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Gender Responsive Evaluation of the Impact of Structural Adjustment Programmes on Small Holder Farmers, Fisher-folk and Small Business Entrepreneurs in Five (5) Caribbean Islands:

ANTIGUA & BARBUDA BARBADOS COMMONWEALTH OF DOMINICA GRENADA SAINT LUCIA

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ACRONYMS

BITU	British Thermal Unit
BWIs	Bretton Woods Institutions
CARICOM	Caribbean Community
CAS	Country Assistance Strategy
CCRT	Catastrophe Containment and Relief Trust
CDB	Caribbean Development Bank
CDEMA	Caribbean Disaster Emergency Management Agency
CDF	Comprehensive Development Framework
CET	Common External Tariff
CGA	Country Gender Assessment
CIA	Central Intelligence Agency
CPA	Country Poverty Assessment
CRFM	Caribbean Fisheries Mechanism
CSOs	Civil Society Organizations
EC	European Community
ECCB	Eastern Caribbean Central Bank
ECF	Extended Credit Facility
EFF	Extended Fund Facility
EMDEs	Emerging Markets and Developing Economies
EPZs	Export Processing Zones
ESAF	Enhanced Structural Adjustment Facility
EU	European Union
FAO	Food and Agriculture Organization of the United Nations
FCL	Flexible Credit Line
FCSs	Fragile and Conflict-affected Situations
FCVs	Fragility, Conflict, and Violence settings
FFPI	FAO Food Price Index
FOB	Free On Board
GAD	Gender and Development
GDI	Gender-related Development Index
GDP	Gross Domestic Product
GE	Gender Equality
GEM	Gender Empowerment Measure
GFCF	Gross Capital Formation
GII	Gender Inequality Index
GNI	Gross National Income
GRA	General Resources Account
HDI	Human Development Index
HIPC	Heavily Indebted Poor Country
IDB	Inter-American Development Bank
IFIs	International Financial Institutions
IHDI	Inequality-adjusted Human Development Index

ILO	International Labour Organization
IMF	International Monetary Fund
I-PRSPs	Interim Poverty Reduction Strategy Papers
JSA	Joint Staff Assessment
LAC	Latin America and the Caribbean
MDGs	Millennium Development Goals
MPI	Multidimensional Poverty Index
MSME	Micro, Small, and Medium-sized Enterprise
MTBF	Medium Term Budget Framework
NGOs	Non-governmental Organizations
OECS	Organisation of Eastern Caribbean States
PDNA	Post Disaster Needs Assessment
PEIR	Public Expenditure and Institutional Review
PFPs	Policy Framework Papers
PLL	Precautionary and Liquidity Line
PPP	Purchasing Power Parity
PRGT	Poverty Reduction and Growth Trust
PRGF	Poverty Reduction and Growth Facility
PRS	Poverty Reduction Strategy
PRSPS	Poverty Reduction Strategy Papers
QRs	Quantitative Restrictions
RCF	Rapid Credit Facility
RFI	Rapid Financing Instrument
SAF	Structural Adjustment Facility
SAP	Structural Adjustment Programme
SAPRIN	Structural Participatory Review International Network
SBA	Stand-By Arrangement
SCF	Standby Credit Facility
SEM	Single European Market
SIDS	Small Island Developing States
SME	Small and medium-sized enterprise
UN	United Nations
UNDP	United Nations Development Programme
USAID	United States Agency for International Development
WB	World Bank
WBG	World Bank Group
WEI	Women’s Empowerment Index
WID	Women in Development

EXECUTIVE SUMMARY

I. OVERVIEW

This document presents the findings of a gender-responsive evaluation of the Impact of Structural Adjustment Programmes (SAPs) - Policies, Proposals and Plans - on **Small Holder Famers, Fisherfolk and Small Business Entrepreneurs in five (5) Caribbean Islands: Antigua and Barbuda, Barbados, Dominica, Grenada, and St. Lucia.** The Report represents an important deliverable of a Consultancy entitled: ***Gender Responsive Evaluation of the Impact of Structural Adjustment Programmes and relevant National Policies on Small Holder Famers, Fisherfolk and Small Business Entrepreneurs in five (5) Caribbean Islands.*** The Consultancy, in turn, is a critical component of the Project entitled: ***Building Effective Resilience for Human Security in the Caribbean Countries: The Imperative of Gender Equality and Women Empowerment in a Strengthened Agriculture (and related Agri/Fisheries) Small Business Sector.***

The report is being presented against the background of a Caribbean Region in economic decline, due particularly to a series of worldwide recessions, oil and food price shocks and natural disasters. Despite middle-income status and medium to high human development classification, the region has recently experienced poor growth performance resulting in the gradual build-up of unsustainable levels of debt. The high level of accumulated debt contributes to poor regional GDP performance and diverts resources to amortization and interest payments, and thus away from health, education, infrastructure, administration of justice, social protection, food and nutrition security and other areas that are drivers of growth and development and determinants of human security.

Growing poverty and income inequality also represent major challenges, with joblessness and vulnerability disproportionately affecting marginalized groups, particularly women and youth. While the region has made significant advances in addressing gender inequality, this remains a major challenge and has cross-cutting negative impacts. Climate change adaptation, disaster risk reduction, reduction in the cost of energy, strengthening sustainable agriculture and enhancing food security represent major issues that are critical in ensuring sustainability and growth, and thus human security in the Caribbean.

The major institutional response to the crisis has been the adoption of Stabilization and Structural Adjustment Policies, advocated by the major international financial institutions (IFIs) - the International Monetary Fund (IMF) and the World Bank – as a condition attached to receiving significant structural adjustment loans (SALs). The policies are designed to reduce financial imbalances in national economies, on both external accounts and in relation to domestic resource use. Stabilization policies are short term in nature and implemented over one to two years. They are specifically aimed at reducing imbalances in the external accounts and the domestic budget by cutting down on expenditures (by governments, firms, and households) and reducing credit creation and the budget deficit. Structural Adjustment Policies (SAPs), as the name implies, are concerned with changing the structure of the economy over the long term. The policies involve expanding exports to improve the balance of trade. Institutional reforms are advocated to reduce the role of the state and make the economy more market oriented. SAPs promote a shift in productive resources from the consumption of domestic goods and services to investments that focus on export-oriented sectors as the key economic driver of foreign exchange, catalysing economic growth. It is therefore against this background that the study was conducted. The report is presented as a component of an overall consultancy that evaluates the gender-responsive impact of Structural Adjustment Programmes and relevant National Policies on Small Holder Famers, Fisher-folk and Small Business Entrepreneurs in five (5) Caribbean Islands.

II. PURPOSE, OBJECTIVE AND SCOPE

The purpose of the study is to analyse the gender dimensions and existing inequalities in agriculture, fisheries, and small business sectors in the five selected countries in the context of the structural adjustment programmes that have been and are currently being implemented.

The **main objective** was to explore the impact of SAPs on people working in or directly influenced by the target sectors, with a focus on the differential needs, opportunities and impacts on women and men; and to understand the extent to which women are able to realize their rights and potential in those areas where SAPs are intended to advance the national development agendas. The underlying assumption is that changes in economic conditions and policies have different impacts on men and women due to the sexual division of labour and gender inequalities.

There is no doubt that gender inequality undermines progress toward sustainable agriculture, fisheries and small business development across multiple dimensions in the Caribbean. High levels of inequality make it harder to increase productivity and reduce poverty and hunger. Countries where incomes are highly unequal have on average lower levels of land productivity and are more prone to food insecurity. In many Caribbean countries, the majority of the farming population, particularly women, lack the economic resources and capacity to invest in appropriate technologies, as well as the knowledge to implement improved agricultural practices. Because of this disparity in access, women farmers face an increasing knowledge gap.

Women also have difficulty in access to land ownership, extension services, and finance. Agricultural credit, for instance, is critical for farmers to manage the seasonality of agricultural income and expenditures, and to invest in technologies and long-term farm improvements. Therefore, addressing gender inequality is essential to achieving sustainability in the agriculture, fisheries and small business sectors.

The study focuses on women farmers and small business entrepreneurs and provides a comprehensive situational analysis of SAPs and their impact on Agriculture, Fisheries and Small Business. It covers issues relating to the mainstreaming of gender equality into Poverty Reduction Strategy Papers (PRSPS) and Structural Adjustment Policies (SAPS); the implications of the COVID-19 pandemic on the development of the sectors; gender-sensitive value chain analysis/assessments; and the benefits to be derived from the inclusion of greater gender equality and women's economic empowerment issues into the design and implementation of structural adjustment programmes.

III. METHODOLOGY

At the outset of the evaluation, a literature review was undertaken to better understand the issues related to a Gender Responsive Evaluation of the Impact of Structural Adjustment Programmes on Small Holder Famers, Fisher-folk and Small Business Entrepreneurs. The literature review provided the frame for obtaining a descriptive analysis of the gender profile of agriculture, fisheries and small business sectors, and the impact of structural adjustment programmes and national policies on individual and households operating in these sectors in the context of achieving gender equality and women's empowerment.

To better understand the links between policy and practice, a comprehensive policy analysis was undertaken to specifically address the issues of structural adjustment programmes, and gender equality in agriculture, fisheries, and small business. In this context, the policy analysis focused on the elements of content, context, actors, and process in the development of the SAPs.

The **Content Analysis** identified how SAPs specifically addressed gender equality and women empowerment in agriculture, fisheries, and small business. The **Context Analysis** described the factors that impacted how the structural adjustment programmes were developed, power relations between government and people, private-public relations, culture, and public information on gender equality. The **Actors Analysis** described the actors who were involved in the development of the SAPs, while the **Process Analysis** provided a description of the processes used to develop the structural adjustment programmes, e.g., inclusive, or exclusive processes, which groups were included, what evidence was used, public consultation, etc.

In parallel to the desk study, stakeholder consultations were conducted with the joint programme's Technical Steering Committee and three of the five National Task Forces to triangulate information gathered during the literature review process. These consultations were aimed at obtaining the views, opinions, and aspirations of key stakeholders on structural adjustment programmes and policies in gender equality and women empowerment, especially in relation to agriculture, fisheries, and small business.

A **Public Expenditure and Institutional Review (PEIR)** was utilized to map the Governments' policy framework(s) for mainstreaming gender issues in public investment programmes and projects. In this context, the Instrument focused on policy, institutional and expenditure analyses of the relevant public bodies related to gender equality and gender empowerment.

The analysis and findings that are provided in this report were based on all materials collected during the literature review; the policy analysis and PEIR conducted; group discussions and the professional experience and knowledge of the consultant. The analysis has helped to identify critical gaps and support recommendations related, but not limited to:

- Augmentation of the countries' efforts to address issues related to gender equality and empowerment in agriculture, fisheries, and small business that are impacted by structural adjustment programmes;
- Facilitation of input to inform the strategic direction of the UN agencies engagement and partnership with national Governments in addressing the imperatives of gender equality and women empowerment in agriculture, fisheries, and small business sectors; and
- Development of a public awareness programme to foster a broader recognition of the priorities of gender equality and women empowerment for enhanced resilience, stronger economic growth, a more inclusive society and strengthened human security.

It is anticipated that a virtual review meeting on the findings with the National Steering Committees and other key stakeholders will be held to validate this report. In addition to the literature review, the evaluation depends heavily on sex-disaggregated statistical data for analysis. These data were not readily available during the review of the countries, and therefore there are some gaps in information presented in the report.

IV. IMF and World Bank SAPs Support for the Countries

Between 1975 and 2020, financial support was provided to the five countries, as members of the IMF, under a variety of policies and lending instruments. The financing was conditional on the countries adopting policy reforms to address the balance of payments problem that gave rise to the request for IMF support. The economic situation was usually characterized by:

- A significant long-term increase in the price of essential imports;
- Diminished long term demand for its export of primary and/or manufactured products and/or tourism;
- Excessive levels of consumption of semi-luxury and luxury imported goods;
- A weak manufacturing sector surviving only through excessive protection;
- Very large public sector debt usually resulting from high recurrent public expenditures associated with persistent expansions in the civil service and/or from political reluctance to increase rates of public utilities and prices of products of state enterprises;
- Macroeconomic market failures;
- Inadequate local food production for the domestic market; and
- A long period of severe inflation (rise in prices).

The policy reforms aimed to eliminate economic distortions such as overvalued exchange rates, high fiscal deficits, restrictions on trade, and inefficient public services that often prevented an efficient allocation of resources in the country. In this context, the key objectives of SAPs, mainly stabilization policies in nature, were to:

- Reduce or eliminate balance of payments and public sector deficits;
- More effectively and efficiently achieve the objectives of economic development – economic growth, poverty alleviation, productive employment, social services provision, and environmental protection; and
- Reduce future payments and mitigate stabilization problems.

The IMF stabilization policies include:

- **Monetary Restraint**: to reduce the growth of domestic absorption (demand) and the rate of inflation (e.g., credit ceilings to government and private sector);
- **Interest Rate Policies**: set to positive real levels to encourage domestic savings and promote investment);
- **Reduction in Fiscal Deficit**: cuts in government expenditure and/or increases in taxation to reduce aggregate demand;
- **Reduction in External Debt**: to achieve a debt sustainable level of foreign borrowing and avoid a debt crisis; and
- **Structural Reforms**: financial sector reforms, producer-pricing policies, trade liberalization tax reforms, etc. to make the economy more flexible and efficient.

IMF reform policies were usually accompanied by World Bank Adjustment policies, which include:

- **Trade Policy:** removal of import quotas; cut in tariffs; improved export incentives.
- **Resource Mobilization:** tax and budget reform; interest rate policy reform; strengthen external debt management; improve financial performance of public enterprises.
- **Efficient Use of Resources:** revise public sector investment priorities; raise agricultural prices; reduce state intervention; reduce or eliminate agricultural input subsidies; raise energy prices; revise industry incentive system.
- **Institutional Reform:** remove price controls; strengthen capacity to formulate and implement public investment programmes; increase the efficiency of public enterprises.

The more widely used financial facilities were the Standby Arrangements (SBAs) and the Extended Fund Facility (EFF). SBAs provide short-term assistance for countries experiencing balance of payments difficulties and the EFF provides longer-term assistance to support members' structural reforms to address balance of payments difficulties. Other facilities utilized by the countries were the Structural Adjustment Facility (SAF) and the Rapid Credit Facility (RCF).

The impact of these SAPs on the countries were evaluated from a gender perspective with a focus on the small farmers, fisher-folks, and small business. The findings from the evaluation are summarized below.

V. FINDINGS

Impact of SAPs on the National Economies

It is important to note that the people who were most affected by the implementation of structural adjustment policies were not able to participate in their design, which is an issue of concern. Policy design has been the purview of the technical experts in the Ministries of Finance, Economic Development and Planning and Agriculture (including Fisheries) and the IMF and the World Bank.

While the SAPs initially resulted in a reduction of macroeconomic imbalances, the resumption of growth was not achieved in all counties. In this context, the change in the global trading arrangements; the removal of preferential arrangements for the primary export crops; the World Trade Organization's (WTO) commitments and greater trade openness; the impact of the oil shocks; several worldwide recessions; and natural disasters in the countries over the period under review (1975 – 2020) should be taken into consideration while assessing the growth achieved by these countries.

All countries recorded significant annual increases in gross international reserves between 1990 and 2015. Despite the fluctuation in reserves between 1990 and 2017, all countries, with the exception of Barbados, recorded general upward trends in their annual import ratios (reserves/imports) for the period 1980 through to 2015, with declines thereafter. The lack of progress by the countries in reducing their external current account imbalances could be partly attributed to the oil shock of the late 1990s and the various economic recessions encountered by the countries' main trading partners of Europe and the United States of America (USA). Except for a few years, the countries have experienced deficits in their fiscal operation during the period under review.

Impact of SAPs on Agriculture, Fisheries and Small Business

Agriculture

Under the SAPs, the agricultural sectors of the countries demonstrated significant declines in most of the important development indicators.

- Real growth of the agriculture sector of the countries over the period (1980 – 2019) has fluctuated with a downward trend. The contribution of agriculture to GDP in real terms declined over the period by 53.4 percent in Antigua and Barbuda, 59.6 percent in Dominica, 7.5 percent in Grenada and 82. 6 percent in Barbados, due mainly to declines in the banana and sugar industries in applicable countries.
- The contribution of agriculture to GDP declined in Barbados (the lowest range) from 7.5% in 1980 to 1.3% in 2018, and in Dominica (the highest range) from 21.5% in 1980 to 7.5% in 2018.
- Both arable and agricultural lands declined in all countries except Dominica where agricultural lands increased.
- The employed labour in agriculture ranged from lows of 4% in Antigua and Barbuda and Barbados to highs of 21% in Dominica and St. Lucia;

- The employed labour of women in agriculture is very low in the countries, ranging from lows of 2% in Antigua and Barbuda and Barbados, to a high of 14% in St. Lucia.
- Of the economically inactive in all countries, 38% are involved in home duties, and 85% of those involved in home duties are women, ranging from 80% in Grenada to a high of 92% in Antigua and Barbuda.
- Capital investment in the sector represented by Agriculture Investment Ratio (Agriculture Gross Fixed Capital Formation as a share of Agriculture Value Added) declined after 2010.
- There was significant decline in the Food Production Index for each year, due mainly to declines in production of the main export crops (sugar, banana, and nutmeg) as well as the domestic crops. However, the livestock industry showed increased production.
- The combined food import bill for the five countries has increased significantly from US$163.4 million in 1980 to US$307.6 million in 2000, US$572.6 million in 2010, and surpassed the US$774.4 million mark in 2019. Dated information showed an increase in the food dependency ratio.
- Between 2003 and 2020, the prices of the main imported commodities (meat, dairy, cereals, vegetable oil and sugar) increased by 64%, 87%, 73%, 59% and 81%, respectively.
- Domestic food price inflation rates for the countries were closely aligned to the international food inflation rate, with the exception of Barbados, where the domestic rate of food price inflation was higher than the international food price inflation.

Fisheries

- Captured fish and aquaculture production showed increases in Antigua and Barbuda, Grenada, and St. Lucia, while outputs in Barbados and Dominica declined during the period under review.
- The level of employment in the fishing industry increased in Antigua and Barbuda, Grenada, and St. Lucia, remained steady at about 3,000 persons in Barbados but declined in Dominica.

Small Business

Limited data and analyses of small business enterprise in the five countries were available. Notwithstanding, information gleaned from a 2015 profile of women entrepreneurs in the Caribbean region suggests that the sector's development was impacted by limited access to financing; inappropriate training and lack of business advisory services; limited access to relevant and timely business-related information (for example, regulations, trade missions, obtaining technical support, etc.; limited access to technology and equipment; and limited access to women's networks.[1]

Small Holder Farmers, Fisher-folks, and Women

Smallholder farmers, fisher-folks and women were more negatively impacted by SAPs than the larger farmers were, as many lacked equal opportunities to enter and benefit from liberalized markets:

- They have limited resources (land, labour, and capital) to invest in business opportunities that may emerge as a result of SAP implementation;
- They have limited education and technical knowledge for diversification and/or expansion into viable value chains;
- They have limited access to credit, which has become more expensive, to invest and/or purchase required more expensive inputs - with the cost of these inputs rising and governments' removing of subsidies;
- They have been hurt by cuts in government spending on rural infrastructure, as well as processing, storage, and distribution systems;
- They have to compete with imported foods;

[1] Lashley, J. and Katrine Smith. 2015: Profiling Caribbean Women Entrepreneurs: Business Environment, Sectoral Constraints and Programming Lessons. An Info Dev publication, July 2015.

- They lack access to organized markets for produce, which is now monopolized by larger producers; and
- They have suffered from the fact that liberalization did not result in higher gross income margins, as farm production costs increased, but farm prices did not. Larger farmers, who enjoyed economies of scale, as well as the exporters, may have experienced increased incomes.

VI POLICY IMPLICATIONS AND RECOMMENDATIONS

National Economies of the Countries

Fiscal policy needs to be at the core of a prudent macroeconomic policy framework. The government's net spending, which constitutes a direct part of domestic absorption, is under the control of the authorities and affects the resources available for domestic investment. The role of fiscal policy should not be confined to contracting absorption but should encompass the improvement of incentives for private sector activity, via tax reform if necessary. The composition of government expenditures should also consider the implications for growth. Although capital spending may be the easiest to cut in the short term, it directly affects an economy's growth potential.

Public debt imposes a burden on SAPs and therefore prudent policies should include measures aimed at reducing the public debt. Countries that are solely dependent on one or two major export commodities or resources are extremely vulnerable to external shocks (oil price, food price, hurricanes, invasive pest and disease species, COVID-19 etc.,) over which the country usually has very little control. It is expected that the enhanced labour and capital mobility in the Caribbean, currently being pursued and the CARICOM Free Movement Arrangement, could create an avenue for the diffusion of economic shocks by way of shock responsive resource movement.

Economy-wide income restraint is desirable for successful adjustment as it supports prudent fiscal policy and external competitiveness. It is important to emphasize that monetary policy should be supported by fiscal policy, it should not be overburdened, as high interest rates adversely affect investment and growth and eventually weaken the fiscal position.

For the five countries examined, SAP support has resulted in the creation of national economic platforms with less complicated tax systems, more liberal trade regimes, and stronger financial legislation, which, in the absence of major policy reversals, could provide the basis for dealing with the inevitable challenges to come.

Agriculture, Fisheries and Small Business

In all five countries, significant increases in private investment were expected once the economies embrace the deregulation, monetary and fiscal measures under SAPs. Local private investment in agriculture, fisheries, and small agribusiness manufacturing, which has never been significant in most of the countries, was unable to respond, due in part to SAP policies, such as high interest rates and the deregulation of imports among others. Foreign private investment in the sectors has been disappointing except in the area of tourism. In addition, the countries were not rigorous enough in identifying appropriate value chains to replace the declining traditional commodities of sugar cane and bananas. Thus, the expectations of job creation, foreign exchange earnings and expanded markets which were expected to wean the economy from aid and expand development in the sectors have not been realised. A major criticism made against SAPs was that they were too narrow, relied mainly on fiscal and monetary instruments and had little relevance to the long-term development goals of the countries.

SAPs also prevented the countries' economies from fundamentally changing their character as primary commodity producers, which is the source of the crisis of the examined economies. This is particularly important because many of the SAP policies were designed based on a questionable analysis of 'comparative advantage', where they aim to strengthen the ability of countries to produce what they were already producing - primary agricultural commodities. The trade liberalisation, high interest rates, the removal of subsidies and the imposition of taxes, mainly on fuel and water, threatened agriculture, fishing and small domestic industries. Agriculture, especially food production, has also been adversely affected by interest rates and the high prices of inputs. There is consensus that low commodity prices have not brought the economic returns expected from the promotion of export agriculture.

Also, SAPs negatively impacted the environment. Export promotion has increased extractive activities, such as logging and sand and marl mining, particularly for the construction industries (Housing and Tourism). This has led to deforestation and mining pollution, and the reduction and degradation of land which could be used for the livelihoods of ordinary people. This could inadvertently increase the labour demand in sectors where women typically have limited space to engage.

The findings of the study highlight a number of challenges to the sustainable development of the food and agriculture sector in the five countries examined. These challenges may be categorized into five main areas and are related to the imperatives of:

- Reducing food insecurity and malnutrition, especially as related to high food costs and the high food import bill;
- Improving efficient agricultural and food systems for the provision of goods and services from agriculture, forestry, fisheries, and related small businesses in a sustainable manner;
- Promoting rural area territorial development and reducing rural poverty through linking smallholder farmers, fisher-folks, and small agro-processors to markets;
- Increasing the resilience of livelihoods to threats and crises through disaster risk management and climate change adaptation measures;
- Promoting gender equality and women economic empowerment by designing and implementing plans, programmes, and projects with gender-equitable principles; and
- Improving public policy and governance.

In the context of the challenges identified, some important recommendations are pertinent. At the centre of the agricultural development agenda must be the desire to eradicate hunger, poverty, and malnutrition in each state by:

- Stimulating sustainable economic expansion and diversification of the food and agriculture sector;
- Promoting sustainable management and utilization of natural resources; and
- Promoting gender-equitable rural development, with smallholder farmers, fisher-folks, and small agro-processing enterprises at the core.

The major policy challenge to the countries, if agriculture, fisheries, and small agro-processing facilities are to operate as the true engine of economic growth and social stability, is how to transform risk-averse and resource-poor farmers, fisher-folks, and small agro-business enterprises into efficient and competitive entrepreneurs. This is particularly true for those who are most vulnerable, including, but not limited to, women. A good first step is to identify viable and equitable value chains that can ensure sustainable development of agriculture, fisheries, and related small business enterprises. In this context, value chain analyses should be conducted, grounded in performance dimensions embracing both quantitative and qualitative measures, gender dimensions and involving the following criteria:

- Competitiveness, as indicated by the relative market share in the domestic, regional, or international market;
- Competitiveness of the value chain's product against its substitutes;
- Profitability of the chain actors, particularly the most vulnerable;
- Food security of all producers, particularly the most vulnerable;
- Technical and operational efficiency;
- Equity considerations, determining if the value that is added along a chain is distributed fairly among chain actors, including the most vulnerable or if there are indications of non-competitive behaviour by some actors; and
- Consumer satisfaction across all groups.

The aim is to achieve systemic change in the sectors that promotes equitable upgrading and competitiveness. There is no doubt that changes can provide small producers with important advantages through increased farm incomes, and if designed appropriately, they could also contribute to improving gender roles and relations. Change in gender relations can result from:[2]

- New technologies that sensitize labour patterns, time allocations, and income control to the different needs of men and women;
- Facilitation of women's access to factors of production and markets to ensure shifts to high-value crops that alter patterns of control over resources and benefits; and
- Formalization of equitable ownership and household financial management practices.

