry co-ordination in the development and implementation of certain programmes e.g. road works
<b>EDUCATION</b>		
<b>PROBLEM</b>	<b>DESIRED IMPACT</b>	<b>RECOMMENDED ACTIONS</b>
<b>Quality of Education:</b> - certified but unqualified for the work force - at TAMCC a significant no. of students unable to meet criteria for certification - students not being trained to meet the new challenges – Climate Change, biodiversity etc. - absence of standards available re entry into the workforce	Human Resource Planning to be guided by a development vision. Improved accountability/ responsibility from stakeholders involved in delivering education services	Ministry of Labour should: i) undertake an inventory re skills required in the labour market ii) set standards for entry into workforce An Accountability mechanism to be put in place

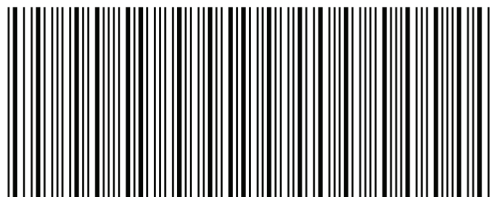
<b>FAMILY</b>		
Vulnerability of families and inability to provide and care for families		
<b>PROBLEM</b>	<b>DESIRED IMPACT</b>	<b>RECOMMENDED ACTIONS</b>
Internal and external migration – depletion of community human resources	Enabling environment for family to stem migration, rural exodus and sustain the community human resource and physical infrastructure	Facilitate community economic empowerment- local opportunities and local investments
Community no longer involved in upbringing of children	Community becomes involved in “looking-out” for children	<p>Community centres should become resource centres to facilitate community education and training</p> <p>Introduction of mentorship programmes for children</p> <p>Private-public partnerships could assist in supporting the development of appropriate programmes</p>
Working mothers, particularly single parents lack support in order to facilitate their participation in the works force	<p>- Support structures for working mothers</p> <p>- The reality of the single parent is documented and the information informs programmes and policies</p>	<p>Extend the school day – introduce compulsory after school activities -</p> <ul style="list-style-type: none"> <li>• for After School activities, recruit another set of resource persons so as not to increase burden on teachers);</li> <li>• Programmes should help to link school to the wider community</li> </ul> <p>Conduct research into the reality of single parents</p>

## ANNEX 6

### LIST OF PARTICIPANTS Alternative Growth and Poverty Reduction Strategy Consultations

Name	Organisation	Contact Information
Albert Andall	Grenada Chamber of Industry & Commerce.	albert.andall@grenadachamber.org 440-2937
Ann John	Grenada Save the Children	grensave.director@spiceisle.com 440-2448
Cecil Edwards	Vice Chairperson, NSAP/ The Willie Redhead Foundation	czeds@hotmail.com 440-1036
Denyse Ogilvie	People in Action	denyse.ogilvie@gmail.com
Earla Baptiste	North East Farmers Organisation	nefo@yahoo.com 440-5671
Elliot Bishop	Grenada Cane Farmers Assn./ Agency for Rural Transformation Ltd.(ART)	ebishcom@yahoo.com 443-5806
Eutropia Marsha	Grenada Network of Rural Women Producers	tropiatz@yahoo.com
Evelyn De Coteau	Grenada Poultry Producers Association	gappas521@hotmail.com
James Nicholas	Southern Fishermen's Association	southfish@spiceisle.com
Joseph Antoine	Friends of the Earth - Grenada	kasalaj@gmail.com
Judy Williams	Chairperson, NSAP/  Inter Agency Group of Development Organisations	grenco@spiceisle.com 444-8430
Kelvin Dottin	Environmental/Individual	kdotts@yahoo.co.uk 406-9722
Kriss Davies	Grenada National Coalition on the Rights of the Child	gncrc@spiceisle.com
Mykie Munro	St. Andrew's Development Organisation	
Norris Neckles	Grenada Assn. of Beekeepers/ Caribbean Agri-Business Association.	mafatu@spiceisle.com 443-1346
Sandra C.A. Ferguson	Secretary, NSAP  Inter Agency Group of Development Organisations	nsapsec.gnd@gmail.com/ artngognd@gmail.com 440-3440
Theresa Msacky	Grenada Network of Rural Women Producers	theddy-123@yahoo.com

<b>Name</b>	<b>Organisation</b>	<b>Contact Information</b>
Valdon Paul	St. Patrick's Environmental & Community Tourism Organisation	balgo61@hotmail.com
Valerie Gordon	Consultant	valeriegordon@gmail.com
Waveney Neckles	Grenada Association of Beekeepers	mafatu@spiceisle.com
Winston W. Thomas	Friends of the Earth/Grenada Human Rights Organisation/Public Workers Union/National Initiative for Prolific Policy	winstonwthomas@spiceisle.com



978-976-95439-1-1