VII BENEFITS OF MAINSTREAMING GENDER IN AGRICULTURE, FISHERIES AND SMALL BUSINESS DEVELOPMENT AGENDA

Gender and Economic Development

Empirical evidence shows that gender equality is good for economic growth. Research finds correlations between gender equality and economic growth, both in comparisons across countries and over time. Research notes that gender inequalities in areas such as land tenure and access to government services undermine nations' productivity and human capacity. Gender inequalities affect competitiveness by restraining productivity, growth, and output and indirectly hinders trade performance. The findings of this evaluation suggests that income inequality in Barbados and St. Lucia is a major factor impacting their Human Development Index (HDI) scores (see Table 2.7 for Inequality-adjusted Human Development Index (I-HDI) scores and related components). This area will be analysed in detail in the evaluation of national policies of the sectors and vulnerable groups within the sectors.

Policy is not Gender Neutral

It has been shown that SAPs themselves are gender-blind in various ways. Macro-economic policies enacted as part of SAPs may appear to be neutral but work out differently for different social groups based on socio-economic status and gender relations. For example, the promotion of tourism may have affected people's access to land, but the fact that women's access to ownership of land is fragile under all conditions, and they (women) were unlikely to contest or lay claim to the land. Thus, the real issue is the gender-blind economic policy and not the change of land use in Barbados. Also, the promotion of private capital and the relaxation of labour regulations had implications for the job

[2] USAID, 2010.

security and working conditions of workers, especially those at the lower levels of employment, many of whom are women.

Bias against women is sometimes embedded in legal codes that may recognise only the male head of the household in various transactions or give women unequal inheritance or divorce rights. It may also be present in traditional and unwritten codes of conduct and conflict management.

Women's Inability to Respond to Market Opportunities

Because of structural and social norms and rigidities, women's ability to respond to changes in market opportunities (better prices, investment opportunities or job openings) may be restricted. This is often because of land tenure arrangements, access to credit, access to inputs and lack of price incentives. For example:

- Incentives for export crop production may be provided, but at the expense of subsistence crops, often a non-tradeable good used to support the family, considered under the responsibility of women.
- Increased demand for family labour from commercialisation of agriculture can lower the perceived benefits of education relative to the use of child labour, especially for girls.
- Cutback in government provision of health care and other social services may place a greater demand on women's time for caring for the sick and elderly at home, thus reducing time available for food production and income generation activities.
- Limitations in access to credit, information, and advisory services
- Disinvestment in community infrastructure such as water supply systems can increase women's workloads and inhibit their responses to economic changes. Public spending cuts may merely represent a transfer of costs from the market to the unpaid economy.

Policymakers therefore need to be aware of how gender-blind policies and programmes can affect women's social and economic welfare.

Implications for Policy Formulation and Implementation

Agricultural policy formulation and implementation can contribute to greater gender equality by taking into account and helping to mitigate the effects of social and cultural norms which are disadvantageous women or reinforce, intentionally or unintentionally, existing discrimination against women.

Much scope exists for public policies that provide incentives under SAPs to equalise access to productive resources by men and women. Fostering a legal and regulatory framework that 'levels the playing field' for decision making by men and women by removing or mitigating discriminatory elements embodied in laws, institutions, market structures, and technology, is recommended.[3]

Reducing macroeconomic gender biases will require fundamental reforms not only in institutions and legislation, but also in ways of designing and carrying out policies, programmes, and projects, and in

[3] World Bank, 2000

their monitoring and evaluation. Systematic mainstreaming of gender in policy work involves the recognition of two key points:

- That a given policy can have different impacts on men and women; and
- That gender relations and gender-biased institutions and norms influence policy outcomes.

Effective, efficient, and sustainable agricultural policies are developed based on knowledge of the agricultural sector and its significance to the economy as a whole (macro); the markets, infrastructure, organisations, and institutions (meso); and the nature of agricultural households (micro). A gender lens should be applied to each of these levels as suggested below. Based on the findings of this study, as well as the difficulties encountered in conducting it, several analytical steps are recommended to advance the process of gender mainstreaming in the sectors. These analytical steps may be summarised as:[4]

National Macroeconomic (Macro) Level:

- Provision of gender and age disaggregated national data to identify the location of men and women in the economy as well as to support intersectional analysis by age group.
- Establishment of Monitoring and Evaluation systems to assess the differential impacts of policy interventions on women and men.
- Integrating the unpaid "domestic economy" in macro and agricultural analysis, such as labour force and labour market rates in agriculture, fisheries, and agro-processing sectors.

Agriculture, Fisheries and Small Business (Meso) Level:

- Addressing gender-based-distortions in markets such as land, labour, and access to credit, which can result in inefficient resource allocation.
- Addressing gender asymmetries and biases in institutions and organisations which can restrict women's access to resources.

Households and Individual (Micro) Level:

- Taking account of gender differences in household preferences, time allocation and control over household resources, including the division of labour along value chains in the agriculture, fisheries, and small agro-processing business.
- Understanding how such differences influence household production and investment decisions, food security and well-being within the household.

In addition to the economic sphere, action would be necessary in the legislative, institutional, and political spheres. Overall, a holistic approach to gender mainstreaming in agricultural policy planning and implementation should be adopted. This means ensuring the consideration of gender roles and relationships in policies, strategic views, values, and procedures, both administrative and consultative.

[4] FAO, 2006

1. INTRODUCTION

1.1 Background

This Report presents the results of a gender-responsive evaluation of the Impact of Structural Adjustment Programmes (SAPs) - Policies, Proposals and Plans - on **Small Holder Famers, Fisherfolk and Small Business Entrepreneurs in five (5) Caribbean Islands: Antigua and Barbuda, Barbados, Dominica, Grenada and St. Lucia.** It represents an important deliverable of a Consultancy entitled: ***Gender Responsive Evaluation of the Impact of Structural Adjustment Programmes and Relevant National Policies on Small Holder Famers, Fisherfolk and Small Business Entrepreneurs in five (5) Caribbean Islands.*** The consultancy, in turn, is a critical component of the project entitled: ***Building Effective Resilience for Human Security in the Caribbean Countries: The Imperative of Gender Equality and Women Empowerment in a Strengthened Agriculture (and related Agri/Fisheries Small Business Sector.***

It is being presented against the background of a Caribbean Region in economic decline. The region has been particularly affected by the global economic recession since the late 1970s. This resulted in a major deceleration in economic growth in the early 1980s due to several related factors. Despite middle-income status and medium to high human development classification, the region has recently experienced poor growth performance and recurrent and devastating natural disasters, resulting in the gradual build-up of unsustainable levels of debt. The situation has created the unavoidable requirement for structural adjustment programmes and initiatives that risk turning back the clock on recent human security gains. Additionally, the high level of accumulated debt contributes to poor regional GDP performance and diverts the limited resources to amortization and interest payments, and therefore away from health, education, infrastructure, administration of justice, social protection, food and nutrition security and other areas that are drivers of growth and development and determinants of human security.

Growing poverty and income inequality also represent major challenges, with joblessness and vulnerability disproportionately affecting marginalized groups, in particular women and youth. While the region has made significant advances in addressing gender inequality, this remains a major challenge and has cross-cutting negative impacts. The result is that the Caribbean suffers both 'feminization' and 'juvenilization' of poverty, with the flip side of high levels of crime involving youth.

Climate change adaptation, disaster risk reduction, energy cost reduction, strengthening sustainable agriculture, and enhancing food and nutrition security represent additional major challenges for governments in the region. These issues are key to the achievement of sustainable growth, and thus human security.[5]

As indicated above, the major institutional response to the crisis has been the adoption of Stabilization and Structural Adjustment Policies, advocated by the major international financial institutions (IFIs), the International Monetary Fund (IMF) and the World Bank in exchange for significant loans. The policies are designed to reduce financial imbalances in the economy, both on external accounts and in domestic resource use. Stabilization policies must be recognized as short term in nature and implemented over one to two years. They are specifically aimed at reducing imbalances in the external accounts and the domestic budget by cutting down on expenditures (by governments, firms and households), and reducing credit creation and the budget deficit. Structural Adjustment Policies (SAPs), as the name implies, are concerned with fundamentally changing the structure of the

[5] United Nations 2019: United Nations Trust Fund for Human Security project: Building Effective Resilience for Human Security in the Caribbean Countries: The Imperative of Gender Equality and Women Empowerment in a Strengthened Agriculture (and related Agri/Fisheries Small Business) Sector

economy. The policies involve expanding exports to improve the balance of trade. Institutional reforms are advocated to reduce the role of the state and to make the economy more market-oriented. A shift in productive resources from consumption to investment, and from non-tradeables to tradeables is promoted, the objective of which is to promote economic growth.[6]

The general effects of recession and SAPs in the Developing World during the 1980s have been documented in terms of increasing poverty, a decline in various social indicators such as nutritional status of children under five years, and school enrolment rates.[7] In the Caribbean Region, only a few studies have gone beyond the analysis of quantitative, national-level data on the impact of SAPs to consider more qualitative, locally-based data, let alone examine possible differences according to gender.[8] It is therefore against this background that this study was conducted. The report is presented as a component of an overall consultancy that evaluates the gender-responsive impact of structural adjustment programmes and relevant national policies on small holder famers, fisher-folk and small business entrepreneurs in five (5) Caribbean Islands.

1.2 Purpose, Objective and Scope

The purpose of the gender-responsive evaluation is to analyse the gender dimensions and existing inequalities in agriculture, fisheries and small business sectors in the **countries of Antigua and Barbuda, Barbados, Dominica, Grenada and St. Lucia,** in the context of the structural adjustment programmes that have and currently are being implemented.

The **main objective** was to explore the impact of SAPs on people working in or directly influenced by the target sectors, with a focus on the differential needs, opportunities and impacts on women and men; and to understand the extent to which women are able to realize their rights and potential in the areas where SAPs are intended to advance the national development agenda. The underlying assumption is that changes in economic conditions and policies have different impacts on men and women due to the sexual division of labour and prevailing formal and informal structural and social gender inequalities.[9]

This report on the impact of SAPs on Agriculture, Fisheries and related Small Business sectors focused on women farmers and small business entrepreneurs in particular. It provides a comprehensive situational analysis of SAPs, and includes:

- An overview of interventions recently undertaken concerning mainstreaming gender equality into Poverty Reduction Strategies Papers(PRSPS) and Structural Adjustment Policies (SAPS);
- The work undertaken by the World Bank and the IMF in the thematic areas;
- Results/information gathered from other project activities undertaken by UN Women and FAO, including the project activity for the review of national agriculture and small business support programmes, and incentive schemes undertaken by UN Women and the corresponding relevant work undertaken by the FAO; and
- Gender-sensitive value chain analysis/assessments undertaken by FAO.

[6] Elson, 1989; Onimode, 1989; Woodward, 1992
[7] Beneria and Roldan, 1987; Cornia et al. 1987; Commonwealth Secretariat, 1989; Elson, 1989, 1991; Moser, 1989; Onimode, 1989).
[8] Barriteau, V. Eudine, 1996.
[9] Elson, 1989.

The socioeconomic impact of the COVID-19 pandemic on countries at national, sectoral and household levels is also examined, in particular its implication for future development of the economies.

The Report also presents the results of a desk review focused on the impacts of structural adjustment policies and plans on the agricultural and fisheries sectors through gender lens, complemented by evidence-based data collected to support future gender-sensitive decision making on structural adjustment programme revisions. Finally, the report provides a quantifiable economic assessment of the value-add of inclusion of greater gender equality and women's economic empowerment into the design and implementation of structural adjustment programmes. This aspect presents supportive information for the systematic inclusion of gender equality and women's economic empowerment objectives in the resilience building and human security strategies in the Caribbean.

1.3 Methodology

1.3.1 Desk Review and Analysis of Relevant Documentation

At the outset of the evaluation, a literature review was undertaken to better understand the issues related to a gender responsive evaluation of the impact of structural adjustment programmes on small holder famers, fisherfolk and related small business entrepreneurs. The desk review and analysis of available documentation are documented in the attached list of references. The review includes documented research; consultants' reports; case studies around the world that have similar socio-economic, financial, environmental and cultural context; and other publications that were deemed necessary to help facilitate an institutional mapping of key actors. The literature review provided the frame for obtaining a descriptive analysis of the gender profile of agriculture, fisheries and the related small business sector; and the impact of structural adjustment programmes, national policies on individuals and households operating in those sectors in the context of achieving gender equality and women's empowerment.

1.3.2 Policy Analysis

To better understand the links between policy and practice, a comprehensive policy analysis was undertaken that specifically addresses the issues of structural adjustment programmes and gender equality in agriculture, fisheries, and small business. In this context, the policy analysis focused on the elements of content, context, actors, and processes in the development of the SAPS.

The ***content analysis*** identified how SAPs specifically addressed gender equality and women's empowerment in agriculture, fisheries and related small businesses. The ***context analysis*** described the context factors that have impacted how the SAPs were developed, e.g. economic (cost containment and austerity measures or growth), power relations between government and people, private-public relations, culture, and public information on gender equality. The ***actors analysis*** described the actors who were involved in the development of the SAPs, e.g. local, regional and international groups and individuals, women and women's organizations, small business entrepreneurs, government (parliamentarians and bureaucrats) and civil society, international organizations and donors, religious and traditional leaders, etc. The ***process analysis*** described how the SAPs were developed, e.g. inclusive or exclusive processes, which groups were included, what evidence was used, public consultation, etc.

1.3.3 Value Chain Analysis

The list of value chains taken

into consideration in this report was provided by the National Steering Committee of each country and analysed under another consultancy, utilizing the methodology framework proposed by FAO 2007[10] .

1.3.4 Interviews and Focus Group Discussions

Researchers conducted stakeholder consultations with the Consultancy Steering Committee and National Task Forces of three of the five countries in order to triangulate information gathered during the literature review process. These consultations were aimed at obtaining the views, opinions and aspirations of key stakeholders on structural adjustment programmes and policies in gender equality and women's empowerment, especially related to agriculture, fisheries and small business.

1.3.5 Application of the Public Expenditure and Institutional Review (PEIR) Methodology.[11]

The **PEIR methodology** was utilized to map the policy framework(s) of each government and the mainstreaming of gender in public investment programmes and projects. In this context, the instrument focused on policy, institutional and expenditure analyses of the relevant public bodies related to gender equality and gender empowerment.

1.3.6 Collation of Findings, Analysis, and Development of Recommendations

The analysis and findings provided in this report are based on all materials collected during the literature review, the policy analysis, the PEIR, group discussions, and professional experience and knowledge of the consultant. The analysis has helped to identify critical gaps and support recommendations related, but not limited to:

- Augmentation of the countries' efforts to address issues related to gender equality and empowerment in agriculture, fisheries, and small business that are impacted by structural adjustment programmes;
- Facilitation of input to inform the strategic direction of UN engagement and partnership with national Governments in addressing the imperatives of gender equality and women's empowerment in agriculture, fisheries, and small business sectors; and
- Development of a public awareness programme to foster a broader recognition of the priorities of gender equality and women empowerment for enhanced resilience, stronger economic growth, a more inclusive society and strengthened human security.

1.3.7 Stakeholder Validation Workshop

In an effort to validate the findings of the report, the consultant, in collaboration with the Technical Committee of the UNHSTF joint programme, will facilitate a virtual review on the findings with the National Task Force of each country and other key stakeholders deemed critical to the process.

[10] Food and Agriculture Organizations of the United Nations (FAO). Guidelines for Rapid Appraisals of Agrifood Chain Performance in Developing Countries: Agricultural Management, Marketing and Finance Occasional Paper 20. 2007.
[11] This was based on UNDP (United Nations Development Programme) and ODI (Overseas Development Institute), August 2012 Climate Public Expenditure and Institutional Review (CPEIR) - A methodological to review climate policy, institutions and expenditure, Working Paper.

1.4 Limitations of Study

The evaluation depend heavily on gender and age disaggregated statistical data for analysis. These data were not readily available during the review of the countries for small agro-businesses, fisheries and to a lesser extent agriculture, and therefore there are some gaps in information presented in the report. In addition, up to date information on key national, sectoral, sub-sectoral and household indicators are not readily available. In such situations, the most recently dated information is analysed. This limitation suggests the urgent need for future investments in data capture interventions as related to gender and age disaggregated data.

2 Human Development and Gender in Selected Countries

2.1 Demographics

Table 2.1 presents comparative statistical core gender-disaggregated demographic data on population, life expectancy, male-female headed households and literacy rates in the five selected countries of Antigua and Barbuda, Barbados, Dominica, Grenada and St. Lucia.

The total population of the selected five countries, based on information taken from CEPAL Database, UNDP Development Report (2020), the CIA World Fact Book Report of 2020, the Government of Dominica (2014), and contained in **Table 2.1**, is approximately 0.757 million, with males comprising 49.2 percent and females 50.8 per cent. In three countries (Antigua and Barbuda, Barbados and St. Lucia), the proportion of females is higher than that of males. However, for lower age groups (0-14 years) there are higher proportions of males to females. Overall, children under 15 years account for 19.2 percent of the population, while persons 65 years and older constitute 12.8 percent. Based on the age structure of the populations, the dependency ratio ranged from a low of 39.6 in St. Lucia to a high of 50.7 in Grenada.[12] The current dependency ratio means that there are between 4-5 persons in the dependent age groups (0-14 and 65+) for every 10 persons in the working-age group (15-64 years).

The geographic distribution of population by country shows that, except for Dominica, more people live in rural areas (ranging from a low of 63.6% in Grenada to a high of 81.2% in St. Lucia) than in the urban and coastal areas. In Dominica, 29.2% of the population lives in rural areas, compared with 70.8% in urban areas.

The proportion of male-headed households is higher than that of female-headed ones; with Dominica recording the highest percent of male-headed households (60.8%), and Barbados the highest percent of female-headed households (47.5%). Literacy rates are comparable for males and females in the selected countries.

2.2 Human Development Index and Components

The human development indices and related components for the five selected countries are presented in **Table 2.2.** It is important to note that the Human Development Index (HDI) is a composite statistic measuring average achievement in three basic dimensions of human development—a long and healthy life, knowledge and a decent standard of living. In reality, the HDI compose of five main variables - life expectancy at birth, expected years of schooling, mean years of schooling, gross national income (GNI) per capita, and GNI per capita minus HDI rank.

[12] Data on Dominica is not available

Table 2.1: Summary of Key Gender Demographic Indicators by Country

Countries	Total Population	Age Structure of Population					Dependency Ratio	Maternal Mortality Rate (2017)	Life Expectancy at Birth	Urban/ Rural (2019)	% Male or Female Headed Households	Literacy Rate
		0-14 years	15-24 Years	25-54 Years	55-64 Years	65 Years & Over						
Antigua & Barbuda	97,905	(21.85%) 21,397 M-10,843 F-10,554	(14.95%) 14,632 M-7,390 F-7,242	(42.97%) 42,068 M-19,862 F-22,206	(10.92%) 10,691 M-4,953 F-5,738	(9.31%) 9,117 M-3,736 F-5,012	Total-45.1 Youth-31.8 Elderly-13.1	5.0 deaths/ 1,000 live births	Total-77.0 Years M-75.9 Years F-78.1 Years	Urban-24.5% Rural-75.5%	M-55.98% F-44.02%	Total-99% Male-98.4% F-99.4%
Barbados	288,371	(16.70%) 48,165 M-24,484 F-23,681	(13.09%) 37,734 M-19,286 F-18,448	(39.75%) 114,635 M-56,058 F-58,577	(13.47%) 38,841 M-17,993 F-20,848	(16.99%) 48,996 M-22,263 F-26,733	Total-49.9 Youth-25.6 Elderly-24.3	11.3 deaths/ 1,000 live births	Total-79.2 Years M-77.8 Years F-80.5 Years	Urban-31.2% Rural-68.8%	M-52.5% F-47.5%	Total-99.6% M-99.6% F-99.6%
Dominica	74,243	(21.41%) 15,895 M-8,135 F-7,760	(13.15%) 9,763 M-5,017 F-4,746	(42.79%) 31,770 M-16,133 F-15,637	(10.53%) 7,820 M-4,089 F-3,731	(12.12%) 8,995 M-4,128 F-4,867	Total	32.9 deaths/ 1,000 live births	Total-78.2 Years	Urban-70.8% Rural-29.2%	M-60.8% F-39.2% (2011) – GOCB Data from 2014 Report	
Grenada	112,879	(23.70%) 26,754 M-13,710 F-13,044	(14.37%) 16,213 M-8,242 F-7,971	(41.27%) 46,588 M-23,714 F-22,874	(10.58%) 11,946 M-5,981 F-5,965	(10.08%) 11,378 M-5,379 F-5,999	Total-50.1 Youth-35.6 Elderly-14.5	13.7 deaths/ 1,000 live births	Total-72.4 Years M-70.1 Years F-75.0 Years	Urban-36.4% Rural-63.6%		Total-98.6% M-98.6% F-98.6%
St. Lucia	183,604	(17.95%) 32,964 M-16,694 F-16,270	(15.82%) 29,053 M-14,541 F-14,512	(45.35%) 83,267 M-40,664 F-42,603	(10.59%) 19,435 M-8,624 F-10,075	(10.29%) 18,885 M-9,894 F-11,920	Total-39.6 Youth-25.4 Elderly-14.0	14.9 deaths/ 1,000 live births	Total-76.2 Years M-74.9 Years F-77.6 Years	Urban-18.8% Rural-81.2%	M-56.4% F-41.6% (Kari CPA 2005/06)	

Source: CEPALSTAT Database; hdr.undp.org/data 2020; CIA World Fact book 2020; Government of Commonwealth of Dominica (2014)

The concept of the gross national income (GNI) per-capita rank minus the human development index (HDI) rank is an important one as it measures the difference in a country's income versus the benfits of development enjoyed by the citizens of each country. In this context, a negative value means that the country is better ranked by GNI than by HDI value (Antigua and Barbuda and St. Lucia). The HDIs are used to rank countries into four tiers of human development. A country scores a higher HDI when the lifespan is longer, the education level is higher, the GDP per capita is greater, and both fertility and inflation rates are lower.

Table 2.2: Human Development Index and its components

Country	Human Development Index (HDI)	Life expectancy at birth	Expected years of schooling	Mean years of schooling	Gross national income (GNI) per capita	GNI per capita rank minus HDI rank	HDI rank
Antigua & Barbuda	0.778	77.0	12.8	9.3	20,895	-15	76
Barbados	0.814	79.2	15.4	10.6	14,936	20	58
Dominica	0.742	78.2	13.0	8.1	11,884	7	94
Grenada	0.779	72.4	16.9	9.0	15,641	3	74
St. Lucia	0.759	76.2	14.0	8.5	14,616	–4	86
Developing Countries	0.689	71.3	12.2	7.5	10,583	-	-
Latin America & Caribbean	0.766	71.3	14.6	8.7	14,812	-	-

Source UN Development Report 2020: hdr2020.pdf (undp.org)

According to the 2020 Human Development Report, the HDIs for the selected countries ranged from a high score of 0.814 in Barbados to a low of 0.742 in Dominica. This corresponds with a rank of 58 for Barbados (highest ranked country included in this report) to 94 for Dominica (lowest ranked country), out of a worldwide total of 185 countries. As can be observed from the Table, all the five selected countries outperformed the developing world average in their HDI scores and the related five components. When compared with the average for Latin America and the Caribbean, only two countries (Dominica and St. Lucia) have lower HDI scores and GNI per capita, with all five countries having higher life expectancy at birth.

Table 2.3 presents the trends in HDI for the five countries over the period 1990 through to 2019. The Table shows upward trends in HDI scores for Antigua and Barbuda, Grenada and St. Lucia, and fluctuating trends for Barbados and Dominica during the period under review. Both Barbados and Dominica HDI ranks fell by 6 between 2014 and 2019.

Table 2.3: Human Development Index trends, 1990–2019

Country	Human Development Index								Change in HDI Rank	Average Annual HDI Growth (%)
	1990	2000	2010	2014	2015	2017	2018	2019	2014-2019	2010-2019
Antigua & Barbuda	-	-	0.763	0.760	0.762	0.768	0.772	0.778	1	**0.33**
Barbados	0.732	0.732	0.771	0.797	0.808	0.809	0.810	0.814	–6	**0.91**
Dominica	-	0.703	0.740	0.741	0.739	0.736	0.738	0.742	–6	**0.05**
Grenada	-	-	0.754	0.766	0.770	0.770	0.773	0.779	2	**0.55**
St. Lucia	-	0.695	0.730	0.735	0.747	0.759	0.758	0.759	6	**0.65**

Source UN Development Report 2020: hdr2020.pdf (undp.org)

Notwithstanding, all five experienced positive average annual growth rate in HDI between 2010 and 2019 (**Table 2.3**). The HDI score for Barbados places the island in the group of countries with very high human development, while the other four countries rank in high human development.

2.3 Multidimensional Poverty Index

Multidimensional Poverty Index (MPI) is the percentage of the population that is multi-dimensionally poor adjusted by the intensity of the deprivations. The MPI is calculated based on the multidimensional poverty headcount, intensity of deprivation of multidimensional poverty, inequality among the poor, population in severe multidimensional poverty, population vulnerable to multidimensional poverty, contribution of deprivation in dimension to overall multidimensional poverty population living below the national poverty line, and the population living below PPP $1.90 a day.

Based on available data, **Table 2.4** presents the MPI for Barbados and St. Lucia which were surveyed. The determination of the indicators that are factored into the calculation of the MPI is described below.

Table 2.4: Multidimensional Poverty Index (MPI)

Country	Multi-dimensional Poverty Index		Population in multidimensional poverty				Population vulnerable to multi-dimensional poverty	Contribution of deprivation in dimension to overall multidimensional poverty			Population living below income poverty line	
	Year and survey	**Index**	**Headcount** %	**Headcount** **'000'**	Intensity of deprivation	Population in severe multi-dimensional poverty		Health	Education	Standard of living	National poverty line	PPP $1.90 a day
	2008–2019	Value	**2018**		**%**		**%**	**%**	**%**	**%**	2008–2019	2008–2018
Antigua & Barbuda												
Barbados	2012	0.009	2.5	7	34.2	**0.0**	0.5	96.0	0.7	3.3	-	-
Dominica												
Grenada												
St. Lucia	2012	0.007	1.9	3	37.5	0.0	1.6	69.5	7.5	23.0	25	4.7

Source: UN Human Development Report 2020

While substantial differences exist between Barbados and St. Lucia in terms of inequalities in development and poverty levels, there is no doubt that these differences can also be found within each country – a phenomenon sometimes referred to as rural-urban differentials. These variations are expected to be found in rural and urban Multidimensional Poverty Indices (MPI), as well as in the contributions of each to the national MPI.

2.4 Gender Inequality Index

Gender inequality remains a major barrier to human development, in the Caribbean generally and in the five countries in particular. Girls and women have made substantial strides since 1990 but they have not yet gained gender equality. The disadvantages facing female members of the population in countries are important sources of inequality. Females are discriminated against in health, education, political representation, and the labour market, to name but a few sectors, and this has negative repercussions for the development of their capabilities and their freedom of choice.

The Gender Inequality Index **(GII)** is a composite measure reflecting inequality in achievement between women and men in three dimensions: reproductive health, empowerment, and the labour market. The indicators that comprised the GII are maternal mortality ratio, adolescent birth rate, the share of seats in parliament, and the labour force participation rate.

Table 2.5 presents the **GII** for Barbados and St. Lucia, as well as limited information on some components of the GII for the other three countries as obtained from the 2020 Human Development Report. Based on the Report, the 2019 Gender Inequality Index for Barbados is 0.252 and St. Lucia is estimated at 0.401. These GII scores place Barbados at a ranking position of 56 out of 185 countries, and St. Lucia in 90th position, implying that the latter country needs to do more to improve its GII rating.

The Table also shows that both Barbados and St. Lucia have outperformed the average GII score for Small Island Developing States (SIDS). However, when compared with the average for Latin America and the Caribbean, only Barbados has a higher GII.

Table 2.5: Gender Inequality Index (GII)

Country	Gender Inequality Index		Maternal Mortality Ratio	Adolescent Birth Rate	Share of Seats in Parliament	Population with at least some Secondary Education		Labour Force Participation Rate	
	Value	Rank	(deaths per 100,000 live births)	(births per 1,000 women ages 15–19)	(% held by women)	(% ages 25 and older)		(% ages 15 and older)	
						Female	Male	Female	Male
	2019	2019	2017	2015-2020	2019	2015–2019	2015–2019	2019	2019
Antigua & Barbuda	-	-	42	42.8	31.4	-	-	-	-
Barbados	0.252	56	27	33.6	29.4	94.6	92.2	61.7	69.1
Dominica	-	-	-	-	25.0	-	-	-	-
Grenada	-	-	25	29.2	39.3	-	-	-	-
St. Lucia	0.401	90	117	40.5	20.7	49.2	42.1	59.5	75.0
LAC Countries	0.389	-	73	63.2	31.4	60.4	59.7	52.1	76.9
SIDS	0.458	-	207	57.7	25.1	59.1	62.8	51.9	70.6

Source: UN Human Development Report 2020.

2.5 Women's Empowerment Index

The Women's Empowerment Index (**WEI**) is the measure of women's empowerment. Its development represents a major milestone in the country's evidence-based policy-making and sets a baseline for monitoring the government's progress toward Sustainable Development Goal 5 (SDG5) - achieving gender equality and empowerment of all women and girls. The three broad baseline indicators for the dashboard monitoring the progress in WEI are reproductive health and family planning, violence against girls and women, and socioeconomic empowerment. The sub-indicators of the baseline monitoring are defined below.

Presented in **Table 2.6** are the **WEIs** for the five countries, based on the limited data available.

Table 2.6: Women's Empowerment

Country	Reproductive health and family planning				Violence against girls and women				Socioeconomic empowerment				
	Antenatal care coverage, at least one visit	Proportion of births attended by skilled health personnel	Contraceptive prevalence, any method	Unmet need for family planning	Child marriage	Prevalence of female genital mutilation/ cutting among girls and women	Violence against women ever experienced		Share of graduates in science, technology, engineering and mathematics programmes at tertiary level, female	Share of graduates from science, technology, engineering and mathematics programmes in tertiary education who are female	Female share of employment in senior and middle management	Women with account at financial institution or with mobile money service provider	Mandatory paid maternity leave
					Women married by age 18		Intimate partner	Non-intimate partner					
	%	**%**	(% of married or in-union women of reproductive age, 15–49 years)		(% of women ages 20–24 who are married or in union)	(% of girls and women ages 15–49)	(% of female population age 15 and older)		**%**	**%**	**%**	(% of female population age 15 and older)	(days)
	2009-2019	2014-2019	2009-2019	2009-2019	2005-2019	2004–2018	2005-2019	2005-2019	2009-2019	2009-2019	2009-2019	2017	2019
Antigua & Barbuda	-	100.0	-	-	-	-	-	-	1.8	33.3	-	-	91
Barbados	93.4	99.1	59.2	19.9	29	-	-	-	-	40.5	-	-	84
Dominica	-	100.0	-	-	-	-	-	-	-	-	-	-	84
Grenada	-	100.0	-	-	-	-	-	-	11.6	40.9	-	-	90
St. Lucia	96.9	100.0	55.5	17.0	24	-	-	-	-	-	-	-	91

Source: UN Human Development Report 2020

2.6 Inequality-adjusted Human Development Index (IHDI)

Inequality-adjusted HDI (IHDI) is the HDI value adjusted for inequalities in the three basic dimensions of human development - *inequality in life expectancy, inequality in education, and inequality in income* (**See Table 2.7)**. It was first introduced in the 2010 Human Development Report. While the Human Development Index (HDI) remains useful, the IHDI is the actual level of human development accounting for inequality. Thus, the IHDI can be interpreted as the level of human development when inequality is accounted for. In other words, it is an index of 'potential' human development or the maximum IHDI that could be achieved if there were no inequality.

In the adjustment process, the overall loss is determined as the percentage difference between the IHDI value and the HDI value. The difference from the HDI rank is the difference in ranks on the IHDI and the HDI, calculated only for countries for which an IHDI value is calculated. The coefficient of human inequality is the average inequality in the three basic dimensions of human development.

Inequality in life expectancy: Inequality in the distribution of expected length of life is based on data from life tables and is estimated using the Atkinson inequality index.[13] Inequality-adjusted life expectancy index is determined by HDI life expectancy index value adjusted for inequality in the distribution of expected length of life, based on data from life tables.

Inequality in education: Inequality in the distribution of years of schooling, based on data from household surveys estimated using the Atkinson inequality index. Inequality-adjusted education index is the HDI education index value adjusted for inequality in the distribution of years of schooling, based on data from household surveys.

Inequality in income: Inequality in income distribution based on data from household surveys estimated using the Atkinson inequality index. Inequality-adjusted income index is the HDI income index value adjusted for inequality in income distribution, based on data from household surveys. Income shares is the percentage share of income (or consumption) that accrues to the indicated population subgroups. Income share held by the richest 1% is the share of pre-tax national income held by the richest 1 percent of the population. Pre-tax national income is the sum of all pre-tax personal income flows accruing to the owners of the production factors, labour and capital before the tax/transfer system is taken into account and after the pension system is taken into account. **Gini coefficient** is a measure of the deviation of the distribution of income among individuals or households in a country from a perfectly equal distribution. A value of '0' represents absolute equality, a value of 100, absolute inequality.

According to the 2020 Human Development Report, the IHDI for Barbados is 0.676 and St. Lucia, 0.629 (**Table 2.7**).

[13] The Atkinson index (also known as the Atkinson measure or Atkinson inequality measure) is a measure of income inequality developed by British economist Anthony Barnes Atkinson. It is one of the most popular welfare-based measures of inequality. See Atkinson, Anthony B. 2015; FAO, 2006.

Table 2.7: Inequality-adjusted Human Development Index

Country	Human Development Index (HDI)	Inequality-adjusted HDI (IHDI)			Coefficient of Human Inequality	In-equality of Life Expectancy	In-equality-adjusted Life Expectancy	In-equality in Education	In-equality in Education Index	In-equality in Income	In-equality-adjusted Income Index	Income share held by			GINI Co-efficient
		Value	Overall Loss (%)	Difference From HDI Rank		%	Value	%	value	%	Value	Poorest 40 %	Richest 10%	Richest 1%	
	2019	2019	2019	2019	2019	2019	2019	2019	2019	2019	2019	2010-2018	2010-2018	2010-2017	2019
Antigua & Barbuda	**0.778**	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Barbados	**0.814**	0.676	17.0	-9	15.9	8.7	0.831	5.5	0.739	33.6	0.502	-	-	-	-
Dominica	**0.742**	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grenada	**0.779**	-	-	-	-	-	-	-	-	-	-	-	-	-	-
St. Lucia	**0.759**	**0.629**	**17.1**	**0**	**16.9**	**10.6**	**0.773**	**12.6**	**0.588**	**27.4**	**0.547**	**11.0**	**38.6**	**-**	**51.2**

Source: UN Human Development Reports, Various Years

3. Economic Crisis and Structural Adjustment Programmes of the Selected Countries

3.1 Overview of Structural Adjustment Programmes (SAPs)

Structural adjustments are the economic policy reforms implemented by the International Monetary Fund (IMF) and the World Bank (WB) in developing countries to mitigate the effects of negative shocks or to take advantage of new opportunities or challenges. These policy changes are conditions for obtaining loans from the IMF or World Bank or for obtaining lower interest rates on existing loans. The need for structural adjustments derives from external shocks (e.g.; oil price increases, worldwide recession); weaknesses in the structure of the economy (dependent on a single crop or service, inappropriate institutions); or flaws in domestic economic policies (expansionary fiscal policies, excessive external borrowing).[14] The economic situation is usually characterized in the economy by:[15]

- A significant long-term increase in the price of essential imports;
- Diminished long term demand for its export of primary and/or manufactured products and/or of tourism;
- Excessive levels of consumption of semi-luxury and luxury imported goods;
- A weak manufacturing sector surviving only through excessive protection;
- Very large public sector debt usually resulting from high recurrent public expenditures associated with persistent expansions in the civil service, and/or sometimes from political reluctance to increase rates of public utilities and prices of products of state enterprises;
- Macroeconomic market failures;
- Inadequate local food production for the domestic market; and
- A long period of severe inflation (rise in prices).

The policy reforms attempt to eliminate economic distortions such as overvalued exchange rates, high fiscal deficits, restrictions on trade and inefficient public services that often prevent an efficient allocation of resources in the country. In this context, the key objectives of SAPs are to:

- Reduce or eliminate balance of payments and public sector deficits;
- More effectively and efficiently achieve the objectives of economic development – economic growth, poverty alleviation, productive employment, social services provision and environmental protection; and
- Reduce future payments and stabilization problems.

Central to SAPs is increased specialization in the sustainable production of appropriate agricultural, fisheries and value-added commodities for export. This is supported by the reduction of artificial stimuli, such as the subsidies on inputs, for production of import replacement commodities.

SAPs consist of two basic components: a short-term stabilization component and a medium to long-term adjustment component. The stabilization component is often associated with the IMF and concerned with measures aimed at improving macroeconomic balance and stability. The stabilization instruments are designed to achieve reductions in aggregate demand usually through some combination of reducing public sector expenditures, raising taxes, and increasing interest rates. A common feature of a stabilization programme is a combination of fiscal and monetary reforms and currency devaluation to depreciate the real exchange rate – the relative price of internationally traded commodities vis-à-vis those produced and consumed domestically.[16] Because of its short-run

[14] Downes; 1993:520

[15] Structural Adjustment in the Caribbean (encrypted).pdf - Structural Adjustment in the Caribbean FOUN 1301 Course, University of the West Indies.

[16] Dornbush and Helmers (1988)

perspective, stabilization policies tend to rely on demand management measures. In essence, these IMF stabilization policies include:[17]

- **Monetary Restraint**: to reduce the growth of domestic absorption (demand) and the rate of inflation (e.g.; credit ceilings to government and private sector);
- **Interest Rate Policies**: set to positive real levels to encourage domestic savings and promote investment);
- **Reduction in Fiscal Deficit**: cuts in government expenditure and/or increases in taxation to reduce aggregate demand;
- **Exchange Rate Action**: to ensure a real exchange rate that would improve international competitiveness and create the incentive to expand the production of exports (e.g.; devaluation);
- **Reduction in External Debt**: to achieve a debt sustainable level of foreign borrowing and avoid a debt crisis; and
- **Structural Reforms**: financial sector reforms, producer-pricing policies, trade liberalization tax reforms, etc. to make the economy more flexible and efficient.

Subsequently, adjustment policies aim to reorient the structure of the economy to encourage greater efficiency in resource allocation and investment. Adjustment, which is associated with the WB, is concerned with medium to long term measures including trade and price liberalization coupled with institutional and sectoral reforms. It aims to remove a wide range of distortions in product and factor markets. The World Bank's policies usually include the following:[18]

- **Trade Policy:** removal of import quotas; cut in tariffs; improve export incentives;
- **Resource Mobilization:** tax and budget reform; interest rate policy reform; strengthening external debt management; improve financial performance of public enterprises;
- **Efficient Use of Resources:** revise public sector investment priorities; raise agricultural prices; reduce state intervention; reduce or eliminate agricultural input subsidies; raise energy prices; revise industry incentive system; and
- **Institutional Reform:** remove price controls; strengthen capacity to formulate and implement public investment programmes; increase the efficiency of public enterprises.

As can be gleaned from the above policy instruments of the IMF and the WB, the distinction between stabilization and adjustment has become blurred in practice. Normally, adjustment programmes that are supposed to be promoted under the WB are not implemented unless an IMF stabilization programme is in place.[19] More recently the two institutions have jointly undertaken reform programmes. For example, the IMF's Extended Financing Facility often involves programme support traditionally associated with the WB, while the WB's 'Structural Adjustment Loans' include fiscal and other conditions traditionally associated with the IMF. Furthermore, many policy instruments used in stabilization and adjustment are the same. In this evaluation, SAPs are used to refer to policy reform initiatives associated with stabilization and structural adjustment.

3.2 Evolution of SAPs

Structural adjustment policies emerged from two of the Bretton Woods institutions, the IMF and the World Bank. They emerged from conditions that the IMF and World Bank have been attaching to their loans since the early 1950s. In the beginning, these conditionalities mainly focused on a country's macroeconomic policy.

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[17] **Frenkel**, J. and M**.** Khan **(**1990)

[18] Harrigan, Jane, Mosley Paul (1991); Mosley**,** Harrigan, and Toye (1991)

[19] Stewart (1993(; Cornia (1991)

Structural Adjustment Policies, as they are known today, originated due to a series of global economic disasters during the late 1970s: the oil crisis, debt crisis, multiple economic depressions, and stagflation.[20] These fiscal disasters led policy members to decide that deeper intervention was necessary to improve a country's overall well-being.

In 2002, SAPs underwent a major transition with the introduction of Poverty Reduction Strategy Papers (PRSPs). These PRSPs were introduced as a result of the Bank's belief that "successful economic policy programmes must be founded on strong country ownership". In addition, SAPs with their emphasis on poverty reduction attempted to align themselves with the Millennium Development Goals (MDGs). As a result of PRSPs, a more flexible and creative approach to policy creation has been implemented at the IMF and World Bank.

While the main focus of SAPs has continued to be the balancing of external debts and trade deficits, the reasons for those debts have undergone a transition. Today, SAPs and their lending institutions have increased their sphere of influence by providing relief to countries experiencing economic problems due to natural disasters as well as economic mismanagement. Since its inception, SAPs have been adopted by many other International Financial Institutions (IFIs).

The 2017 IMF Guidance Note provides a framework for the engagement of IMF staff with Small Island Developing States (SIDS). It focuses on five main policy issues for IMF surveillance and programme work organized within a framework called G.R.O.W.Th, and emphasises: [21]

- **Growth and job creation**: policies to strengthen growth and job creation are a priority. Staff teams should discuss growth issues for specific sectors and consult appropriately with other development partners. On job creation, the guidance note emphasizes that specific labour market institutions of SIDS merit attention and that staff should investigate how public employment and public wages affect the labour markets.

- **Resilience to shocks -** staff's macroeconomic analysis should give prominence to potential shocks, considering the appropriate balance between self-insurance, external insurance and private sector involvement in risk reduction.

- **Overall competitiveness -** structural inefficiencies such as high energy and transportation costs, limited private sector development and labour market rigidities are key challenges to raising growth and improving competitiveness. Policy advice could cover facilitating domestic wage and price cuts, structural reforms, and consider the value of regional trade and cooperation for SIDS.

- **Workable fiscal and debt sustainability options -** Staff will need to find the appropriate balance of fiscal consolidation while promoting growth, particularly in heavily indebted countries.

- **Thin financial sectors -** Priorities highlighted include deeper financial sectors, more competition, better service delivery and strengthened oversight; and

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[20] Stagflation is **a combination of stagnant economic growth, high unemployment, and high inflation.** It's an unnatural situation because inflation is not supposed to occur in a weak economy. In a normal market economy, slow growth prevents inflation. As a result, consumer demand drops enough to keep prices from rising.

[21] IMF 2017 Staff Guidance Note

- SIDS **Have** been recently challenged by unintended consequences through the disruption of Correspondent Banking Relationships (CBRs).

The 2017 IMF Guidance Note also:

- Highlighted the need for a strong focus on integrating risks emanating from natural disasters in the Fund analysis of SIDS and draws attention to the different tools and practices already developed in the IMF. It also highlighted the need for the incorporation of adverse shocks from disasters in Debt Sustainability Assessments, consideration of the transmission of shocks through macro-financial linkages, and for buffers to cope with this type of vulnerability.

- Provided a series of operational guidelines for surveillance and analytical work, including (i) the use of cross-departmental approaches to overcome resource and data constraints and improve the ability to extract lessons by broadening the geographical focus, (ii) encouraging analytical work with concrete policy implications, rather than basic research, and (iii) the provision to authorities of accessible economic policy tools to alleviate capacity limitations.

- Recognized that support for small states will need to involve other international institutions and development partners and should reflect the Funds' comparative advantage and the relative expertise of counterparts. It highlighted that close collaboration between the Fund and partners should aim at ensuring consistent policy advice and would be particularly helpful when addressing regional challenges. It also instructed staff to collaborate and remain closely engaged with partners on capacity development and to be cognizant of other IFI's constraints in dealing with SIDS.

It is important to note that the 2017 IMF Guidance Note, as a framework for the engagement of IMF staff with the countries, provides no guidance for the mainstreaming of gender and age dimensions in the national development agendas

3.3 Types of Financing Provided by the IMF[22]

The IMF offers different types of loans (called instruments or programmes) to governments, depending on their circumstances and income classification. All IMF member countries are eligible to borrow from the IMF's General Resources Account (GRA) at market-based interest rates, while only low-income countries are eligible to borrow at concessional rates (currently at 0 per cent rate of interest through June 2021) through the Poverty Reduction and Growth Trust (PRGT). How much a country can borrow under each instrument depends on its IMF quota share, which is determined by a formula that considers the size of its economic output and other factors.[23]

The IMF's main lending instruments are:

- **Stand-By Arrangement (SBA):** Described by the IMF as its 'workhorse', the SBA is intended for emerging and advanced market economies to address short-term or potential balance of payments problems. It typically covers a period of 12-24 months, but no more than 36 months, and repayments are due within three to five years.

[22] https://www.brettonwoodsproject.org/2020/10/art-320868/
[23] IMF and World Bank decision-making and governance - Bretton Woods Project

- **Standby Credit Facility (SCF):** Similar in purpose to the SBA, this instrument is used to address short-term or potential balance of payments problems but intended for low-income countries under the PRGT. The SCF has a repayment grace period of four years and a final maturity of eight years.

- **Extended Fund Facility (EFF)**: The EFF is designed for emerging and advanced market economies with longer-term balance of payments problems, where impediments to growth are considered structural. EFFs are typically approved for three years but may be extended. Repayments are due within four to ten years.

- **Extended Credit Facility (ECF)**: The ECF is the equivalent to the EFF for low-income countries and falls under the PRGT. It is designed to address medium-to-long-term structural issues. ECFs are also provided initially for three years, but may be extended up to five years and include a five-year grace period, with a maturity of ten years.

- **Rapid Financing Instrument (RFI)**: The RFI provides rapid financial assistance to countries with urgent balance of payments needs. RFIs can be used for a range of urgent needs, such as natural disasters, conflicts and commodity price shocks, and should be repaid within three and a quarter to five years.

- **Rapid Credit Facility (RCF)**: The RCF, as is the case with the RFI, is designed for rapid financial assistance during crises, but serves low-income countries under the PRGT, and carries a grace period of five years and final maturity of ten years. Unlike other facilities, RCFs and RFIs are provided in one outright loan disbursement, where no conventional conditionality needs to be met during the programme prior to disbursements. However, countries are still required to provide a letter of intent to the IMF detailing their planned economic response to the crisis, to which the IMF must agree. RCF and RFI have nonetheless been considered to include *de facto* conditionality. In response to Covid-19, the IMF doubled how much countries can borrow under the RCF and RFI. In April 2020, the IMF approved disbursements for Dominica, Grenada and St. Lucia to help cover their balance of payment needs stemming from the outbreak of the COVID-19 pandemic.

- **Flexible Credit Line (FCL)**: The FCL is designed for countries that the IMF deems to have strong policy frameworks and track records in economic performance that are in an immediate cash crunch but want to avoid the stigma and adverse market reaction associated with regular IMF programmes with conditionality. The FCL therefore does not involve ongoing conditions and functions as a one-to-two-year renewable credit line. Countries that have used the FCL include Chile, Colombia, Mexico, Peru and Poland. Repayment is required over a three-to-five-year period.

- **Precautionary and Liquidity Line (PLL)**: The PLL is designed to meet the liquidity needs of countries with economic frameworks that the IMF deems sound, but with remaining problems that preclude them from using the FCL. The Republic of North Macedonia and Morocco have used the PLL.

- **Catastrophe Containment and Relief Trust (CCRT)**: The CCRT is different from the instruments above because it allows the IMF to provide grants, rather than loans, to the poorest countries in the form of debt relief. It was designed in 2015 during the Ebola outbreak to provide relief during catastrophic natural or public health disasters and free up resources to meet exceptional balance of payments needs. In 2020, its eligibility criteria were relaxed in response to Covid-19 and the instrument was initially approved for 25 eligible countries.

- **Policy Support Instrument (PSI)**: Finally, the IMF offers a facility to low-income countries under the PRGT that involves no financing whatsoever. The PSI was designed to give low-income countries a 'tool' that enables them to secure IMF advice without financial assistance and is intended to signal confidence to donors, creditors and the general public that they are supported by the IMF. PSIs last between one and five years and cannot be used in conjunction with an ECF.

3.4 Common Criticisms of SAPs

To proponents, structural adjustment encourages countries to become economically self-sufficient by creating an environment that is friendly to innovation, investment, and growth. Unconditional loans, according to this reasoning, would only initiate a cycle of dependence, in which countries in financial trouble borrow without fixing the systemic flaws that caused the financial trouble in the first place. This would inevitably lead to further borrowing down the line.

However, SAPs have attracted sharp criticism for imposing austerity policies on already-poor nations. Critics argue that the burden of structural adjustments falls most heavily on women, children, and other vulnerable groups.[24] In fact, many groups argue that SAPs impose harsh economic measures which deepen poverty, undermine food security, and self-reliance and lead to unsustainable resource exploitation, environmental destruction, and population dislocation and displacement. These groups, which include non-governmental organizations (NGOs), grassroots organizations, economists, social scientists and United Nations agencies believe SAP policies have increased the gap between rich and poor in both local and global terms. Some of the contributing factors to this outcome for the vulnerable group of small holders farmers, fisher-folks and small business entrepreneurs include:

- Lack of economies of scale;
- Increased cost of production and reduced returns resulting from the removal of/reduction in subsidies on agricultural inputs, reduction of public expenditure within the sectors (including extension services), and the high cost of credit;
- Reduced capacity of the vulnerable communities to produce their own food due to the rising cost of agricultural inputs;
- Increased food prices as a result of shortages in domestic food production and the high cost of imported food products;
- Market constraints associated with poorly developed market information systems to link farmers to buyers, the inaccessibility of some marketing channels and lack of guaranteed markets for the produce of small holders; and
- Increased use of chemicals and fertilizers as a result of the intensification of agricultural production for export, with negative effects on the environment.

Indeed, it would seem as though the World Bank-imposed SAPs have paid little or no attention to their environmental impact. SAPs call for increased exports to generate foreign exchange to service debt. The most important exports of developing countries include timber, oil and natural gas, minerals, cash crops, and fisheries exports. The acceleration of resource extraction and commodity production that results as countries increase exports is not ecologically sustainable. Deforestation, land degradation, desertification, soil erosion and salinization, biodiversity loss, increased production of greenhouse gases and air and water pollution are but among the long-term environmental impacts that can be traced to the imposition of SAPs.

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[24] IMF (2020a); IMF (2020b); Halton, Clay (2020); Alexander E. Kentikelenis, Thomas H. Stubbs, and Lawrence P. King (2020); Pettinger, Tejvan (2019); Earthling101's Blog (wordpress.com), 2012; World Bank Report (2000); Joseph Hanlon and Ann Pettifor (2000).

Women bear a disproportionate share of the burdens imposed by SAPs. The macro-economic thinking on which SAPs are based takes little account of the gender-based division of labour. For example, SAPs promote export-oriented crops, which tend to be grown by men and large land owners. This leaves women with little support, marginal land, and fewer resources to grow food crops to feed their families. In addition, cutbacks to public services result in a greater workload for women as they struggle to pay extra fees to secure health care and education for the family. Often, these cutbacks simply place such services out of reach.

Critics also portray conditional loans as a tool of neo-colonialism. According to this argument, rich countries offer bailouts to poor ones—their former colonies, in many cases—in exchange for reforms that expose the poor countries to exploitative investment by multinational corporations. Since these firms' shareholders live in rich countries, the colonial dynamics are perpetuated, albeit with nominal national sovereignty for the former colonies.

There is adequate evidence from the 1980s to the 2000s to show that structural adjustments often reduced the standard of living in the short-term within the countries implementing them, while the IMF was publicly stating that they were instead improving the standard of living.[25] This contradiction has again raised criticism that countries under structural adjustments have less policy freedom to deal with economic shocks, while the rich lending nations can pile on public debt freely to ride out global economic storms that often originate in their markets.[26]

In summary, critics have argued that SAPs:

- Over-emphasize the restoration of balance of payments instead of adopting a more just and equitable approach to resolving the debt crisis;
- Undermine the state's sovereignty and limit its role for socio-economic intervention through a fixation on deregulation, privatization and dismantling of the state in the name of unfettered "free markets";
- Exacerbate the disparities between rich and poor by facilitating income concentration by the wealthy and the exclusion of the poor from decisions and control over resources;
- Undermine democracies and democratic processes: recipient governments must accept SAP measures imposed by non-democratically elected bank officials even if they conflict with government policy and the will of the people - the alternative is default and bankruptcy;
- Lack transparency, accountability and public participation in their design and implementation;
- Hurt the poor and vulnerable groups disproportionately through deep cutbacks in social programmes. User fees, privatization, massive layoffs and cutbacks of social services have led to malnutrition, school and hospital closures, recurrence of previously eradicated disease, and deepening poverty;
- Undermine national food security through an over-reliance on investment that is short-term, concentrated in the export sector;
- Make many necessities inaccessible to local people as currency devaluations drastically reduce the buying power of local wages;
- By adopting gender-blind approaches they fail to support the UN Convention on the Rights of the Child, the UN Declaration on the Right to Development, and the Convention on the Elimination of Discrimination Against Women;
- Focus on domestic economic adjustment to the exclusion of the whole world economy, to the priority goals of sustainable development, self-sufficiency and greater popular participation in economic planning and decision-making.

[25] IMF (2020a)
[26] IMF (2020b).

3.5 Proposed Alternatives to SAPs

There have been a variety of proposed alternatives that address both the economic model upon which SAPs are based and the non-democratic and excessively harsh method by which SAPs are imposed. The UN Economic Commission for Africa provided a comprehensive and credible alternative to SAPs in 1989.[27] The African Alternative Framework called for "adjustment with transformation" which focused on a reduction in the continent's reliance on external trade and financing, the promotion of food self-sufficiency, and greater popular participation in economic planning and decision-making. The main thrust of the African Alternative Framework to Structural Adjustment Programmes for Socio-economic Recovery and Transformation (AAF-SAP) was its holistic nature in which the macro-economic framework, the policy directions and measures, and the implementation strategies took into account the dynamic relationships existing among all major elements related to adjustment with transformation. Thus, the dichotomy between structural adjustment and long-term development is eliminated. The alternative framework also placed great emphasis on the full mobilization and efficient utilization of domestic resources, the need to establish an enabling environment for sustainable development; and the adoption of a pragmatic approach between the public and private sectors. Above all, at the centre of the alternative framework was the human dimension, the recognition that it was only through the motivation and the empowerment of people as well as the ensuring of the equitable distribution of income that development can take place on a sustainable basis. An adjustment programme that marginalizes people is doomed to failure.

Four other major characteristics of AAF-SAP must also be stressed:

- It was not a standard programme to be applied indiscriminately in all countries under all circumstances, but depends on the peculiar characteristics of each country. AAF-SAP was used for designing specific country programmes, selecting appropriate policy instruments and measures and adopting the relevant implementation strategy.
- The human-centred framework of AAF-SAP implied full democratization of all aspects of economic and social activities and in all stages from decision-making to implementation.
- It called for intensified inter-country co-operation in the designing, implementation and monitoring of national programmes for adjustment with transformation.
- It constituted a basis for constructive dialogue between African countries and their development partners in the implementation and financing of country programmes.

The Third World Network and Freedom from Debt Coalition have proposed numerous alternative policies in the areas of international trade and sustainable development. Some specific alternatives for reform include:[28]

- Promoting diversification in the products that recipient countries export and increasing processing capacity. This would coincide with the recognition of providing some protection to infant industries and the promotion of greater regional trade;
- Recognizing the need for states to play a greater role in facilitating the diversification away from traditional commodities, determining and promoting investment priorities; economic policies and planning, which include a gendered analysis of the various options;
- Implementing policies that take into account environmental impacts and include sustainable natural resource use that benefits local communities;
- Emphasizing non-price structural reforms such as land reform; institutional reforms to increase democratic practice and accountability; and

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[27] A joint meeting of African Ministers of Economic Planning and Development and the Ministers of Finance held in Addis Ababa, Ethiopia, on 10 April 1989 adopted the African Alternative Framework to Structural Adjustment Programmes for SocioEconomic Recovery and Transformation (AAF-SAP).

[28] Structural Adjustment Programmes (chebucto.ns.ca)

- Promoting, at the international level, measures to reduce the debt problems of poorer countries, regulate capital markets and address unfair trading practices.

Both the AAF-SAP and the Third World Network and Freedom from Debt Coalition alternatives integrate greater consultation and awareness of the need for SAPs to be more gender-sensitive and responsive in the empowerment of people as well as the ensuring of the equitable distribution of income.

4 Gender Equality, Poverty Reduction Strategy Paper (PRSPs) and SAPs

4.1 Gender Equality and Poverty Reduction Strategy Papers

4.1.1 Overview

Towards the late 1990s, the emerging literature on conditionality-based SAPs began to suggest that more coordinated conditions had not been matched by efficient implementation and tangible results. New evidence on SAP effectiveness found that aid-transfers to date had been ineffective both in promoting growth and in inducing policy reform, except in good policy environments.[29] Coupled with these studies, growing international criticism, fronted by large civic transnational movements, claimed that the structural adjustment processes had been donor-imposed and led to increased levels of poverty. For example, the SAPRIN report has become an important reference document for the international movement to reduce Third World debt.[30] Public opinion, coupled with the negative reports that conditionality-based aid had accomplished little in terms of sustainable development, led to a marked change in the donors' mode of thinking and a renewed focus on poverty reduction towards the end of the millennium.

In 1999, the IMF and the World Bank introduced the Poverty Reduction Strategy Paper (PRSP) process to strengthen their approach to assisting low-income countries, including both new financial assistance and debt relief, under the enhanced Heavily Indebted Poor Country (HIPC) Initiative. The new approach was accompanied by the transformation of the Enhanced Structural Adjustment Facility (ESAF)—the IMF's concessional lending window—into the Poverty Reduction and Growth Facility (PRGF), to give a more central role to pro-poor growth considerations in the design of IMF-supported programmes in low-income countries. In the case of the WB, the institution decided that the Country Assistance Strategy (CAS) and all loans and grants must be based on the PRSP. All countries requesting debt relief under the HIPC initiative were required to chart a poverty reduction strategy, laid down in a PRSP document, through a broad participatory process. This process aims to include a wide range of stakeholders' views on priority setting, resource allocation and access to public goods and services. Tied to a set of governance conditionalities, the PRSPs have placed issues of poverty reduction at the centre stage of the official agenda in a number of debtor countries. In 1999, the Bretton Woods institutions introduced PRSPs as a condition for eligibility to the debt relief resources under the HIPC Initiative.[31]

PRSPs were seen as vehicles for creating national commitment to poverty reduction to preclude disbursement of HIPC funds without a reasonable guarantee that they would be used appropriately. The new conditionality was justified in terms of the greater good of poverty reduction. Taking cognisance of the disconcerting experiences with the Structural Adjustment Programmes (SAPs), the

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[29] Burnside and Dollar 1997; Killick 1998
[30] SAPRIN (Structural Participatory Review International Network), April 2002.
[31] Birdsall, Williamson et al. 2002

new form of conditionality ostensibly put far more emphasis on process and 'national ownership' than expected output indicators. Tangible outputs were not discounted but they were thought to be more achievable if the policies from which they were expected to result, had been grounded in a thorough and participatory process. In other words, the PRSPs were not all about process at the expense of output. Rather, the process approach was considered more instrumental towards achieving the same policy outcomes – albeit more broadly and with some modification – that the SAPs had failed to achieve.

4.1.2 Origin and Objectives of the PRSP Approach and the PRGF

Adoption of the PRSP framework and the conversion of the ESAF into the PRGF signalled a shift in approach by the two Bretton Woods institutions (BWIs) in their support for low-income countries. The PRSP approach drew on key elements identified in earlier work, including the Comprehensive Development Framework (CDF) developed by the World Bank, as well as on the debate that took place on strengthening the link between debt relief and poverty reduction.[32] It was also intended to address concerns identified by internal and external evaluations of the ESAF and the related Policy Framework Papers (PFPs). These reviews concluded that PFPs had largely failed to reach their objectives and highlighted a number of problems with ESAF supported programmes, including:

- Lack of national ownership;
- Weaknesses in the analytical and empirical bases of the social policy content of programs; and
- Insufficient attention to trade-offs involving policy choices that imply significantly different paths for growth and social welfare.[33]

Thus, the new approach intended to strengthen country ownership, enhance the poverty focus of country programmes, and provide for stronger collaboration between the BWIs and more broadly among development partners in supporting country efforts. Other intermediate objectives included greater public accountability and an improved setting of priorities and the design of public actions. The new approach focuses on developing a country-driven process with broad-based participation to evolve a comprehensive strategy for poverty reduction based on a long-term perspective. Five underlying principles were enunciated to guide the process in each country. These were:

- Country-driven involving broad-based participation;
- Results-oriented and focused on outcomes that benefit the poor;
- Comprehensive recognition of the multidimensional nature of poverty and in the proposed policy response poverty;
- Partnership-oriented, involving coordinated participation of development partners;
- Based on a long-term perspective on poverty reduction.

The process led to the development of a PRSP with three purposes:

- **For the Country**: to layout realistic but challenging poverty objectives, along with the policies needed to achieve them;
- **For the BWIs**: to provide a suitable basis for their concessional lending; and
- **For other Development Partners**: to offer a key instrument to organize their relationship with low-income countries.

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[32] International Monetary Fund (IMF), 1999a; International Monetary Fund (IMF), 1999b; World Bank and International Monetary Fund, 1999.

[33] For example, the External Evaluation of the ESAF (IMF, 1998, p. 36) noted the predominant view was that "although initially the PFP process had held great promise, it has become a rather routine process whereby the Fund brings uniform drafts (with spaces to be filled in) from Washington, in which even matters of language and form are cast in colorless stone."

4.1.3 Characteristics of Poverty Reduction Strategy Papers

Initially, there were no specific standards that PRSPs were expected to meet. It was agreed that the more general the approach, the better it could be tailored to different country needs. Even though low-income countries faced tremendously diverse conditions, they would in principle all benefit from the approach. Subsequently, in September 2001, in response to countries' requests for greater clarity, a number of "expectations" were outlined {e.g., in guidelines for Joint Staff Assessments (JSAs)} to be prepared by IMF and World Bank staff) regarding the contents of PRSPs. However, countries were free to choose, at least in theory.

The JSA guidelines state the expectation that, although the specific content of PRSPs will vary widely across countries, a PRSP will include core broad **core elements** which include:

- Description of the participatory process;
- Poverty diagnosis;
- Targets indicators and monitoring systems; and
- Priority public actions.

In addition, the JSA guidelines indicate a series of topics that PRSPs are expected to consider. The most relevant to the IMF's areas of responsibility are:[34]

- **Four pillars (of priority public actions**)
  - Macroeconomic framework;
  - Pro-growth structural and sectoral policies;
  - Policies for social inclusion and equity; and
  - Governance and public sector management.

- **Analytical building blocks**
  - Assessment of the impact of past policies on growth and poverty;
  - Analyses of the key constraints to growth and poverty reduction;
  - Analyses of the sources of growth; and
  - Poverty and social impact analysis.

- **Building blocks of the macroeconomic framework**
  - Macroeconomic programme (including growth projections and key fiscal choices);
  - Financing plan;
  - Prioritized action plan; and
  - Costing of the action plan.

The policy papers introducing the new initiatives stressed the following:

- The need to be realistic about what could be achieved in the near term;
- The degree of progress would depend on initial starting conditions and the nature and content of PRSPs would vary from country to country—as would the participatory process involved in their creation; and
- The process would be a dynamic one— over time both countries and donor institutions should learn by doing.

There was no doubt that the new approach was intended to mark a significant change in the IMF's role and way of doing business in low-income countries. However, the approach is gender-blind. Although women and men share many of the burdens of poverty, they frequently experience poverty

[34] The guidelines note that "it is not expected that all PRSPs will address thoroughly all of the questions listed."

differently, have different poverty reduction priorities and are affected differently by development interventions. These gender differences were insufficiently captured in the PRSPs analyses, designs and monitoring systems. This deficiency weakens the chances of success of poverty reduction interventions. Addressing the gender dimensions of poverty and creating gender-responsive interventions enhances the likelihood of success of poverty reduction strategy efforts (Bamberger et al 2001). Thus PRSPs must be engendered to effectively reduce poverty. PRSPs must be also be engendered because research compellingly correlates greater gender equality with greater poverty reduction and economic growth (World Bank 2001a). Although women's status has improved in most countries in the last half-century, gender disparities persist everywhere and remain most acute in the poorest countries. Across and within countries, gender disparities in education, mortality rates, health and other social and economic indicators are greatest within poorer income groups. Gender inequalities impose large costs on the well-being and health of the poor, diminishing productivity and the potential to reduce poverty and ensure economic growth. In most societies, women have more limited opportunities to improve economic conditions and access services than do men. Usually, women and girls bear the brunt of gender inequalities. Identifying and redressing these inequalities tends to have high economic and financial returns. Nevertheless, as this paper demonstrates, PRSPs have hardly acknowledged gender inequalities.[35]

The agricultural sector provides a very good example of why PRSPs must mainstream gender to reduce poverty. In agriculture, men have much greater access to farm inputs and earn much more farm income than do women. Blackden and Bhanu (1999) estimate that more equal control of inputs and farm income by female and male farmers in countries such as Burkina Faso, Cameroon and Kenya, could raise farm yields by as much as a fifth of current output. PRSPs, therefore, need to analyze men's and women's structural roles in agriculture, their respective control of agricultural resources and promote women's access to and control of farming inputs and income. They need to ensure that agricultural research and extension institutions recognize and respond to gender-differentiated roles. This might alter research priorities, selection and development of agricultural technologies, prioritization of crops and tasks, and extension messages that are developed and delivered. As gender experts have long advocated, the tiny proportion of African female extension agents needs to be vastly increased in countries where customs dictate that male extension agents cannot easily mingle with women farmers. PRSPs could create monitoring indicators on the proportions of males and females controlling production, the amount of income each garners, and the proportion of agricultural extension agents by gender.[36]

4.1.4 Some Common External Criticisms of the IMF's Role in the PRS

There have also been numerous external reviews of different aspects of the PRSP approach. These external reviews reflect widely divergent expectations about what the new approach is meant to deliver, how quickly, and with what contributions from each group of stakeholders, in particular the BWIs themselves. Several criticisms directed at the IMF's role in the PRSP/PRGF have emerged and are presented below.

Most external critics generally begin with a recognition that the PRSP process represents a significant step forward, notably in opening up new spaces for policy dialogue and giving more formal and informal institutional partners, including civil society representatives, greater access to policy debates previously closed to them. The main criticisms on issues of process most directly relevant to the IMF are:[37]

[35] Zuckerman, E. (2002a).
[36] Zuckerman, E. (2002a).
[37] See, for example, Buira (2003); Coyle and Evans (2003a and 2003b); Evrard (2003); Gomes and Lawson (2003); Killick (2002); Richmond and Ladd (2001); Oxfam (2003); and World Development Movement (2001).

- There has been too little broadening of the participatory debate on macroeconomic policy, although specific country experience varies. Even within governments, the debate is generally too narrowly grounded in the Ministries of Finance, Planning and Economic Development, with the exclusion of relevant ministries and departments that are mandated to address gender affairs.
- The policy discussions and decision-making processes are often not well-embedded in existing political structures (e.g., the role of parliaments is too limited).
- Alternative policy options—especially ones that deviate from the so-called "Washington Consensus"—are rarely explored. Donor (and, in the macroeconomic area, IMF) priorities still drive the process too much.
- Policy Support Instrument Assessment (PSIA) of key macroeconomic policy proposals are rarely undertaken and do not represent a significant ex-ante input into policy formulation.
- The linkage to the HIPC was partly responsible for rushed procedures that reduced the value-added of the new approach.

On PRSP content and the design of PRGF-supported programmes, the main criticisms are:

- The PRGF still drives the PRSP on the macroeconomic framework and related policy issues.
- The programme design is still insufficiently oriented toward poverty reduction. However, different observers emphasize different priorities; some focus on the need for programmes to expand further pro-poor spending on key social sectors (health, education, and so on), while others criticize an insufficient emphasis on strategies to improve incomes of the poor and vulnerable groups and to mainstream gender equity in development agendas, as part of an alternative growth strategy.
- Programmes target too much reduction in fiscal deficits and inflation, to below thresholds at which there is clear evidence that further macro-stabilization is good for the poor and growth.
- The IMF is still seeking to impose conditionality that is not derived from the country-driven PRSP.
- The IMF is guilty of "aid pessimism." There are usually two distinct strands to this accusation:
    - Programmes are designed around projected reductions in aid flows, perhaps driven by an overall desire to reduce aid dependency.
    - Macroeconomic frameworks in the PRSP/PRGF do not (but should) begin from a "needs-based" approach that takes as its starting point what external resources are needed to help countries progress toward achievement of the then MDGs. Consequently, the IMF is failing to perform its "catalytic" role of signalling to donors what aid would be required to truly make a difference in reaching the MDGs.

4.2 Mainstreaming of Gender Equality (GE) into PRSPs and SAPs

4.2.1 UN Platform of Action for Mainstreaming GE into PRSPs and SAPs

Annex 1 presents a compendium of the gender mainstreaming mandates that were issued as a part of the **Beijing Platform for Action (1995)**.[38] Contained in the annex are the commitments to the mainstreaming of gender equality in the PRSPs and SAPs of the Governments (Articles 58 and 175), by national and international non-governmental organizations and women's groups (Article 60), by national and international statistical organizations (Article 68), and by Governments, central banks and national development banks, and private banking institutions, as appropriate (Article 67).

[38] UN Office of the Special Advisor on Gender Issues and Advancement of Women (OSAGI), Beijing 1995

Annex 1 also presents the **Commission on the Status of Women (1996), Resolution 40/9 on Poverty**, which:

- Emphasizes that, in addition to the commitments and recommendations regarding the eradication of poverty outlined in the Programme of Action of the World Summit for Social Development 53/ and the Platform for Action adopted by the Fourth World Conference on Women, specific measures in the Platform for Action should be undertaken to address the feminization of poverty and to mainstream a gender perspective in all policies and programmes for the eradication of poverty; and
- Recommends that a United Nations system-wide effort be undertaken to review existing indicators, strengthen gender impact analysis of the design and implementation of economic reform programmes, develop complementary, qualitative assessments, standardize measures and promote their implementation, and stresses that this effort will necessitate effective coordination.

Additionally, the **Agreed Conclusions 1997/3 on Women and the Economy of the Commission on the Status of Women (1997**) clearly stated that:

- Governments, international organizations, the private sector, non-governmental organizations, social partners (employers' organizations and labour unions) should adopt a systematic and multifaceted approach to accelerating women's full participation in economic decision-making at all levels and ensure the mainstreaming of a gender perspective in the implementation of economic policies, including economic development policies and poverty eradication programmes.
- Economic policies and structural adjustment programmes, including liberalization policies, should include privatization, financial and trade policies, should be formulated and monitored in a gender-sensitive way, with inputs from the women most impacted by these policies, to generate positive results for women and men, drawing on research on the gender impact of macroeconomic and micro-economic policies. Governments should ensure, inter alia, that macroeconomic policies, including financial and public sector reforms and employment generation, are gender-sensitive and friendly to small-scale and medium-sized enterprises. Local-level regulations and administrative arrangements should be conducive to women entrepreneurs. It is the responsibility of Governments to ensure that women are not discriminated against in times of structural change and economic recession.

Finally, the **Recommendations of the Ad Hoc Committee of the Whole of the Twenty-third Special Session of the General Assembly (Beijing +5, 2000)** included the following:

- All economic policies, institutions and resource allocation should adopt a gender perspective to ensure that development dividends are shared on equal grounds.
- Recognizing the persistent and increasing burden of poverty on women in many countries, particularly in developing countries, it is essential to continue from a gender perspective to review, modify and implement integrated macro-economic and social policies and programmes, including, inter alia, those related to structural adjustment and external debt problems, to ensure universal and equitable access to social services, in particular to education, and affordable quality health care services and equal access to and control over economic resources.
- Mainstream a gender perspective into key macroeconomic and social development policies and national development programmes;
- Recognizing the mutually reinforcing links between gender equality and poverty eradication, elaborate and implement, where appropriate, in consultation with civil society,

comprehensive gender-sensitive poverty eradication strategies addressing social, structural and macro-economic issues;

- Identify and implement development-oriented and durable solutions which integrate a gender perspective to external debt and debt-servicing problems of developing countries, including least-developed countries, inter alia, through debt relief, including the option of Overseas Development Assistance (ODA) debt cancellation, to help them to finance programmes and projects targeted at development, including the advancement of women;
- Promote gender sensitivity and social responsibility of the private sector, inter alia through the management of work time, and dissemination of gender-sensitive information and advocacy campaigns.

4.2.2 Gender Mainstreaming and Poverty Reduction in PRSPs

Poverty Reduction Strategy Papers are regarded as a comprehensive tool for the overall socio-economic development of the population, particularly of women, who constitute more than 50% of the total population in developing countries. To be considered a pro-poor approach, PRSP should be gender mainstreamed as poverty affects men and women differently. Poverty must be analyzed, addressed, budgeted, implemented and monitored in a gender-sensitive manner. This section of the report presents a review of the literature on the gender sensitivity of PRSP in the vision of gender mainstreaming in its contents and processes. It also proposes important guidelines for gender-sensitive PRSPs in future. In doing so, it offers some policy recommendations and avenues for improvement.

In most of the PRSPs, gender issues are addressed in a very incoherent manner and largely follow the Women in Development (hereafter WID) approach, rather than a Gender and Development (hereafter GAD) approach.[39] A WID approach considers poverty as the main reason for the gap between men and women, whereas a GAD approach considers the socio-cultural construction of gender as a possible determining factor of poverty.[40] Only a small number of 'female' problems such as girls' school attendance, reproductive health and domestic violence have been addressed in PRSP.[41] This might be partly in response to the Millennium Development Goals (MDGs).[42] These PRSPs have not succeeded in mainstreaming gender issues, and they do not use the GAD approach which analyzes inequalities between men and women by focusing on underlying gender relations and proposes a potential solution to eradicate these problems.

Moreover, it is important to address gender issues in all different sectors.[43] Two concepts- 'mainstreaming gender' and 'engendering development' are used in much of the literature that explain the involvement of men and women in development design and implementation processes.[44] This (addressing gender issues) ensures that development projects and programmes promote women's rights and gender equality. The World Bank used the term 'engendering development' in its policy research report in 2001.[45] The United Nations defines 'gender mainstreaming' as "…the process of assessing the implications for women and men of any planned action, including legislation, policies or programs in all areas and all levels. It is a strategy for making women's as well as men's concerns and experiences an integral dimension of the design, implementation, monitoring and evaluation of policies and programmes in all political, economic and societal spheres so that women and men

[39] Whitehead, 2003: 14, 15
[40] Holvoet, 2007: 9
[41] Zuckerman, 2002b: 3
[42] Whitehead, 2003: 14
[43] Zuckerman, 2002b: 3
[44] Zuckerman, 2002a: 1
[45] Ibid

benefit equally, hence, inequality is not perpetuated".[46] Moreover, author of this report presents a gender-sensitive stakeholder checklist that explains the extent to which individuals and groups are brought into the project and policy cycles. These are:

- Gender focal points in the ministries and departments;
- Development partners with gender-sensitive agenda;
- Governmental or independent economists expertise on gender;
- Male and female representative of private sector interest;
- Umbrella organization of women's or gender NGOs;
- NGOs that represent men's gender interests;
- Human rights groups;
- Think tank or policy analyst on gender issues;
- Academics or researchers of gender studies department of universities

As previously mentioned, gender issues are addressed inconsistently in different sectors in PRSPs. Bamberger et al assert[47] that poverty reduction strategies that are based on the gendered nature of poverty would enhance equity and efficiency of poverty reduction strategy (PRS) results. Whitehead highlights that despite the fact that the PRSP sourcebook recommends a separate chapter on gender, most of the PRSPs failed to include one, perhaps reflecting a national capacity implementation gap[48]. This conclusion was based on research conducted via telephone interviews of stakeholders involved in four PRSPs. Some of the key questions asked of respondents were related to the PRSP, including: elements of their poverty analysis, elements of their gender analysis, key elements on CSOs (Civil Society Organizations) participation and consultation, advocacy on gender issues, elements of monitoring the PRSPs implementation etc[49]. In her study, Whitehead mentioned an exceptional case for Malawi that elaborated a separate gender section in its PRSP[50].

PRSPs must analyze sex-disaggregated data to identify how poverty and its unavoidable elements affect women, men, girls and boys differently. This is a part of gender analysis that is necessary for targeting the poor to reduce poverty.[51] Though policy reform can improve women's rights and opportunities, in some countries, women do not have proper rights to liberty, free movement, privacy, to vote, to be elected, in work, obtaining education, owning land, managing property, conducting businesses, travel and other rights.[52] PRSPs require improving these dimensions by the promotion of gender equity through formulating equal laws and related practices[53]. Some civil society organizaitons try to enhance the participatory processes in PRSPs, but CSOs input into the PRSP contents is often hardly found. An exception is found in Rwanda's PRSP content.[54] Research suggests that there are three common reasons why PRSPs are gender insensitive: the disappearance of policy (evaporation) in all contexts; conceptual confusion between WID and gender mainstreaming; inequalities between men and women in staffing; and culture of the development organization.

Gender disparities exist ubiquitously and are most acute in the poorest countries.[55] This inequality between men and women has resulted in huge cost burdens to ensure the overall well-being and

[46] Neimanis, 2004
[47] Bamberger et al. 2000:339-340
[48] Whitehead, 2003: 4
[49] Whitehead, 2003: 9
[50] Whitehead, 2003: 15
[51] Zuckerman, 2002: 2
[52] Zuckerman, 2002: 3.
[53] Zuckerman, 2002: 3
[54] Zuckerman, 2002: 1.
[55] Zuckerman, E. and Garrett, A. 2003

development of a country. In their review of different PRSPs, including those of Bangladesh, Bosnia and Herzegovina, Eritrea, Malawi, Mozambique, Namibia and Rwanda, Gender Action (2007) reported that Bangladesh's PRSP was one of the most gender-sensitive PRSPs to date.

As mentioned above, very few PRSPs are gender mainstreamed with a focus on the GAD approach.[56] PRSPs apply only the WID approach and address a very limited set of female problems. There are very few sex-disaggregated datasets in PRSP, even though the data is often available in other sources[57]. In her study, Zuckerman reviewed both the full and interim PRSPs of five countries - Armenia, Rwanda, Nicaragua, Uganda and Vietnam. She reported that Rwanda's PRSP had some gender mainstreaming with a few gaps and that the others have either not gender mainstreamed at all or there were failures to notice the opportunities[58]. Zuckerman also explores why Rwanda's PRSP is more gender-sensitive than others. She found that Rwanda hired a gender expert to facilitate the process to hold expert meetings with different ministries and CSOs; and directed all stakeholders, including the PRSP writing team, to take both men and women's views into account. Furthermore, Rwanda arranged a gender mainstreaming workshop and established an inter-agency PRSP engendering committee with due suggestions from the expert committee.[59] A separate review of Bolivia, Malawi, Tanzania and Yemen showed that only Malawi and Yemen had limited participation of women in the PRSP process. In the other PRSPs, there was no women participation at all[60].

The World Bank's Gender and Development Group held a review to examine the degree of gender sensitivity of some previous PRSPs. It denotes four core elements of Interim Poverty Reduction Strategy Papers (I-PRSPs) and PRSPs, which are poverty diagnosis, public action, monitoring (content-related) as well as underlying consultative processes.[61] The four elements were analysed across eight sectors: health, nutrition and population; education; labour markets; agriculture; safety-nets; infrastructure; governance; and financial services. The World Bank found that there was no gender-sensitive treatment at all in infrastructure, safety-nets, agriculture, labour market and other sectors, except for some very limited cases during the selection of priorities. In assessing the Joint Staff Assessment (JSA) of I-PRSPs and PRSPs, the review found that less than 25 per cent of Joint Staff Assessment (JSA) of IPRSPs further recommended that gender issues be included in PRSPs. Almost all PRSPs mention women's participation in consultation, with the proportion not specifically mentioned.[62] Most of the thematic and technical working groups are not participatory and did not consult women at equal levels with men. Definitions of poverty and gender are also vague in many PRSPs.

Almost all PRSPs have some sex-disaggregated data on education and health. Human capacity strategies are the most engendered indicators in most PRSPs, and include education, health, HIV/AIDS, and safety-net. However, very few PRSPs allocate funds to carry out human capacity development goals. Also, all PRSPs overlook macroeconomic issues and monitoring indicators. Gender issues were neglected in the safety nets of the priority selection phase[63]. Of 19 I-PRSPs and PRSPs, 11 have no gender references at all. In the consultation process, 10 PRSPs have no references to gender.[64] Research has found that most PRSPs focus on 11 priority areas: education and health with a more detailed discussion on gender; labour market, employment and micro-enterprise with some

[56] Zuckerman, 2002a: 6.
[57] Zuckerman, 2002b: 6
[58] Zuckerman, 2002b: 7
[59] Zuckerman, 2002b: 6
[60] Whitehead, 2003: 16-17
[61] World Bank, 2001: 2
[62] Garrett & Zuckerman, 2003: 5
[63] Bamberger et al., 2000:338
[64] Bamberger et al 2000: 338

discussion on gender; agriculture, land, rural development, environmental and natural resource management, safety-nets, food security, water supply, sanitation and violence with very limited discussion on gender; urban development, transport and energy with no references to gender.[65]

Based on the literature review the following recommendations are endorsed and presented as the avenues through which gender may be mainstreamed into PRSP:[66]

- PRSP should analyze poverty based on its core elements - capability, opportunity, security and empowerment. Subsequently, a gender assessment should be applied to the different sectors under the broader headings of these core elements.
- PRSP must analyze different dimensions of poverty with due concentration on the gender disaggregation of data. National statistical offices/organizations can assist to generate household-level data.
- PRSP should explore the different causes of poverty for both male and female based on economic and non-economic dimensions.
- Some tools may well be useful in the diagnosis and analysis of poverty such as UN data on Gender-related Development Index (GDI), Gender Empowerment Measure (GEM) and Country Gender Assessment (CGA).[67]
- For the selection of public actions on poverty, the most important prerequisite is to develop proposals mainly based on gender poverty analysis.
- It is important to build capacity in the institutional apparatus for engendering policies and programmes throughout the various stages of an intervention.
- Gender issues should be included in the Medium Term Budget Framework (MTBF) of each country PRSP. All sectors must be included and the specific delivery channels for each programme should be mentioned with reference to gender issues.
- For monitoring and evaluation, women's organizations must be addressed in the flow chart of the system that can interact with other stakeholders, activists and CSOs. Consequently, they can provide their feedback to the qualitative and quantitative data generation in the M&E system.
- The university gender studies department must be involved in the institutional strategy of the Monitoring and Evaluation system along with other independent academic/research institutes and CSOs.
- The Ministry responsible for Women/Gender and Children Affairs must participate actively in the data generation process with other ministries and Statistical Offices.

4.2.3 Gender Mainstreaming into SAPs

Structural adjustment policies, designed to increase competitiveness and stimulate investment through the restructuring and expedited opening of national economies, have also had the ostensible purpose of reducing poverty by engendering growth and development. However, the efficiencies and competitiveness that were to be achieved through measures like trade and financial sector liberalization, privatization, labour-market, agricultural, fisheries, small business sectors, and public expenditure reform, have in most cases failed to materialize.

Structural Adjustment Participatory Review International Network (SAPRIN) 2002, which provides an extensive account of the impact of SAPs on the economies of several countries is heavily reported in the sections below. In the countries examined by SAPRIN, reforms have simply increased the profit margins of lending institutions. The privatization of public utilities and services has often failed to

[65] Bamberger et. Al, 2000: 338
[66] Hussain, Belayeth A. H. M, and Nikhilendu Deb, 2016
[67] CGA have been sponsored by CDB and conducted for all five countries

increase competition and has generally resulted in an increase in prices. Wage-suppressing reforms have not generated an increase in jobs as projected. Separately and collectively, these adjustment measures have had high social costs. Sectoral reforms in such areas as agriculture (including fishing), as well as labour-market "flexibilization", have depressed working conditions and employment and caused other social dislocations that have led to extensive migration (both internal and external). Financial-sector reforms and the precipitous removal of import barriers have undermined small and medium-sized producers and torn at the heart of economies and the social fabric. Privatization, agricultural and other sectoral reforms have concentrated productive resources and wealth, while the increased costs of health, education and other essential services have contributed to the sharp decline in the well-being of the already disadvantaged. Profits and the concentration of income have increased markedly as wages and employment among the lowest-income groups have dropped significantly.

Perhaps the impact of these reforms with the most far-reaching social consequences is their destruction of national productive capacity. Financial deregulation has diverted capital to speculative, consumptive and other non-productive activities. Much of the productive investments that have been made have been in the export sector, including export-processing zones (EPZs) or assembly enclaves, without significant linkages to the domestic economy. Deindustrialization, the disarticulation of national economies, and food insecurity have resulted. The combination of the rapid influx of cheap goods due to premature trade liberalization, the lack of access to affordable credit, a decline in incomes and purchasing power due to labour-market and other adjustment measures, and the removal of government support have wiped out massive numbers of farms and enterprises that have employed large portions of the population. Lower-skilled, lower-income people have been particularly hard hit in this regard, and many have migrated abroad or moved into the informal sector, crime or other survival modes. The working poor who have retained their jobs have also suffered. Temporary labour contracts and other flexibilization measures that reduce the rights, benefits, security and bargaining power of workers, have depressed wages and expanded workloads and hours, placing added pressure on families. Often, additional family members have to enter the workforce to increase family income, thus intensifying in many countries the grave problem of child labour.

Small farmers, fisher-folks and small businesses are unable to take advantage of export opportunities, as they are constrained by insufficiency of productive resources; the negative impact of imports flooding the market; and damaged by the deregulation of extractive sectors. Farmland has been lost outright and through environmental destruction caused by pollutants. Along with the loss of land, livelihoods have been destroyed, diseases have proliferated and the cost of living (especially energy, food, water and health care) has risen markedly. The increased reliance on food imports has often decreased the nutrition, health and food security of poor households.

Poverty reduction remains crucial to sustainable economic growth in the selected countries. The data available indicate that there is a feminization of poverty[68] in most of the countries, or that poverty is higher among women than men, which is particularly evident among women-headed households. However, in some countries, there is evidence of increasing and/or greater poverty among men. Gender equality and equity thus need to be considered in the development and implementation of National Poverty Reduction Strategies (NPRS) in the countries. Poverty reduction strategies and programmes should be evidence-based to promote gender equity and respond to the specific needs of poor women, women, youth, the elderly and the disabled.[69]

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[68] The feminization of poverty is defined as women's or female-headed households' disproportionate representation among the world's poor.

[69] Caribbean Development Bank (CDB), 2016. Country Gender Assessments: Synthesis Report January 2016.

In Antigua and Barbuda, given the 'indigence line' of EC$6.71 per day, 28.3% of the population live in poverty. Of the population in the two poorest quintiles, 18,449 (54.7%) are females compared to 15, 278 (45.3%) of males. Male-headed households are however more likely to be poor – 52.2% of poor households are male-headed. The Antigua and Barbuda Country Gender Assessment Report (CGA) recommends that the Economic Planning Unit and the Social Policy Department (responsible for overseeing social policy frameworks) ensure that the National Poverty Reduction Strategy (NPRS) and Mid-term Strategic Development Plan (MTSP) are gender-responsive, as they are critical to mainstreaming gender equality in the Government's poverty reduction strategies across all sectors.[70]

In Barbados, there is a high rate of poverty among female-headed households – 19.4% of female-headed households are poor, compared to 11.5% of male-headed households and 15% of all households.[71] It was reported that the majority of the homeless are men and single-occupancy households are headed by men, emphasizing that poverty and social isolation may combine more frequently among men. It was also noted that women who do not own property and cannot afford to pay rent are effectively homeless, but are more likely to find housing with relatives or friends. The Government has put in place specific poverty-alleviation programmes, which aim to build skills and resources in poor communities. To specifically address women's economic empowerment as a strategy to alleviate poverty, the Barbados Gender Affairs Unit provides technical support to the Women Entrepreneurs of Barbados, a non-governmental organisation of women micro-entrepreneurs, in collaboration with the Office of the Advisor on Poverty Alleviation and the MDGs.

In Dominica, the 'indigence line' is EC $2,435 per annum or EC $6.67 per day (2009). Despite a high unemployment rate for women (31.8%), males are more likely to be poor (39.5%) as compared to 36.2% of females.[72] The CDB-supported Basic Needs Trust Fund (BNTF), which is guided by the findings of the Country Poverty Assessment (CPA), targets the poor and vulnerable, specifically the Carib community, persons displaced by the banana crisis, poor parishes/communities identified, and women and youth.[73] The Dominica CGA indicates, however, that the skills training courses reflect traditional gender roles, and while increasing numbers of women are gravitating towards traditionally male-dominated fields, the reverse is not the case. The CGA recommends that the issue of gender segregation in the training courses is an area that requires attention. The courses should also include awareness-raising on critical gender issues (e.g., changing male/female gender roles, teenage pregnancy, family planning, parenting, gender-based violence, anger management, gender and the law, etc.).[74]

In St. Lucia, the following groups are most at risk of living in poverty: female-headed households, multi-generational households, unmarried mothers and their children, those living in rural communities, the disabled and the elderly. However, St. Lucia's Social Safety Net Assessment found that "the social safety net does not adequately protect children, single parents (who are predominantly women), or the working-age poor (with or without children), and could do a better job of promoting human capital development. Sound monitoring mechanisms are absent; therefore, it was not possible to accurately assess whether the rights of children, women, and men regarding social protection are being

[70] CDB, 2014. Country Gender Assessment Report: Antigua and Barbuda June 2014.
[71] Based on the 'poverty line' of BDS$$7,860.65 in 2010. See Sir Arthur Lewis Institute of Social and Economic Studies (2012), Barbados Country Assessment of Living Conditions 2010, Government of Barbados National Assessment Team (NAT)
[72] CDB, 2009, Country Poverty Assessment, Dominica. Authored by Kairi Consultants Limited.
[73] CDB, 2010. Country Strategy Paper (CSP) – Dominica, 2010-2012, Paper No. BD 70/10.
[74] CDB, 2014. Country Gender Assessment Report: Dominica. May 2014.

fulfilled."[75] Further, the St. Lucia CGA reveals that access to day-care is limited, as services are provided at traditional hours that do not reflect the needs of women who work irregular hours.[76]

Generally, poverty has also been intensified and expanded by privatization. Many workers have been laid off as a result of the wave of sell-offs of public assets in recent years, and owners of the privatized firms have often replaced employees with temporary workers. In the case of privatized utilities and social services, rates now subjected to market forces have generally increased and most sharply among those, particularly the poor, who consume the least but who can least afford the higher prices. For the same reason, many low-income people, especially those in rural areas, are denied access by privatized companies altogether. Where service provision has remained in the hands of the state, governments have been pressured to reduce deficits and prioritize paying off their debt, usually by slashing social spending. Free services on which the poor have depended have been pared back in scope and quality or are available now only on a cost-recovery basis. User fees, for example, have been instituted during a period when the suffering of the poor has intensified and social services are most needed. Hence the poor are paying twice, through their taxes as well as fees or lost services, for a debt that they had no role in incurring. Declining public investment in education and health care are relegating the poor to another generation of poverty. Deteriorating infrastructure, a decline in teachers' real salaries and training opportunities, inadequate supplies and the introduction of fees have contributed to, among other things, a decline in educational quality and access and higher dropout rates, especially among girls.

Similar problems exist in the health field, leading to reduced access to care in hospitals and clinics. There has been an increase in the resort to home care and self-medication, a decline in maternal health care, rising child malnutrition, and a persistence or return of infectious diseases. The increased impoverishment caused by structural adjustment has in a number of ways befallen women even more than it has men. Trade liberalization and the influx of imports that have followed, as well the deregulation of lending institutions, have been particularly damaging to the many women with small and micro-businesses. Bankruptcies of local businesses and privatizations have led to a large number of lay-offs among women, especially the less educated without special skills, and forced many into the informal sector. Flexibilization and work rules in EPZs have also had profound effects on women; in EPZs, where women constitute the majority of the workforce, they often are denied benefits or lose their jobs if they become pregnant.

In the agricultural sector, as in urban centres, women, generally confined by lack of opportunity to produce for the domestic market, have suffered increasingly under adjustment. In mining areas, the extra burdens caused by the damage done by pollutants to water and human health, for example, have fallen on women as home-keepers and caregivers, roles that have expanded in all areas due to the reduction in free public services and the high cost of private ones.

Overall, the failure to integrate local input through consultations, into the design of economic - reform programmes (SAPs) has had an even more deleterious impact on women than on men because of existing gender-based differences in resource control, productive and reproductive roles, and other economic and social factors. The intransigence of international policymakers as they continue their prescription of structural adjustment policies is expanding poverty, inequality and insecurity around the world. These polarizing measures are in turn increasing tensions among different social strata. Their effects, particularly on the poor, are so profound and pervasive that no measure of targeted social investments can begin to address the social crises that they have produced. Only the restructuring of the productive sectors through more appropriate PRSPs that integrates gender

[75] Lorraine Blank, 2009. St. Lucia Social Safety Net Assessment, Government of St. Lucia.
[76] CDB, 2016. Country Gender Assessment Report: St. Lucia. January 201.

equality can ensure that economic opportunities, resources and benefits accrue to all segments of the population.

The applicability of the SAPRIN's findings to the context of the five countries will be evaluated in later sections.

5 STRUCTURAL ADJUSTMENT PROGRAMMES IN THE FIVE (5) SELECTED COUNTRIES

5.1 Rationale for the Introduction of SAPs in the Caribbean

Countries in the Caribbean region are small in size but heterogeneous in structure. The countries have made some progress in diversifying their economies, however, production and exports are still relatively concentrated in a few activities. Agriculture and mining remain important in many countries, but the structure of production has begun to shift more heavily toward services, especially tourism. While the number of tourists to the Caribbean has grown significantly since the latter part of the 1990s, growth in tourist receipts has not kept pace with nominal GDP. Growth in the sector has been adversely affected, in part, by natural disasters in the last few years.

Countries in the region have highly open economies that are heavily dependent on international trade. For each country, the value of exports and imports of goods and services is large in relation to the economy's national income. The principal destinations for the region's exports include the United States, Europe, and other CARICOM countries. Exports are concentrated in a few products, namely raw materials, particularly minerals and agricultural crops (sugar, bananas and spices). Imports consist mainly of manufactured products, especially consumer goods.

The region's main agricultural exports of sugar and bananas are characterized by high production costs when compared with the major competitors[77] and historically were in protected markets. The preferential access to protected European and United States of America markets has afforded Caribbean ACP (Africa, Caribbean and Pacific) producers higher export prices than otherwise, and thus provided them with implicit income transfers. Reforms to the trade preference regimes over the last 25 years have engendered an erosion of trade preferences, as well as implicit income transfers. This erosion of trade preferences has had important economic and social effects on the five selected countries, given the dependence on sugar and banana production and exports among these Islands. In addition, the Caribbean region was particularly affected by several global economic recessions since the late 1970s. Also, the recent COVID-19 has disrupted millions of lives and livelihoods in the Caribbean and threatened decades of hard-earned development gains and therefore demands an urgent response in the countries. These international developments have resulted in large and persistent trade and current account deficits in the selected countries, despite significant current transfers and remittances in some cases. However, these deficits have been financed by private capital inflows (including foreign direct investment and commercial borrowing) and, to some extent, official grants.

[77] Mitchell, D. 2005. Sugar in the Caribbean: Adjusting to Eroding Preferences. World Bank Policy Research Working Paper 3802, December, 2005; Korves, Ross. 2007. The Cost of Producing Sugar. November 2, 2007; and IMF, 2010. Caribbean Bananas: The Macroeconomic Impact of Trade Preferences Erosion. IMF Working Paper WP/10/59, March 2010.

The major response to the crisis has been the adoption of Stabilization and Structural Adjustment Policies, advocated by the major international financial institutions - the International Monetary Fund (IMF) and the World Bank. The policies involve expanding exports to improve the balance of trade, and institutional reforms to reduce the role of the state and make the economy more market-oriented.

In 1979, Jamaica became the first Caribbean country to receive IMF balance of payments support. Between 1979 and 1996, the country received almost uninterrupted IMF support agreeing to six stand-by arrangements and three extended fund facilities. Jamaica's initial approach to the Fund in the late seventies resulted from its chronic balance of payments problems. These problems were triggered primarily by the oil crises of the mid-seventies, and falling revenues from the bauxite industry, which resulted from producers retaliating against a government- imposed levy by cutting production.[78] In an attempt to maintain its previous spending levels, the Government responded with rapid increases in borrowing from the central bank and overseas institutions. Since 1979, most of the Caribbean counties at various times have accessed the IMF funding facilities.

Most Caribbean countries seeking IMF support do so on account of unsustainable financial imbalances in the public sector. For the five Caribbean countries under review, a typical situation to report is that large public sector borrowing requirements had led to combinations of heavy domestic and foreign indebtedness, unmanageable external current account deficits, crowding out of private sector activity, reliance on arrears and high inflation.

The countries experienced external financing difficulties as a result of a combination of factors, including shifts in the terms of trade and large domestic spending programs. The reality is that many Caribbean countries are susceptible to these conditions because of heavy reliance on one or a few export crops or minerals, and due to large quantities of external financing through grants or loans. For instance, Jamaica has relied on bauxite and sugar, Guyana on bauxite, sugar and rice, Barbados on sugar, and Dominica Grenada and St. Lucia on bananas.

5.2 IMF Structural Adjustment Programme Support for five Selected Countries

An IMF SAP support provides any Caribbean country access to low-cost funding which strengthens the country's international reserves position in the short-term and creates opportunities to unlock policy-based loans from other multilateral institutions such as the World Bank, the Inter-American Development Bank and the Caribbean Development Bank. For the country, the effective implementation of the IMF support programme is also likely to have a favourable impact on the sovereign credit rating and eventually restored access to the international capital markets. Financial support is provided to member countries of the IMF under a variety of policies and lending instruments. Such financing is often conditional on the member adopting policy reforms to address the balance of payments problem that gave rise to the request for IMF support. The more widely used financial facilities are the Stand by Arrangements (1952) and the Extended Fund Facility (1974).[79] Stand by Arrangements provide short-term assistance for countries experiencing balance of payments difficulties of a short-term character and the Extended Fund Facility provide longer-term assistance to support members' structural reforms to address balance of payments difficulties of a long-term character.

[78] At that time, bauxite along with sugar provided the bulk of the export receipts for the country.
[79] Other facilities include the supplemental reserve facility, the contingent credit line, compensatory financing facility, emergency assistance for natural disasters and post conflict, and the poverty reduction and growth facility (PRGF) targeted to low income members.

In 1986, the Structural Adjustment Facility (SAF) was established to provide balance of payments support on concessional terms to low-income developing countries. The SAF provides loans to support the medium-term macroeconomic and structural adjustment programs of these countries.[80] A year later, the enhanced structural adjustment facility (ESAF) was established, which provides added assistance to countries but also requires stronger supporting programs. In 1999, the ESAF was replaced by the poverty reduction and growth facility (PRGF), which aims at sustained poverty-reducing growth.

Table 5.1 presents the IMF Structural Adjustment Programme Support for the Five Selected Countries for the period 1975 through to 2020.

Table 5.1: IMF Structural Adjustment Programme Support for the Five Selected Countries

Country	Type of Arrangement	Date of Approval	Expiration Date	Amount Approved ('000' USD)	Amount Drawn ('000' USD)
Antigua & Barbuda (as of February 28, 2013)					
	Standby Arrangement	Jun 07, 2010	Jun 06, 2013	67,500	43,875
Barbados (As of September 30, 2019)					
	Extended Fund Facility	Oct 01, 2018	Sep 30, 2022	208,000	70,000
	Standby Arrangement	Feb 07, 1992	May 31, 1993	31,875	31,875
	Standby Arrangement	Oct 01, 1982	May 31, 1984	23,890	14,670
Dominica					
	Rapid Credit Facility (RCF)	Apr 28, 2020		14,000	14,000
	Rapid Credit Facility (RCF)	Oct 28, 2015		8,700	8,700
	Extended Credit Facility (ECF)	Dec 29, 2003	Dec 28, 2006	7,690	7,690
	Standby Arrangement	Aug 28, 2002	Jan 02, 2004	3,280	2,970
	Structural Adjustment Facility (SAF)	Nov 26, 1986	Nov 25, 1989	2,800	2,800
	Standby Arrangement	July 18, 1984	July 17, 1985	1,400	1,400
	Extended Fund Facility (EFF)	Feb 06, 1981	Feb 05, 1984	7,000	7,000
Grenada (As of December 31, 2016)					
	Rapid Credit Facility (RCF)	Apr 28, 2020		22,400	22,400
	Extended Credit Facility (ECF)	Jun 26, 2014	Jun 25, 2017	19,190	16,460
	Extended Credit Facility (ECF)	Apr 18, 2010	Apr 17, 2013	12,000	3,450
	Extended Credit Facility (ECF)	Apr 17, 2006	April 13, 2010	22,390	22,390
	Extended Credit Facility (ECF)	Aug 24, 1983	Jan 23, 1984	18,455	1,538
	Standby Arrangement	May 11, 1981	May 10, 1982	4,680	3,965
	Standby Arrangement	Nov 06, 1979	Dec 03, 1980	900	900

[80] These countries are usually eligible for World Bank assistance through the International Development Association (IDA), and often have protracted balance of payments problems.

	Standby Arrangement	Jun 30, 1976	Dec 31, 1976	308	308
	Standby Arrangement	Sep 29, 1975	Jun 30, 1976	684	684
St. Lucia					
	Rapid Credit Facility (RCF)	Apr 28, 2020		29,200	29,200

Source: https://www.imf.org/external/error.htm?URL=http://www.imf.org/external/np/fin

In June 2010, a Stand-By Arrangement (SBA) was approved by the Fund's Executive Board of the IMF for Antigua and Barbuda. The program's policies and objectives were aimed at correcting long-standing macroeconomic imbalances that have resulted in the accumulation of decades of arrears. In this context, the macroeconomic and structural reforms that were conditions for funding were aimed at strengthening the revenue collection agencies to improve budget performance and enhancing financial regulation and supervision to reduce macro-financial risks. Some specific measures agreed upon to obtain funding support from the IMF include:

- The strengthening of the macroeconomic environment along with the implementation of programmed tax measures;
- Restraining expenditure growth;
- A comprehensive restructuring of the public debt with both external and domestic creditors;
- Implementation of the regulations for the Finance Administration Act;
- Implementing civil service reform through the World Bank-supported public sector transformation programme; and
- Amending legislation to help combat money laundering.

In the mid-seventies, tourism replaced sugar as the main foreign exchange earner in **Barbados**, with gross earnings from the industry increasing by 234% in current terms between 1978 and 1988. Barbados entered into two stand-by arrangements with the Fund, the first in 1982 and the other in 1992. Both of these arrangements were occasioned by large fiscal deficits combined with falling levels of foreign direct investment. The increase in borrowing to fund capital expenditure projects led to high levels of both domestic and external debt, and a subsequent increase in debt servicing.

By 2018 Barbados experienced a number of converging issues:

- Growth in its Debt to GDP ratios, moving from 64% in 2008 to 145% as at the end of December 2017 (these figures exclude operational arrears);
- Increased interest expenditure as a percentage of revenues over the same period from 15% of revenues to over 26% of revenues; and
- Decreased foreign reserves, moving from BDS$1.3 billion in 2008 to BDS$410 million as at the end of December 2017 (16.2 weeks of import cover in 2008 down to 6.8 weeks as of December 31, 2017).

In addition, there were Government arrears of BDS$1.8 billion (including BDS$460 million owed to the NIS and BDS$345 million owed by the Barbados Revenue Authority to Barbadians and individual companies). Collectively the long term debt, arrears and contingent liabilities place the debt-to-GDP ratio close to 175% of GDP.

In June 2018, the Government of Barbados announced the execution of a home-grown economic recovery and transformation programme, the Barbados Economic Recovery and Transformation Plan BERT), which is supported by a four-year Extended Fund Facility (EFF) arrangement with the International Monetary Fund. The framework set out under the Programme involves a mix of fiscal adjustment measures, reforms of the state-owned enterprise sector, and other structural economic reforms. These measures were intended to create a platform for sustainable long-term growth and promote foreign reserves accumulation, while restoring fiscal and debt sustainability over the medium term. The plan is expected to be conducted via a three-phased approach:

- Phase one (months 1 to 3): Imposition of user fees on domestic and international players and the complete removal of three Statutory Corporations, and one partially, from the Consolidated Fund, accounting for a $215 million reduction in expenditure in a full fiscal year;
- Phase two (months 3 to 12): Expenditure reduction through a review and analysis of Central Government and State-owned enterprises focusing on mergers of potentially affiliated entities; a review of the framework for international business given the blacklisting by the OECD and the grey-listing by the European Union; and measures to boost growth.
- Phase three (months 12 and onward): Continuation of review and analysis of State-owned enterprises and departments of Government. The combined effect of Phases 1 to 3 is expected to reduce expenditure and raise revenues by approximately BDS$330 million.

In February 1981, **Dominica** signed an EFF agreement with the IMF followed by stand-by and SAF agreements in 1984 and 1986 respectively. When Dominica first took a Fund Programme, the country was reeling from the oil shocks of the 1970s and the devastating effect of Hurricane David in 1979, which had virtually destroyed the main foreign exchange earner – bananas, as well as other agricultural produce. The current account deficit had mushroomed from $10.1 million in 1978 to $38.3 million in 1980. The level of government borrowing had also increased rapidly in the aftermath of the hurricane in the government's attempt to rebuild the infrastructure, which was destroyed.

By the time the SAF agreement was signed in 1986, government spending on wages and salaries to public sector workers had grown from 55 percent of total recurrent expenditure in 1984 to 62 percent in 1985 (approximately 21 percent of GDP). Also in 1985, real GDP growth plummeted from over 5 percent to 1.6 percent. The reduction in the growth rate was due in large part to the combined effects of an 18 percent drop in banana production and a large decrease in the international price of the commodity. Correspondingly, the current account deficit surged from EC$1.8 million in 1983 to EC$ 7.2 million in 1984 and was recorded at EC$6.4 in 1985. Also, during that time, government loan borrowings continued to increase, and the development aid was used to finance major capital expenditure projects. In 2002 Dominica again signed a Standby arrangement of EC$8.9 million followed by an Extended Credit Facility (ECF) of EC$20.8 million in 2003.

The economy of **Grenada** is small and tourism is its largest foreign exchange earner. After tourism, Grenada relies heavily on agricultural exports - mainly different types of spices. Nutmeg and various fruits make up the majority of Grenada's exports (per 2017). Grenada has suffered many economic drawbacks since becoming a nation. A major concern is the rising fiscal deficit and a heavy debt burden crippling its government operations. Hurricane Ivan in 2004 led to serious setbacks for Grenada, along with the Great Recession in 2008, as the United States of America is one of Grenada's largest trade partners. Grenada was listed 115th of 126 developing countries in 2017 with respect to total debt.

The most recent publishing of the Article IV Consultation (2019) conducted by the IMF showed some favourable reviews towards Grenada, including a GDP growth of 3.1%. There was an increase in GDP productivity through construction projects and tourism. Grenada has also been able to keep inflation low and bank credit positive. One negative mark noted was that unemployment, although declining, remains high at 21.7%.

Grenada has also pushed to focus its concerns on the growing worry of climate change. The destruction brought on by Hurricane Ivan was devastating,[81] but with the more powerful natural

[81] *"Hurricane Ivan devastates Grenada". The Guardian. Associated Press. 2004-09-09. ISSN 0261-3077*

disasters accruing due to the warming of Earth's atmosphere, Grenada could quite possibly be significantly impacted. Many actions are being undertaken in the policies Grenada has been implementing this year to counteract the effects of climate change.

St. Lucia's history of obtaining loans from the IMF is quite limited.[82] In fact, in June 2015, the Government rejected the notion of taking the country into a programme of austerity measures with the IMF. Notwithstanding the country sought and obtained emergency financial assistance from the IMF to help address the challenges posed by COVID-19. This will be discussed in Chapter 6.

6 IMPACT OF STRUCTURAL ADJUSTMENT PROGRAMMES AT THE NATIONAL LEVEL

6.1 Introduction

While the focus of this Report is on the impact of SAPs on smallholder farmers, fisher-folks and related small business entrepreneurs from a gender perspective, it is also important to examine the influence of SAPs on key macroeconomic indicators for several reasons, including to:

- Identify the key macroeconomic indicators that are impacted by SAPs;
- Determine the direction and magnitude of change in the indicators that can be attributed to SAPs; and
- Evaluate the channels through which and the extent to which impacts on the macroeconomic indicators are transmitted to and throughout the agriculture, fisheries and small business sectors.

The macroeconomic indicators examined were economic growth, employment, current account balance (Balance of Payment), gross international reserves, fiscal deficits, and interest rates among others.[83] To better understand the impact of SAPs on these indicators, a schedule of the support provided by the IMF and WB is presented in **Table 6.1.**

[82] In April 2020, St. Lucia received US$29.2 million of emergency financial assistance under the Rapid Credit Facility (RCF) to help address the challenges posed by COVID-19

[83] The meso and micro economic indicators will be examined at the sector and vulnerable group levels.

Table 6.1: Schedule of Structural Adjustment Supports for the Selected Countries – (1975-2022)

Country	YEAR																																											
	1975/76	1979/80	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Antigua & Barbuda																																												
Barbados																																												
Dominica																																												
Grenada																																												
St. Lucia																																												

Source: https://www.imf.org/external/error.htm?URL=http://www.imf.org/external/np/fin

6.2 Characteristics of the SAPs in the Five Countries

6.2.1 Overview of SAPS Strategies Employed in the Countries

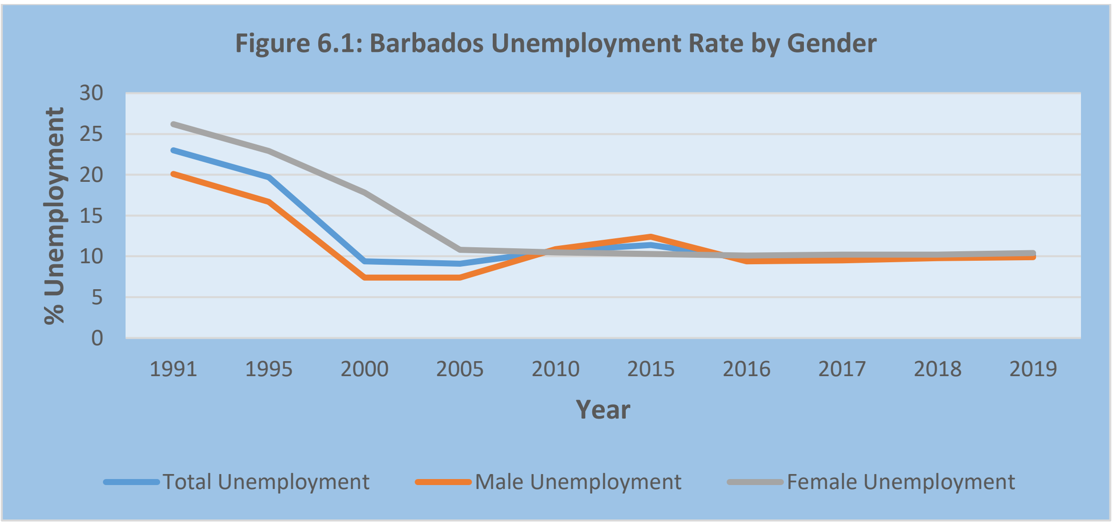
The five countries under review experienced fluctuations in international commodity prices and incomes, resulting from the oil shocks in the 1970s, and coupled with declining production, exports and foreign exchange earnings from major agricultural commodities (sugar, bananas and nutmeg). The debt burden weighed heavily on the countries, significantly limiting their capacity to maneuverer due to the large number of public resources needed to be devoted to debt service (**Table 6.2**).

Table 6.2: Debt Service to GDP Ratio by Country (%)

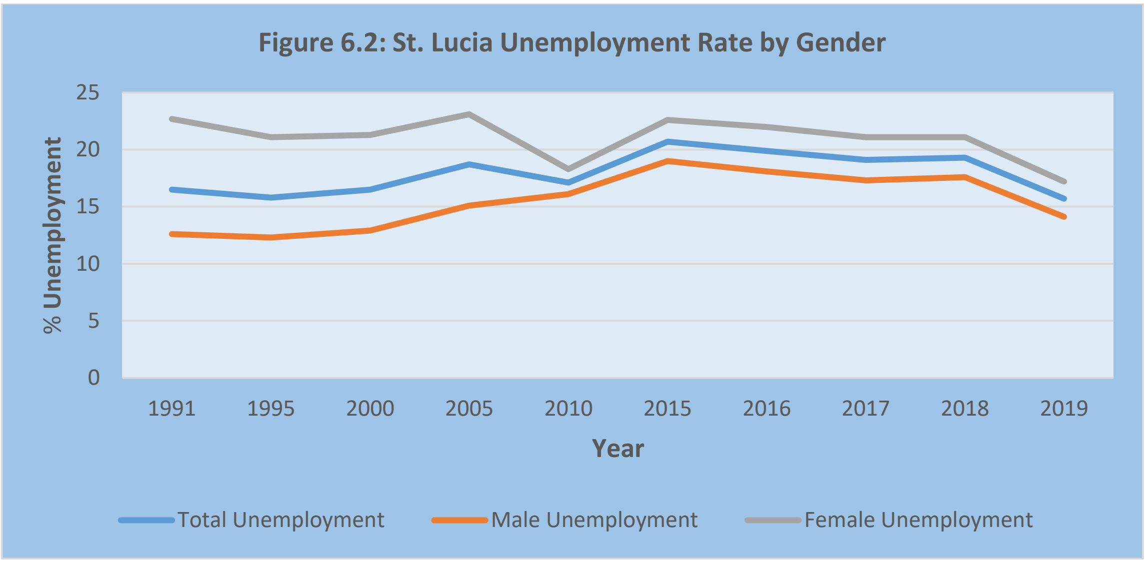
Year	Country				
	Antigua & Barbuda	Barbados	Dominica	Grenada	St. Lucia
2000	97.4	-	89.5	49.5	38.7
2005	101.8	63.8	92.3	86.0	57.7
2010	84.3	95.7	69.0	95.4	55.2
2015	86.9	146.7	74.2	88.6	65.8
2016	82.6	149.1	68.3	80.0	65.5
2017	83.4	157.3	73.4	69.7	64.8
2018	78.5	123.6	74.5	66.3	64.3
2019	72.7	116.7	78.8	58.9	64.9

Source: IMF Statistics/Report, World Bank Database/Report, and ECCB.

Figures 6.1 and 6.2 present the unemployment rates by gender for Barbados and St. Lucia based on available data. As can be observed from the figures, the unemployment rates were high in the two countries, and more so among women, putting pressure on governments to directly provide jobs and upscale and/or implement supplemental social welfare programmes.



Source: World Bank Database - Modeled ILO Estimate



Source: World Bank Database - Modeled ILO Estimate

All five of the selected Caribbean countries in this review entered into IMF SAPs with large fiscal deficits and adopted stabilization programmes that have generally been contractionary. Typically, this involved fiscal measures aimed at reducing the levels of government spending and the broader public sector, coupled with measures aimed at stimulating private sector activities, and reforming the tax regime. The countries also privatised and/or liquidated public enterprises, and engaged in improvements in policy pricing and the implementation of efficiency measures for those that remained on the public purse. By focusing on these issues, policymakers hope to create an environment that is conducive to increasing production and exports.

The countries' overall strategies were market-oriented, broadly intended to reduce state participation in economic activity and stimulate the private sector. In their SAPs, the countries sought balance of payments support from the IMF that was accompanied by conditionalities, featuring quarterly performance criteria on reserves accumulation, central bank domestic assets, and fiscal performance, which brought an added degree of similarity to the framework of adjustment programmes. Balance of payment support loans from the World Bank had a similar effect, particularly in requiring a certain pace of trade liberalization. **Table 6.3** presents the main elements of the economic strategies pursued by the five countries under SAPs between the 1980s and 2020.

6.2.2 The Nature of the Fiscal Adjustment

Fiscal reform was the main component of the countries' SAPs. The reform agenda was initially a contractionary mode to cut domestic absorption but later incorporated tax reforms to improve incentives for private sector activities. In comparative terms, the fiscal dimensions of the adjustment were quite similar across counties, but there were important differences concerning this component of the packages.[84] Because it was easier to control, all countries initially placed a heavier emphasis on expenditure reduction as opposed to revenue increases. Capital expenditure, in particular, was sharply cut. The number of public sector workers was reduced in all cases, although the approach to nominal wages differed. Barbados initially cut nominal wages and later adjusted the income tax bracket regime to ease the burden on those at the lower-income scale and imposed a graduated higher tax regime on those at the upper end of the income bracket. However, in the other countries, public sector wage freezes resulted in earnings being eroded by inflation, with the countries losing a significant number

[84] Hilaire, Alvin, 2000.

of skilled public servants to emigration. In this situation, the governments in attempting to bring down inflation faced challenges in demands by public sector workers for compensation for declines in real wages.

In all countries, public enterprises were either completely divested, provided limited government financial support or completely taken off the public operating budgets. Notwithstanding, the process was later reversed to some extent, when several of the enterprises faced financial difficulties.

Tax policy mostly involved an initial increase in the rates of indirect taxes and either higher rates or new “stabilization” taxes on income to improve revenue. This was followed by a streamlining of the tax regime through consolidation of indirect taxes into a value-added or consumption tax and compression or lowering of direct tax rates accompanied by the elimination of many tax deductions. Trade liberalization by way of tariffs reduction also meant that import duties became less important as a source of revenue for the governments.

The key macro-economic indicators were not improved for all countries under SAPs during the period of review.

Table 6.3: Main Elements of the Selected Countries Economic Strategies (1972-2020)

Description	Antigua & Barbuda	Barbados	Dominica	Grenada	St. Lucia
Overall Strategy	▪ Market-oriented	▪ Market-oriented	▪ Market-oriented	▪ Market-oriented	
	▪ Fixed exchange rate with income restraint	▪ Fixed exchange rate with income restraint	▪ Fixed exchange rate with income restraint	▪ Fixed exchange rate with income restraint	
	▪ Diversification into high-end tourism and offshore services	▪ Diversification into high-end tourism and offshore services	▪ Diversification into high-end tourism and offshore services	▪ Diversification into high-end tourism and offshore services	
			▪ Emergency support for challenges of COVID-19	▪ Emergency support for challenges of COVID-19	▪ Emergency support for challenges of COVID-19
Balance of Payments	▪ IMF Standby arrangements: 2010/13	▪ IMF Standby arrangements: 1982/84; 1992/93	▪ IMF Standby arrangements: 1984/85; 2002/04 ▪ Rapid Credit Facility: 2020	▪ IMF Standby arrangements: 1975/76; 1976; 1979/80; 1981/82	▪ Rapid Credit Facility: 2020
		▪ Extended Fund Facility: 2018/22	▪ Extended Fund Facility: 1981/84; 2003/06	▪ Extended Fund Facility: 1983/84; 2010/13; 2014/17	
			▪ Structural Adjustment Facility: 1986/89	▪ Rapid Credit Facility: 2020	
Fiscal Policy	▪ Implement civil service reform through World Bank supported public sector transformation programme	▪ Compress capital spending, cut public sector workforce and wages	▪ Reduction in discretionary tax exemptions	▪ Reduce capital spending, implement public sector reform for efficiency better service delivery	▪ Limit the growth in the public sector, attrition policy for the public service, freeze new hires in selected areas
	▪ Restructure public debt of external and domestic creditors	▪ Move from direct to indirect tax	▪ Limit capital expenditure, and freeze current expenditure	▪ Strengthen regulation and efficiency of public utilities	▪ Reduce the list of VAT-exempt and zero-rated goods
	▪ Implement regulations for the Finance Administration Act	▪ VAT in 1997	▪ Increase the retirement age from 55 to 60 years	▪ VAT in 2009	▪ Prioritise capital expenditures
	▪ Amend legislation to combat money laundering		▪ Reduce the wage bill		▪ Increase the excise tax rate
	▪ Restrain expenditure growth				
Monetary Policy	▪ Improve the efficiency of interest rate determination in the currency union: inter-bank market, regional security exchange, regional market for government securities	▪ Minimum deposit rate ▪ Reserve requirements	▪ Improve efficiency of interest rate determination in the union: inter-bank market, regional security exchange, regional market for government securities	▪ Improve efficiency of interest rate determination in the union: inter-bank market, regional security exchange, regional market for government securities	▪ Improve efficiency of interest rate determination in the union: inter-bank market, regional security exchange, regional market for government securities
Trade Policy	▪ Reduction in CARICOM CET	▪ Reduction in CARICOM CET	▪ Reduction in CARICOM CET	▪ Reduction in CARICOM CET	▪ Reduction in CARICOM CET
	▪ Reduced imports	▪ Reduced imports	▪ Reduced imports	▪ Reduced imports	▪ Reduced imports
	▪ Import surcharges	▪ Import surcharges	▪ Import surcharges	▪ Import surcharges	▪ Import surcharges
Exchange rate policy/capital controls	▪ Fixed exchange rate ▪ Restrictions on credit to private sector lowered	▪ Fixed exchange rate/ F/E control ▪ Restrictions on Central Bank lending	▪ Fixed exchange rate ▪ Restrictions on credit to private sector lowered	▪ Fixed exchange rate ▪ Restrictions on credit to private sector lowered	▪ Fixed exchange rate ▪ Restrictions on credit to private sector lowered

Figure 6.2 presents the inflation rates for the countries, based on the available date. The data shows that inflation rates remained relatively high for all countries, up to 2010, but exhibited a downward tendency thereafter.

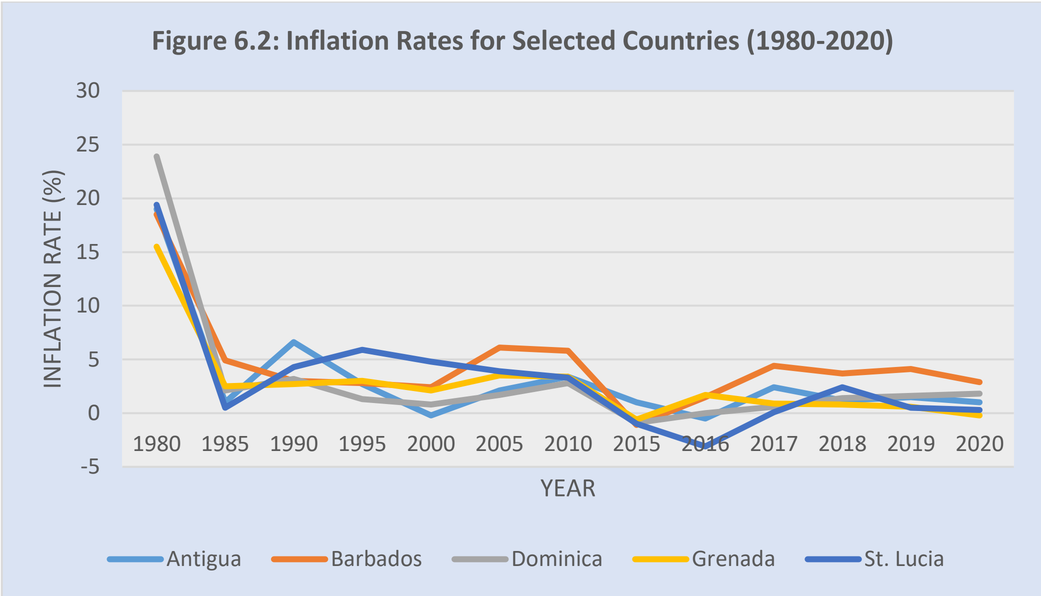


Figure 6.2: Inflation Rates for Selected Countries (1980-2020)

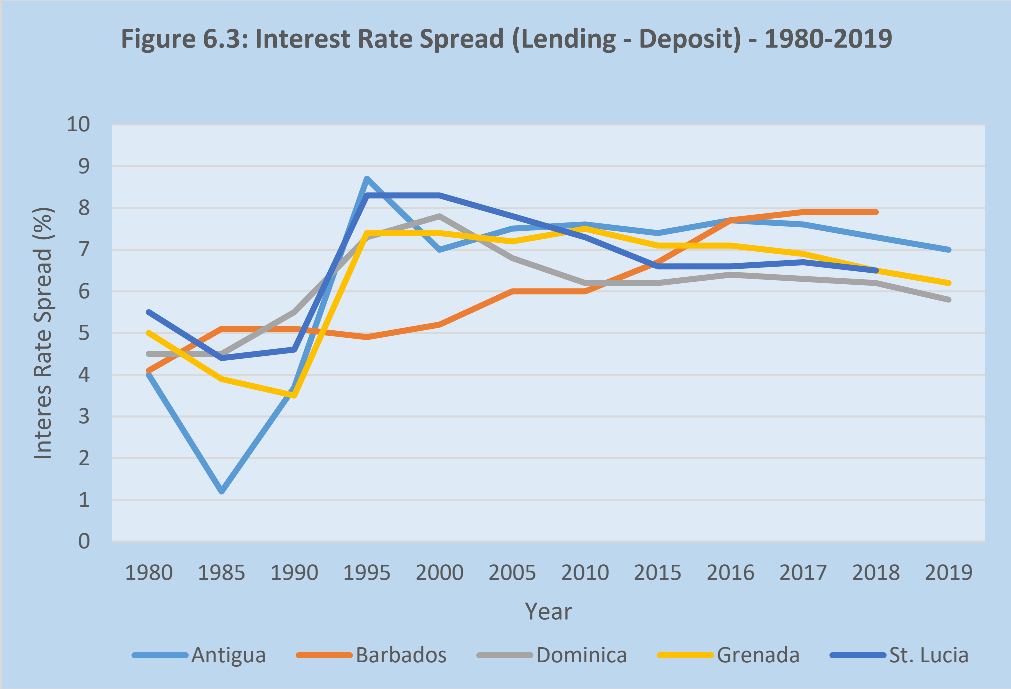
Source: World Bank Database

6.2.3 Monetary and Financial Policies

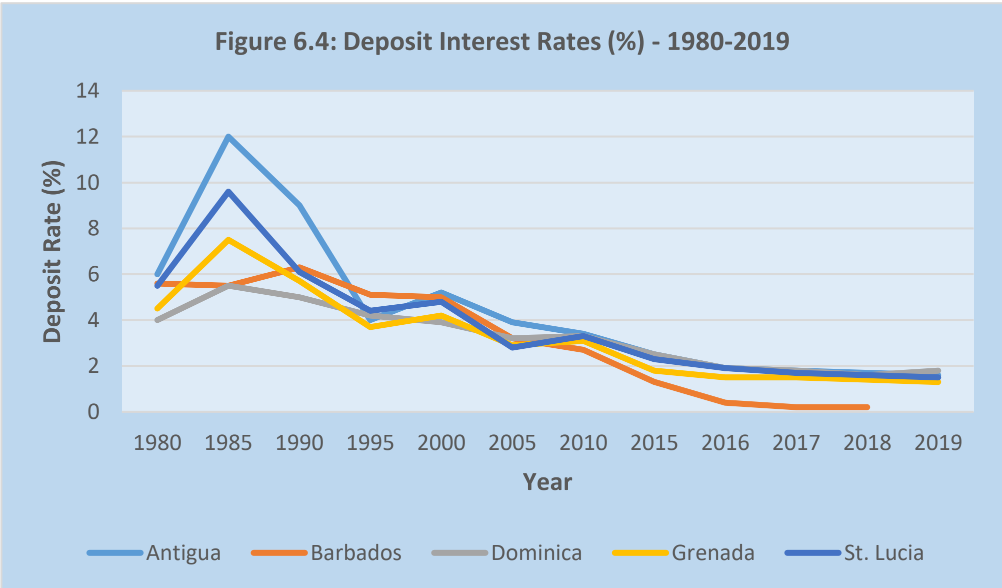
In a simple model of an open economy with a fixed exchange rate and perfect capital mobility, monetary policy is ultimately ineffective, as attempts by the central bank to increase/decrease the domestic money supply are eventually frustrated by capital outflows/inflows.[85][86] However, in principle, the selected countries had some degree of autonomy in monetary policy during the SAPs given the potential to implement a regime of exchange rate flexibility and/or capital controls. In the case of the OECS countries (Antigua and Barbuda, Dominica, Grenada and St. Lucia) their membership in the Eastern Caribbean Central Bank meant that they could not autonomously agree on a devaluation. Barbados completely ruled out devaluation.

The general focus of monetary policy was to complement fiscal policy by keeping a lid on central bank credit to the public sector, rather than taking centre stage. Since its establishment in 1972, the Central Bank of Barbados primarily used credit and interest rate controls, as well as liquidity requirements on bank deposits.[87] In the countries' adjustment programme in the early 1990s, limits were placed on the central banks' credit to the public sector, while the liquid assets requirement and minimum deposit rates were increased and the ceiling on loan rates removed to slow private sector credit. Also, in keeping with the market-oriented spirit of reform, credit and interest rate restrictions to the private sector were lowered in all countries. The lowering of restrictions on interest rates to the private sector resulted in increases in the interest rate spreads (**Figure 6.3**), due mainly to significant declines in deposit rates (**Figure 6.4**).

[85] IMF, 1987
[86] Hilaire (2000)
[87] Made up of an unremunerated cash reserve to be held at the central bank and the rest to be held in eligible government institutions.

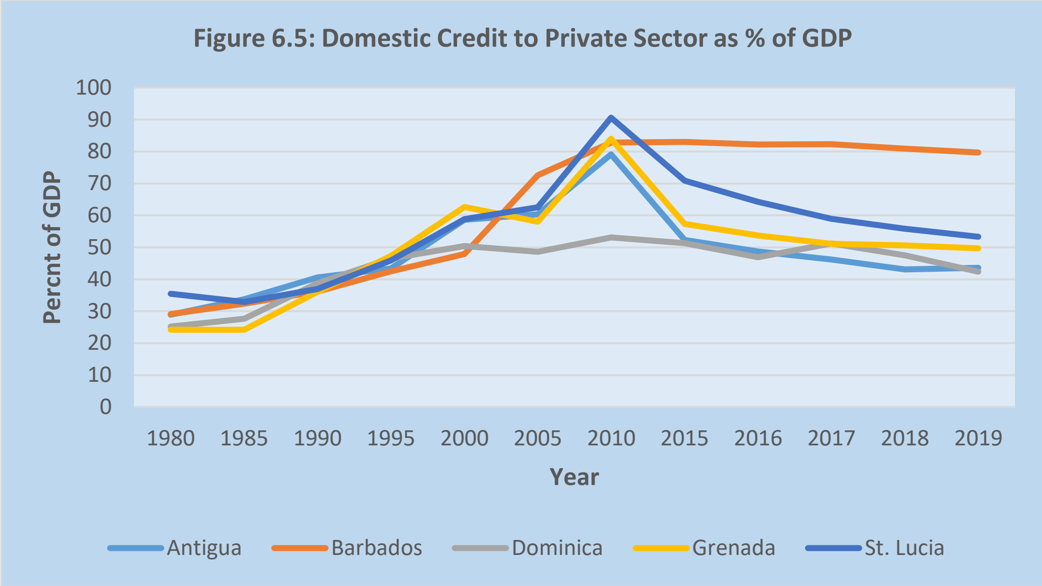


Source: World Bank Database



Source: World Bank Database

The combination of low deposit rates and stable interest rate spreads between 1995 and 2019 resulted in increased flows of domestic credit to the private sector during that period (**Figure 6.5**). The flow of domestic credit to the private sector as a percent of GDP reached a peak in 2010 and thereafter declined significantly between 2010 and 2015, with the rate of decline slowing between 2015 and 2019.



Source: World Bank Database

Credit policies in the 1990s were unlike those in earlier periods, as previously mentioned when tight credit programmes implied micromanagement of the direction of commercial bank credit to the private sector. All countries moved in the direction of more market-determined instruments of monetary policy but maintained the use of reserve requirements. In fact, high reserve requirements have been associated with the large spread observed between lending and deposit rates.

6.2.4 Trade and Exchange Rate Regimes

At the heart of the SAPs in the five selected countries was the need to reduce external imbalances to levels that could be financed on a sustainable basis. In this vein, apart from fiscal and other measures to reduce domestic absorption, several policies were implemented that directly focused on the external current and capital account. None of the countries under review used currency devaluation to foster expenditure switching away from imports and to improve profitability of exports. Instead, trade measures such as reduced tariffs and quantitative import restrictions were employed more as medium-term devices to improve welfare. In the short run the impact on the trade account was adverse. Current account liberalization preceded the opening of the capital account.

Imports in the Caribbean were subjected to a significant degree of control during the 1970s and early 1980s largely based on the argument that import substitution would foster the domestic manufacturing sector. The idea was that after a temporary period of protection, trade could then be opened up as manufacturers would be in a strong position to withstand competition. However, in reality, manufacturers became dependent on protection and in periods of balance-of-payments difficulties, the typical reaction was to increase import tariffs and tighten quantitative restrictions, even on trade with other Caribbean countries.

In contrast, in the SAPs implemented in the late 1980s and 1990s, trade liberalization was central to all agreements, with quantitative restrictions being phased out and replaced by temporarily higher import duties that were themselves lowered over time. The roots of this change lie in the adoption by the governments of a more medium-term perspective that the economies would be more efficient in a liberalized trading environment. Such perspective was no doubt influenced by the global move toward more open trade, which found expression at the CARICOM level in a programme to reduce the common external tariff, and in immediate practical terms in the conditionalities accompanying stabilization loans from the World Bank.

Membership in CARICOM brought a commonality to trade policy as all countries subscribed to the Common External Tariff (CET) on extra-regional imports. There were two major revisions to the CET in the 1990s: in February 1991, the rate structure was brought down from a range of 0-70 to one of 0-45 percent and in 1993 to 5-20 percent,[88] to be implemented over five years. The side benefit was that governments gained a temporary revenue windfall by collecting the import surcharges, which effectively substituted for some of the former rents reaped by importers.

In terms of capital account, none of the countries had a problem with excessive private capital inflows. The main concern concerning private capital was one of speculative outflows in periods of exchange rate uncertainty. In the case of Barbados, existing exchange rate regulations on capital account provided for restrictions on capital outflows by requiring prior approval from the Central Bank. There are no differences in approaches to exchange policy among the five countries as they steadfastly adhered to a fixed exchange rate at an unchanged parity.

It is useful to demarcate the various stages in the developments of external sector policies. Hilaire (2000), in adopting an approach based on comparative country studies done by the National Bureau of Economic Research in 1978 and the Work Bank in 1991 was able to delineate five phases.[89]

- **Phase I:** Widespread quantitative restrictions (QRs), high tariffs, exchange rate controls on current account and fixed exchange rate.
- **Phase II:** Reduced QRs**,** high tariffs, import surcharges, exchange rate controls on current account and fixed exchange rate.
- **Phase III:** QRs mainly on agriculture, lower tariffs, lower import surcharges, exchange rate controls on current account and fixed exchange rate.
- **Phase IV:** QRs mainly on agriculture, lower tariffs, lower import surcharges, exchange rate controls on current account and flexible exchange rate.
- **Phase V:** Minimal QRs, low tariffs, no exchange controls, flexible exchange rate.

As can be gleaned from **Table 6.4,** all the countries under review were in Phase II mode between 1971 and 1990, but they transitioned to a Phase III regime thereafter.

Table 6.4: Phases of Exchange Control Regime in the Selected

Country	Period				
	1971- 1975	1976-1980	1981-1985	1986-1990	1991 -
Antigua & Barbuda	II	II	II	II	III
Barbados	II	II	II	II	III
Dominica	II	II	II	II	III
Grenada	II	II	II	II	III
St. Lucia	II	II	II	II	III

[88] The only exceptions were agricultural products (with a 40 percent rate), agricultural inputs (0 percent), goods on a list of “revenue raisers” and “nonperforming goods” in some of the smaller countries (0 percent).
[89] Bhagwati, Jagdish N. (1978); Krueger, Anne O. (1978); Papageorgiou, Demetris, Michael Michaely and Armeane M. Choski (1991).

6.3 SAPs and the Macroeconomic Impact on Antigua and Barbuda

6.3.1 Pre-SAPs Economic Situation

In June 2010, the Executive Board of the International Monetary Fund (IMF) approved a three-year Stand-By Arrangement (SBA) for an amount equivalent to SDR 81 million (approximately US$ 117.8 million) with Antigua and Barbuda. The Programme's policies and objectives were aimed at correcting long-standing macroeconomic imbalances that have resulted in the accumulation of decades of arrears. In this context, the macroeconomic and structural reforms that were conditions for funding were aimed at strengthening the revenue collection agencies to improve budget performance and enhance financial regulation and supervision to reduce macro-financial risks. The arrangement aimed to support the government's efforts to restore fiscal and debt sustainability and set the stage for a sustained recovery. Some specific measures agreed upon to obtain funding support from the IMF include:

- The strengthening of the macroeconomic environment along with the implementation of programmed tax measures;
- Restraining expenditure growth;
- A comprehensive restructuring of the public debt with both external and domestic creditors.
- Implementation of the regulations for the Finance Administration Act;
- Implementing civil service reform through the World Bank-supported public sector transformation programme; and
- Amending legislation to help combat money laundering.

The SBA was signed against the background of a country that experienced its worst economic recession in decades. The global economic slowdown at the time severely affected the economy through its impact on tourist arrivals, foreign direct investment (FDI) inflows and remittances, and fiscal revenue. Real GDP contracted by 7 percent in 2009 after expanding on average by around 6 percent during the previous 5 years. Following a spike in 2008, inflation has remained in the low single digits despite a 20 percent increase in fuel prices and higher consumption taxes. The recession and associated fiscal crisis coincided with an already unsustainable fiscal situation and mounting problems in the financial sector—the collapse of the Stanford Group (the largest private conglomerate) and the Trinidad-based CL Financial Group.

Following many years of accumulation of arrears to domestic and external creditors, the fiscal situation turned critical in 2009 as the recession led to a 20 percent decline in tax revenue. Meanwhile, recorded primary expenditure rose by 4.5 percent of GDP due to higher-than budgeted current expenditures. The overall fiscal deficit widened from 6 percent of GDP in 2008 to around 19 percent in 2009. With limited financing options, the government accumulated arrears to domestic and external creditors approximating 9 percent of GDP, bringing the total stock of arrears to near 53 percent of GDP. This equalled 45 percent of the outstanding public debt, which totalled 115 percent of GDP. To contain the deterioration in the fiscal position, the government implemented revenue measures in mid-2009 totalling about 1.5 percent of GDP on an annualized basis. These included raising petroleum product prices in August, by an average of 20 percent (1.5 percent of GDP), while introducing a flexible and market-based petroleum-product pricing mechanism.

The external current account deficit narrowed to 25 percent of GDP in 2009, reflecting a decline in FDI inflows. Aside from some financing from Venezuela, the deficit was financed mainly by a drawdown in commercial banks' foreign asset position, a reduction in Antigua and Barbuda's share of international reserves at the Eastern Caribbean Central Bank (ECCB), and the further accumulation of arrears on public external debt. The contraction of economic activity has resulted in a significant slowdown in private sector credit growth, while domestic bank lending rates have remained broadly stable. However, non-performing loans as a percent of total loans fell sharply in 2009, reflecting the restructuring of loans to both government and the private sector. In February 2009, the ECCB assumed control of the Bank of Antigua following a sharp withdrawal of deposits precipitated by the collapse of the Stanford Group. This has resulted in a shift of about 20 percent of indigenous banks' deposits to foreign-owned banks. **Table 6.5** presents selected economic and financial indicators for Antigua and Barbuda for the period 2004- 2010.

In the context of the above, the Government of Antigua and Barbuda requested IMF financial assistance and the Executive Board approved a three-year Stand-By Arrangement in June 2010 in support of a comprehensive reform strategy aimed at restoring fiscal and debt sustainability. The reforms include a significant and sustained tightening of fiscal policy supported by a comprehensive debt restructuring and structural reforms to strengthen the Customs and Inland Revenue Departments. The approved 2010 budget, which was built on the fiscal measures taken in mid-2009, featured additional measures that were designed to shift the fiscal position from a primary deficit of 11.5 percent of GDP in 2009 to a primary surplus of 3 percent of GDP. These measures, which included the prioritizing of capital, goods and services expenditure and a freeze on public sector wages, were complemented by revenue measures aimed at returning the tax-to-GDP ratio to pre-crisis levels and to bringing the overall deficit to zero by 2012. The Government was able to achieve a comprehensive restructuring of the public debt with domestic and external creditors as well as to regularize the extremely high level of arrears. The Government's strategy also included strengthening supervision and regulation of the financial sector to increase its resilience to shocks and reduce macro-financial risks.

Table 6.5: Antigua and Barbuda – Selected Economic and Financial Indicators, 2004-2010

Description	Year						
	2004	2005	2006	2007	2008	Prelim. 2009	Project. 2010
National income and prices	Annual percentage change, unless otherwise indicated						
▪ GDP at constant factor cost	5.4	5.0	12.9	6.5	-1.8	-7.0	-2.0
▪ Nominal GDP at market prices	8.5	5.9	16.6	14.3	4.2	-4.7	0.3
▪ Consumer prices (period average)	2.0	2.1	1.8	1.4	5.3	1.0	3.0
External sector Exports	Annual percentage change, unless otherwise indicated						
▪ Exports, f.o.b.	27.7	44.5	-10.3	2.1	3.5	-8.6	-1.6
▪ Imports, f.o.b.	14.2	13.2	22.9	15.9	3.4	-12.2	-15.8
▪ Travel receipts (gross)	12.5	-8.3	5.6	3.4	-1.1	-15.7	3.2
Money and credit	Changes in percent of beginning of period broad money						
▪ Net foreign assets	-1.4	3.4	9.2	-1.7	-11.4	-5.7	1.6
▪ Net domestic assets	10.6	3.5	3.2	18.7	13.5	5.4	-0.8
o Net credit to the public sector	-1.1	0.9	0.8	0.9	0.3	10.7	-3.2
o Credit to the private sector	0.9	12.2	12.9	10.9	4.2	2.4	1.5
▪ Average deposit rate (% per annum)	4.1	3.7	3.8	3.4	3.3	3.3	-
▪ Average lending rate (% per annum)	12.0	11.2	10.7	10.3	10.1	9.5	-
Central government	In percent of GDP						
▪ Primary balance	-0.1	-1.5	-4.3	-2.9	-3.0	-11.5	3.0
▪ Overall balance	-4.9	-5.7	-8.5	-6.4	-6.1	-19.1	-2.3
o Total revenue and grants	22.6	22.8	25.0	24.3	23.9	19.7	26.5
o Total expenditure	27.5	28.4	33.6	30.7	30.0	38.8	28.8
▪ Financing	4.9	5.7	8.5	6.4	6.1	19.1	2.3
o External	-3.6	-16.1	-1.4	0.5	-1.2	5.2	2.1
o Domestic	12.1	11.2	7.2	2.3	7.6	3.0	-0.8
o Change in arrears	3.0	0.1	4.1	2.9	3.2	9.3	-1.1
o Statistical discrepancy and revaluations	-6.7	10.5	-1.3	0.8	-3.5	1.6	0.0
▪ Financing Gap	-	-	-	-	-	0.0	2.2

External sector	In percent of GDP						
▪ Current account balance	-14.5	-18.9	-30.7	-32.9	-29.4	-24.7	-16.8
▪ Trade balance	-42.2	-43.0	-48.0	-49.6	-49.3	-45.1	-37.0
▪ Nonfactor service balance							
o Of which Gross tourism receipts	41.2	35.7	32.3	29.2	27.8	24.5	25.3
▪ Overall balance	-2.8	-17.1	-2.1	-2.7	-3.4	-3.7	-6.2
▪ External government debt (end of year)	65.7	41.4	40.4	37.7	35.1	43.7	47.4
o Of which Arrears	22.3	16.9	18.1	13.5	14.2	17.0	0.0
▪ Scheduled external debt service	8.7	19.9	3.6	2.1	5.6	3.7	4.8
▪ (In percent of exports of goods and services)	13.3	30.3	6.6	4.1	10.5	7.3	9.5
Memorandum items							
▪ Gross international reserves of the ECCB							
o (in millions of EC$)	632	601	696	765	759	-	-
o (In percent of ECCU broad money)	20	18	19	19	18	-	-
▪ Nominal GDP at market prices (in millions of EC$)	2,210	2,340	2,729	3,119	3,249	3,097	3,106
▪ Central government debt stock							
o (In millions of EC$)	2,806	2,411	2,673	2,745	2,849	3,310	3,393
o (In percent of GDP)	127	103	98	88	88	107	109

Source: Antigua and Barbuda: 2010 Article IV Consultation and Request for Stand-By Arrangement - IMF Country Report No. 10/279

6.3.2 Macroeconomic Impact of the 2010 SAP on Antigua and Barbuda

The *IMF 2012 and 2014 Article IV Consultation Report*s provide analyses of the impact of 2010 IMF SAP on Antigua and Barbuda, following three (3) years of implementation. **Table 6.6** presents selected economic and financial indicators for the period 2009 through 2015.

Table 6.6: Antigua and Barbuda – Selected Economic and Financial Indicators, 2009-2010

Description	**Year**						
	2009	**2010**	**2011**	**2012**	**2013**	**Prelim. 2014**	**Project. 2015**
National income and prices	Annual percentage change, unless otherwise indicated						
▪ GDP at constant factor cost	-7.0	-2.0	-5.5	1.0	1.8	2.0	1.9
▪ Nominal GDP at market prices	-4.7	0.3	-1.7	5.0	-0.3	3.1	3.0
▪ Consumer prices (period average)	1.0	3.0	4.0	3.0	1.1	1.1	1.4
External sector	Annual percentage change, unless otherwise indicated						
▪ Exports, f.o.b.	-8.6	-1.6	-4.1	5.4	14.7	2.8	-11.2
▪ Imports, f.o.b.	-12.2	-15.8	-5.9	8.1	4.0	4.7	6.0
▪ Travel receipts (gross)	-15.7	3.2	4.8	5.8	-1.3	2.8	3.2
Money and credit	Changes in percent of beginning of period broad money						
▪ Net foreign assets	-5.7	1.6	-2.2	0.8	3.4	-0.3	4.5
▪ Net domestic assets	5.4	-0.8	2.8	1.6	0.9	5.2	-3.4
o Net credit to the public sector	10.7	-3.2	0.4	8.5	2.8	13.9	-1.9
o Credit to the private sector	2.4	1.5	3.7	0.1	-3.4	3.6	-1.2
▪ Average deposit rate (% per annum)	3.3	-	3.1	-	3.0	-	-
▪ Average lending rate (% per annum)	9.5	-	10.0	-	9.4	-	-
Central government	In percent of GDP						
▪ Primary balance	-11.5	3.0	-1.5	-9.0	-1.6	-7.0	2.2
▪ Overall balance	-19.1	-2.3	-3.6	-12.0	-4.2	-10.4	-0.7
o Total revenue and grants	19.7	26.5	20.6	21.1	18.7	22.6	20.5
o Total expenditure	38.8	28.8	24.3	33.1	22.9	33.1	21.3
▪ Financing	19.1	2.3	3.6	12.0	4.2	10.4	0.7
o External	5.2	2.1	2.7	6.2	2.9	-1.0	-1.6
o Domestic	3.0	-0.8	3.8	13.3	-0.4	11.4	0.8
o Change in arrears	9.3	-1.1	-1.1	-4.4	1.5	0.0	1.5

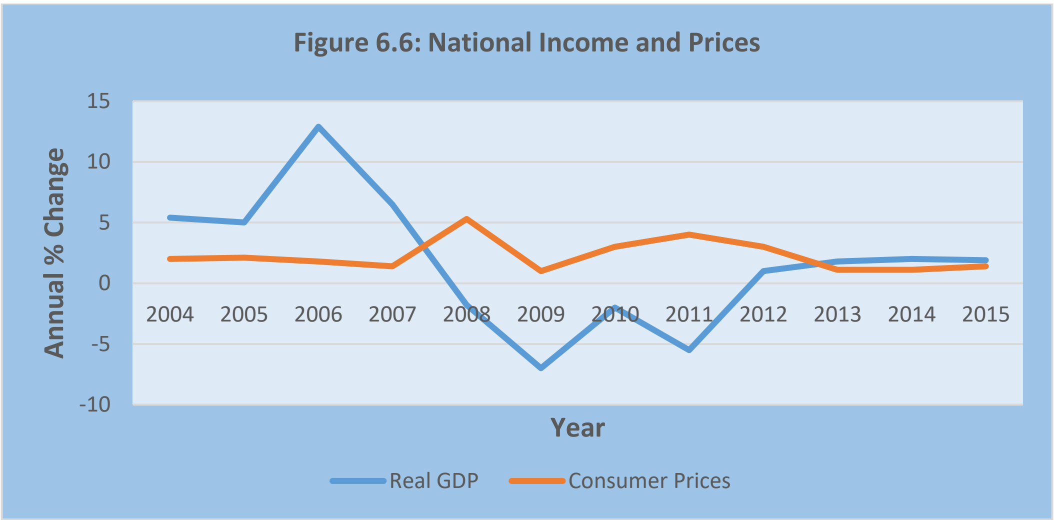
o Statistical discrepancy and revaluations	1.6	0.0	-1.8	-3.2			
▪ Financing Gap	0.0	2.2	0.0	0.0	0.0	0.0	0.0
External sector	In percent of GDP						
▪ Current account balance	-24.7	-16.8	-10.7	-11.4	-14.1	-13.1	-15.3
▪ Trade balance	-45.1	-37.0	-34.3	-35.4	-36.3	-34.6	-38.2
▪ Nonfactor service balance			24.7	25.0	22.9	23.4	23.9
o Of which Gross tourism receipts	24.5	25.3	27.9	28.1	26.2	25.7	26.3
▪ Overall balance	-3.7	-6.2	-0.5	-2.3	-0.7	0.3	1.8
▪ External government debt (end of year)	43.7	47.4	39.4	38.4	43.1	37.0	42.7
o Of which Arrears	17.0	0.0	7.0	0.0	1.8	0.0	1.5
▪ Scheduled external debt service	3.7	4.8	8.5	1.7	4.1	3.6	5.8
▪ (In percent of exports of goods and services)	7.3	9.5	1.7	3.4	8.9	8.0	12.7
Memorandum items							
▪ Gross international reserves of the ECCB							
o (in millions of USD$)	-	-	1,007	957	1,169	1,234	1,281
o (In percent of ECCU broad money)	-	-	21	20	22.6	23.2	23.4
▪ Antigua & B., gross int. reserves (USD$ million					202	197	243
o (In months of prospective imports)					3.2	3.2	3.8
▪ Nominal GDP at market prices (in millions of EC$)	3,097	3,106	3,019	3,170	3,242	3,374	3,339
▪ Central government debt stock							
o (In millions of EC$)	3,310	3,393	3,096	3,075	3,056	3,335	3,224
o (In percent of GDP)	107	109	93	98	94.3	98.9	96.6

Source: Antigua and Barbuda: 2014 Article IV Consultation and Second Post-Programme Monitoring - IMF Country Report No. 15/189; and 2012 Article IV Consultation - IMF Country Report No. 13/76

The evaluation of the impact of SAP on the economy revealed a modest recovery for the period 2010 through 2015. However, long-standing problems in the fiscal and banking sectors remained unresolved, including unsustainable public debt, persistent large financing gaps, high non-performing loans and the delay in bank resolution.

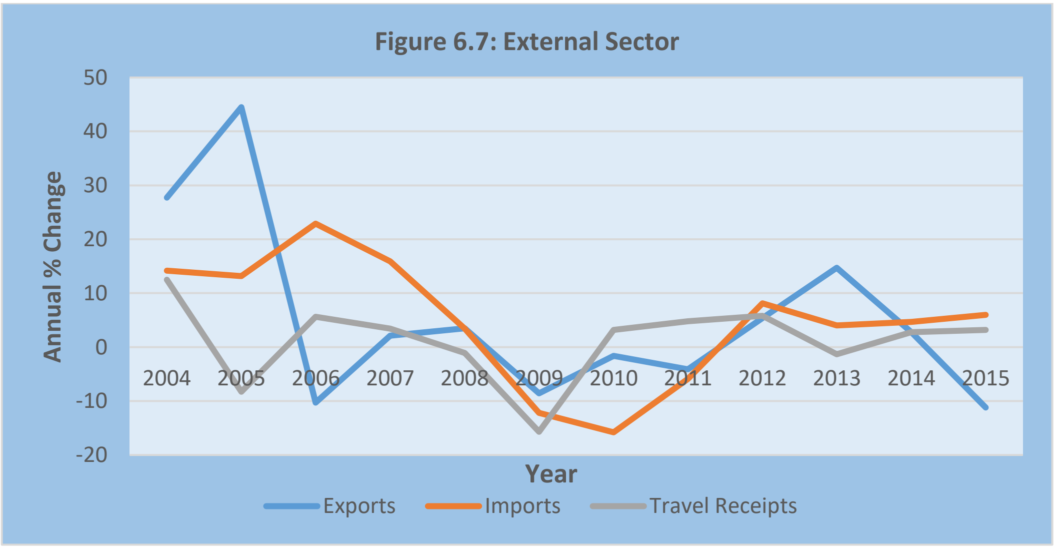
Economic growth showed signs of recovery, especially between 2012 and 2015, with the highest real growth rate of 1.8 percent achieved in 2013 (**Figure 6.6**). This can be compared with real growth rates of -7.0 percent and -5.5 percent achieved in 2009 and 2011, respectively. The modest but positive growth rates attained between 2012 and 2015 were due mainly to strong growth in the tourism industry with the winter season of 2013 being the most successful since 2009. Nevertheless, tourist arrivals are still over 5 percent below pre-global crisis (2008) levels.

Construction activity also recovered gradually with the reconstruction and expansion of the airport terminal and the implementation of the Government's *Construct Antigua and Barbuda* initiative, which offers exemptions for new home construction. Inflation trended down after a high of 4.0 percent in 2011 and stood 1.4 percent in 2015, which was up slightly from 1.1 percent at end-2014. The levels of inflation to a large extent were reflective of changes in food and fuel prices during the period.



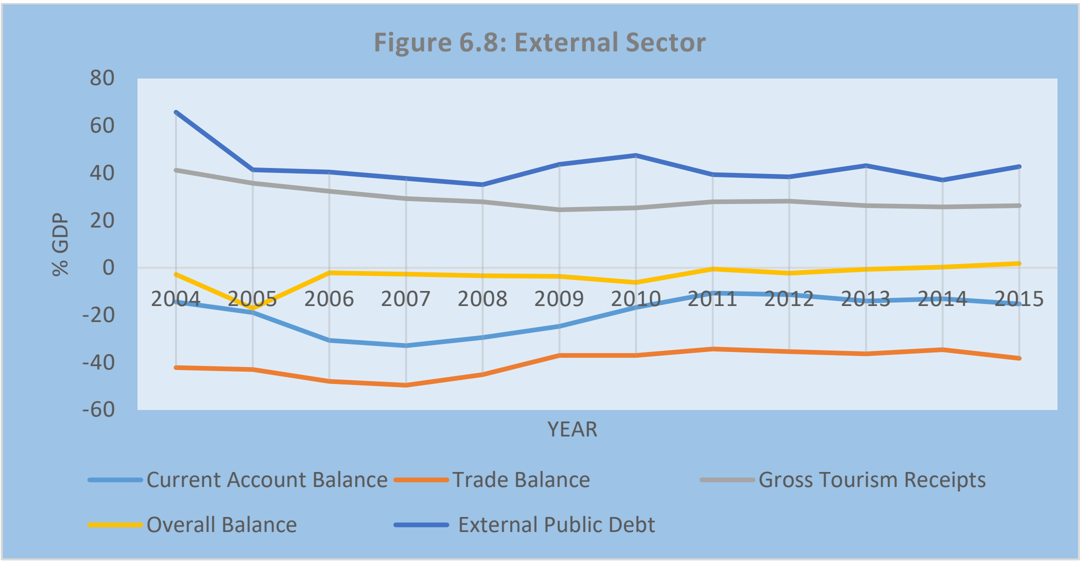
Source: IMF 2010, 2012 and 2014 Article IV Consultation Staff Reports

As can be gleaned from **Figure 6.7**, there were significant annual fluctuations in export, imports and gross travel receipts values throughout 2010 through 2015, albeit with upward tendencies. It is important to note that export values plummeted between 2014 and 2015.



Source: IMF 2010, 2012 and 2014 Article IV Consultation Staff Reports

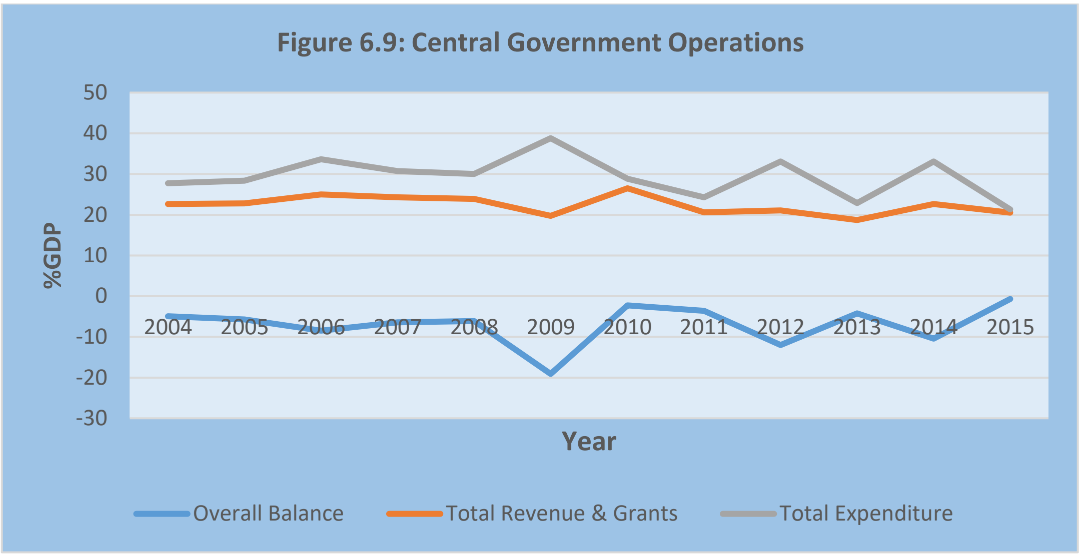
Figure 6.8 presents the trends in major external sector indicators of current account balance, trade balance, gross travel receipts, overall balance, and external public debt as percentages of GDP. As observed, there were only modest changes in the indicators as percentages of GDP from 2010 through 2015.



Source: IMF 2010, 2012 and 2014 Article IV Consultation Staff Reports

Figure 6.9 shows the fiscal stance was eased substantially after the Stand-by Arrangement ended in June 2013 and in the run-up to the June 2014 elections. Spending for the first six months of 2014 was up 7.1 percent compared with the same period in 2013, while tax revenue grew by 3.1 percent. The overall balance deteriorated to -10.4 percent of GDP in 2014 from -4.2 percent for 2013. With limited options for external borrowing following the end of the SBA on account of Antigua and Barbuda's already elevated debt levels, external financing was mainly through the accumulation of arrears, which grew by 1.5 percent of GDP in the first half of 2014. Arrears to the fund emerged in early June as two scheduled payments were missed. The new government settled Fund arrears in July and has made subsequent payments on time. In 2015 arrears were 1.5 percent of GDP.

The performance of the SBA was also affected by financial sector problems, including non-performing loans. Credit to the private sector as a percent of broad money, which was down 3.4 percent in 2013, improved to positive 3.6 percent in 2014, but turned negative in 2015 (-1.2 percent).



Source: IMF 2010, 2012 and 2014 Article IV Consultation Staff Reports

6.4 SAPs and the Macroeconomic Impact on Barbados

6.4.1 Pre-SAPs Economic Situation

Barbados was relatively undiversified up to the 1960s, relying for many years almost exclusively on sugar exports, their most important source of foreign exchange. The island's shallow soils and uneven topographical relief, however, contributed to relatively high production costs, while the rain-fed nature of sugar cultivation in Barbados made it extremely susceptible to droughts. Concurrently, poor management and rising labour costs depressed profitability, driving a large number of sugar growers into debt, resulting in a significant decline in the industry.

As sugar was declining, tourism picked up sparked by the advent of jet transport and eventually became Barbados' principal export. Tourism suffered a severe blow in the early 1970s as rising international oil prices and air transport costs combined with economic stagnation in the western world. Tourism recovered thereafter but growth was sporadic in the 1980s.

Attempts at diversification of the Barbados economy included government incentives for manufacturing, including import trade restrictions. Light manufacturing received a significant boost in the 1970s by way of exports to a booming Trinidad and Tobago economy. At that time, Barbados was able to weather the high price of oil imports by stepping up its oil production to satisfy about one-third of domestic needs.

In October 1982, Barbados entered into a 20-month Stand-by Arrangement (SBA) with the IMF which was occasioned by large fiscal deficits combined with falling levels of foreign direct investment. In the mid-1980s Barbados also started to promote offshore business and financial services, by encouraging a large number of businesses through attractive tax legislation.

As the 1980s drew to a close, tourism and sugar were depressed and manufacturing faltered with the contraction of the Trinidad and Tobago export market. At the same time, rapid fiscal expansion led to growing government deficits which were initially financed by foreign borrowing but later by credit from the Central Bank. Rising unemployment created pressures for the government to provide more jobs in the public service and fiscal discipline waned even further. The repercussions of this state of affairs on the balance of payments were strong and direct. The external current account slipped into deficit, foreign exchange reserves plummeted, the spectre of default on foreign loans loomed, and the parity of the Barbados dollar, pegged to the US dollar at BDS$2 to US$1 since 1976, came under threat.

In February 1992, Barbados entered into a second SBA with the Fund, again prompted by large fiscal deficits combined with falling levels of foreign direct investment. The increase in borrowing to fund capital expenditure projects led to high levels of both domestic and external debt and a subsequent increase in debt servicing.

The 1992 SBA placed fiscal contraction as the central element in stabilizing the Barbados economy, as devaluation was completely ruled out. Following central government deficits averaging 4.3 percent of GDP in fiscal years 1986/87 to 1990/91, a comprehensive tightening of fiscal operations was launched. On the expenditure side, nominal wages in the public sector were cut by 8 percent in late 1991 and frozen in the following year, while the services of 11 percent of public sector workers were terminated. Capital formation was sharply reduced, particularly through deferment of projects which did not have a large foreign-financed component. To improve revenue, a stabilization tax of 1.5 to 5 percent was imposed on incomes, the basic consumption tax rate was raised from 10 to 17 percent, the consumption tax on petroleum increased, and a 20 percent tax on luxury imports was levied. Postal, water, gas, transport charges and rents on public housing were also raised. To improve the finances of the National Insurance Scheme (NIS), contribution rates were increased and unemployment benefits and severance payments reduced. As a result, the fiscal position improved as the overall public sector balance moved from a deficit of over 7 percent of GDP in 1990/91 to a small surplus in 1992/93. The sale of shareholdings in various public entities helped in the financing of government operations.

A programme to reform the Barbadian tax system was launched in 1993, initially with a focus on direct taxation. By 1995 the stabilization tax and some other payroll levies were abolished, the number of personal income tax brackets was reduced from 6 to 2, the corporation tax rate was equalized with the top personal income tax rate at 40 percent, and many exemptions were eliminated. A Value-added Tax (VAT) was introduced at the start of 1997 with a basic rate of I5 percent, except for hotel accommodations at 7.5 percent. The VAT significantly simplified the tax system as it replaced eleven (11) indirect taxes, and also proved to be revenue-enhancing. However, by 2018 Barbados experienced some converging issues:

- Growth in its Debt to GDP ratios moved from 64% in 2008 to 145% as at the end of December 2017 (these figures exclude operational arrears);
- Increased interest expenditure as a percentage of revenues over the same period from 15% of revenues to over 26% of revenues; and
- Decreased foreign reserves, moving from BDS$1.3 billion in 2008 to BDS$410 million as at the end of December 2017 (16.2 weeks of import cover in 2008 down to 6.8 weeks as of December 31, 2017).

Also, there were Government arrears of BDS$1.8 billion (including BDS$460 million owed to the NIS and BDS$345 million owed by the Barbados Revenue Authority to Barbadians and individual companies). Collectively the long term debt, arrears, and contingent liabilities placed the debt-to-GDP ratio close to 175% of GDP.

In June 2018, the Government of Barbados announced the execution of a home-grown economic recovery and transformation programme, the Barbados Economic Recovery and Transformation Plan (BERT). This was supported by a four-year Extended Fund Facility (EFF) arrangement with the

International Monetary Fund, which was approved in October 2018, for an amount equivalent to SDR 208 million (about US$290 million, or 220 percent of Barbados's quota in the IMF). The framework set out under the Programme involves a mix of fiscal adjustment measures; reforms of the state-owned enterprise sector; and other structural economic reforms intended to create a platform for sustainable long-term growth and promote foreign reserves accumulation, while restoring fiscal and debt sustainability over the medium term. The Programme will seek to protect vulnerable groups through strengthened social safety nets.

The key element of the Government's home-grown economic reform programme are:

- **Upfront fiscal adjustment**: The government aims to increase the primary surplus by 2.5 percent of GDP to reach 6 percent of GDP in 2019/20 and maintain it at that level for several years thereafter while protecting vulnerable groups through strengthened social safety nets. Adjustment measures include reduced transfers to state-owned enterprises, higher taxes on tourism, and increased personal income tax and corporate income tax rate rates. The fiscal adjustment effort is to be supported by the adoption of a fiscal rule and Public Financial Management (PFM) reforms.
- **Reform of state-owned enterprises (SOEs)**. At a level of 7.5 percent of GDP, transfers from the central government to state-owned enterprises were considered very high and a major contributor to fiscal risks. The programme aims to reduce transfers by approximately 2 percentage points of GDP by a combination of much stronger oversight of State-Owned Enterprises, supported by improved reporting; cost reduction, including reduction of the wage bill; revenue enhancement, including an increase in user fees; and mergers and divestment.
- S**tructural reforms to support growth**. The programme seeks to address weaknesses in the business climate, including slow processes for obtaining construction permits, getting electricity, and registering property, and is to include financial and labour market liberalization policies.

Essentially the plan is expected to be conducted via a three-phased approach:

- **Phase one (months 1 to 3**): Imposition of user fees on domestic and international players and the complete removal of three Statutory Corporations, and one partially, from the Consolidated Fund, accounting for a $215 million reduction in expenditure in a full fiscal year;
- **Phase two (months 3 to 12):** Expenditure reduction through a review and analysis of Central Government and State-owned Enterprises focusing on mergers of potentially affiliated entities; a review of the framework for international business given the blacklisting by the OECD and the grey-listing by the European Union; and measures to boost growth.
- **Phase three (months 12 and onward):** Continuation of review and analysis of State-owned Enterprises and departments of Government. The combined effect of Phases 1 to 3 is expected to reduce expenditure and raise revenues by approximately BDS$330 million

6.4.2 Macroeconomic Impact of the 2010 SAP on Barbados

Barbados has made good progress in implementing the Economic Recovery and Transformation (BERT) plan—but faces major challenges owing to the global Coronavirus pandemic. **Table 6.7** presents selected economic and financial indicators for Barbados based on the 2019 Article IV Consultation Second Review under the Extended Arrangement - IMF Country Report No. 19/370.

Table 6.7: Barbados – Selected Economic and Financial Indicators, 2010-2020

Description	Year				
	2016	2017	2018	Prelim. 2019	Project. 2020
National income and prices	Annual percentage change				
▪ GDP at constant factor cost	2.5	0.5	-0.6	-0.1	0.6
▪ Consumer prices (period average)	1.5	4.4	3.7	4.0	4.8
▪ CPI inflation (end of period)	3.8	6.6	0.6	6.5	2.3
External sector Exports	Annual percentage change				
▪ Exports of goods and services.	6.6	0.8	0.0	3.3	3.0
▪ Imports of goods and services	0.2	-0.4	-0.4	6.3	1.1
▪ Real effective exchange rate (average)	0.9	2.5	1.2	-	-
Money and credit	Annual percentage change				
▪ Net domestic assets	7.1	2.8	4.1	1.8	2.9
○ Of which credit to the private sector	1.5	3.2	0.4	0.0	3.6
▪ Broad money	4.2	1.2	-0.2	4.2	2.9
Central government	Percent of GDP, unless otherwise indicated				
▪ Revenue and grants	28.3	28.6	29.3	30.5	30.2
▪ Expenditure	33.6	32.9	29.6	27.0	27.5
▪ Fiscal Balance	-5.3	-4.3	-0.3	3.5	2.7
▪ Interest Expenditure	7.6	7.6	3.8	2.5	3.3
▪ Primary balance	2.2	3.3	3.5	6.0	6.0
Public Debt (fiscal year)					
▪ Central gov't gross debt (incl. guaranteed and arrears	149.5	158.3	125.6	115.9	109.9
▪ External	31.3	28.5	32.6	28.7	28.1
▪ Domestic	118.2	129.8	93.0	87.2	81.9
Balance of Payments					
▪ Current account balance	-4.3	-3.8	-3.7	-3.7	-3.6
▪ Capital and financial account balance	0.8	0.8	9.1	6.3	5.4
○ Of which Public Sector	-1.8	-1.4	-3.5	3.3	1.8
○ Of which IMF disbursement	0.0	0.0	1.0	1.9	1.4
○ Of which Private Sector	2.6	2.2	4.1	3.1	3.5
○ Of which Foreign Direct Investment	3.4	3.1	4.4	3.5	3.7
▪ Net Errors and Omissions	1.0	0.3	0.3	0.0	0.0
▪ Overall balance	-2.5	-2.6	5.7	2.6	1.8
Memorandum items					
▪ Exchange rate (BDS$/US$)	2.0	2.0	2.0	2.0	2.0
▪ Gross international reserves					
○ in millions of USD$	320.0	205.7	499.6	636.5	733.7
○ In months of imports of Goods and Services	1.9	1.2	3.0	3.6	4.1
○ In percent of ARA[90]	65.8	40.8	102.6	125.4	135.9
▪ Nominal GDP at market prices (in millions of BDS$) - Calendar Year	9,660	9.956	10,173	10,414	10,682
▪ Nominal GDP at market prices (in millions of BDS$) - Fiscal Year	9,734	10,011	10,234	10,481	10,786

Source: 2019 Article IV Consultation Second Review under the Extended Arrangement - IMF Country Report No. 19/370

Barbados' gross international reserves have rebounded sharply supported by International Financial Institution (IFI) loans. Reserves which were projected to grow to USD 734 million in 2020, increased to more than USD1 billion by end-October 2020 - more than 7 months of import coverage and about 200 percent of the Assessing Reserve Adequacy (ARA) metric. A sharp decline in tourism, partially mitigated by lower petroleum imports, led to a deterioration of the current account, though this was offset in the financial account by larger than expected official sector inflows. Since the third review,

[90] ARA – Assessing Reserve Adequacy

the Balance of Payments (BOP) has strengthened with a smaller than originally projected current account deficit and larger than expected net inflows, especially FDI. The external sector assessment finds that Barbados' external position in 2019 was broadly consistent with fundamentals and desirable policies.

Under the (Financial Management Act (FMA) law, the government must approve all SOE borrowing and can sanction SOEs for noncompliance with enhanced reporting requirements. SOE reforms already implemented under the reform Programme (prior to the pandemic) include staff layoffs at SOEs, renegotiation of supplier contracts, an increase in some tariffs (bus fares, water rates) and new levies on sanitation, health services, and tourism.

6.5 SAPs and the Macroeconomic Impact on Dominica

6.5.1 Pre-SAPs Economic Situation in 2001-2002

Dominica has implemented a total of seven (7) SAPs under the IMF, ranging from the EFF of 1981 to the RCF of 2020 which was in support of the COVID-19 pandemic recovery effort. This report will focus on the support provided under the last four (4) IMF SAPs, namely:

- The Standby Arrangement of August 2002 through June 2004;
- The Extended Credit Facility of December 2003 through to 2006;
- The Rapid Credit Facility of October 2015; and
- The Rapid Credit Facility of April 2020.

The economy of Dominica was recovering from the aftermath of an economic and financial crisis in 2001–02 when output contracted by some 10 percent. The roots of the crisis lay in an unsustainable build-up of public debt in the late 1990s.

The strong fiscal adjustment and collaborative debt restructuring that the authorities subsequently put in place have been accompanied by a rebound in output, and the economy registered its second year of above-average growth in 2005.

The roots of the 2001–02 economic crisis lie in the expansionary fiscal policies of the preceding decade. As output growth declined in the 1990s, the authorities sought to bolster activity by increasing public spending. The primary balance of the central government turned strongly negative in the mid-1990s, and public debt quickly reached unsustainable levels. By 2001, this approach had reached its limits. The build-up in domestic arrears that ensued, coupled with the adverse effects of a severe drought on agriculture and the September 2001 terrorist attacks on the promising tourism sector, precipitated a steep recession.

Agriculture (banana production in particular) plays a much larger role in Dominica than in the other OECS countries, and the 1990s were a relatively difficult time for the sector. This was reflected in uncertainty regarding the future of the preferential trade arrangements for bananas, a trend decline in the banana export price, and the higher productivity of other producers. The acreage, employment and investment in the sector have been declining since the early 1990s. Agricultural difficulties were compounded by the Government's liquidity constraints in 2001–02. With few beaches at hand, the ability to diversify economic activity away from agriculture to traditional tourism activities, as in the neighbouring islands, was limited.

As government arrears mounted, macroeconomic policies could do little to counter the 2001–02 recession. The downturn also weakened revenue collection, causing the primary balance to swing more sharply into deficit to 8.5 percent of GDP in 1999/2000. After peaking at 38 percent of GDP in 1999/2000, public spending was reduced sharply in face of financing constraints contributing to the drop in output. The accumulated arrears of the government to the domestic private sector also caused private demand to decline.

The stabilization program (supported by an SBA) introduced in the 2002/03 budget soon fizzled due to weaker than expected economic conditions and policy slippages. Economic growth in 2002 was much weaker (-4.5 percent) than envisaged under the SBA (-0.5 percent). This resulted from lower exports and tourism receipts as well as an unforeseen sharp decline in private and public investment (the latter due to slow implementation of the public sector investment program). Despite higher foreign grants and lower capital spending, the overall deficit target for 2002/03 was 1.5 percent of GDP, worse than budgeted, due to cyclical factors and the failure to hold down the wage bill as envisaged. With little progress on the fiscal front, arrears to private creditors continued to accumulate.

The IMF provided support to the Government of Dominica Reform Programme through an August 2002 Stand-By Arrangement (SBA) and a December 2003 Poverty Reduction and Growth Facility (PRGF) arrangement.

6.5.2 Macroeconomic Impact of the 2002 and 2003 SAPs on Dominica

A more focused and comprehensive adjustment strategy adopted in mid-2003 enabled the economy to emerge from the crisis. This strategy, initially supported by the SBA and a PRGF of December 2003, focused first on prospects for an orderly adjustment, followed by measures to reinvigorate growth, and a debt strategy to ensure medium-term fiscal sustainability. The strategy has been remarkably successful, allowing growth in 2004–05 to converge to the OECS regional average. The strategy included:

- **Fiscal consolidation -** A central government primary balance of 3 percent of GDP was established as the objective for budgetary policies in due course. The primary balance has swung from an average deficit of 1.5–2 percent of GDP in 2001– 03 to a surplus of 4.5 percent of GDP in 2004/05. Both higher revenues and lower spending contributed to the improvement. Revenue measures aimed at broadening the tax base, improving the efficiency of the tax system, and the economic recovery helped to increase the revenue to GDP ratio. On the expenditure side, remarkable restraint was demonstrated by the Government. The wage bill, which at 17 percent of GDP was one of the largest in the region, was reduced by more than 3 percentage points. Non-grant funded investment spending has also been scaled back.

- **Debt restructuring -** With the debt-to-GDP ratio approaching 130 percent, the authorities concluded in December 2003 that the debt situation was unsustainable, an assessment that was supported by the IMF staff. The debt exchange offer that the government eventually launched was aimed primarily (but not exclusively) at private-sector creditors. The restructuring process coupled with the fiscal consolidation effort has allowed the debt stock to decline to 117 percent of GDP at end-2004.

- **Structural fiscal reforms.** A broad range of structural reforms were initiated. Most notably, legislation to introduce a VAT was passed by Parliament.

Dominica has come a long way from the low point of the 2001–02 economic crisis when output contracted by 10 percent. Economic growth has resumed and inflation remains subdued. Real GDP increased by an estimated 3.5 percent in 2004. The expansion was relatively broad-based, with virtually all sectors showing an increase. The expansion has continued and staff and the authorities expect real GDP growth to reach 3 percent in 2005. Inflation declined in 2004 and remained subdued through July 2005, despite the pass-through of higher energy prices to consumers (**Table 6.8**)

Mirroring the domestic recovery, import growth has picked up. Increased tourism receipts improved the current account impact with merchandise exports broadly unchanged. Financial intermediation has also rebounded. After a contraction that started in mid-2001, credit to the private sector turned positive from mid-2004. Notwithstanding the pick-up in credit growth, banking system liquidity remains high due in part to the strengthened fiscal accounts and growing deposits.

Table 6.8: Dominica - Selected Economic and Financial Indicators, 2001-2008

Description	Year							
	2001	2002	2003	2004	2005	2006	2007	2008
Output and prices	Annual percentage change, unless otherwise specified							
▪ Real GDP	-4.2	-4.7	0.0	3.5	3.3	4.8	2.5	3.2
▪ Nominal GDP	-3.0	-5.1	1.7	4.7				
▪ Consumer prices, end of period	1.1	0.4	2.9	0.8	2.7	1.8	6.0	2.1
Central government balances (accrual)	In percent of GDP, unless otherwise specified							
▪ **Revenue**	30.2	32.7	40.0	39.4	39.0	40.2	44.7	46.2
o Taxes					28.8	29.5	30.4	32.0
o Non-tax revenue					2.8	3.1	2.9	2.6
o Grants					7.2	7.5	11.3	11.6
▪ **Expenditure**	38.8	38.2	41.3	42.9	37.9	36.6	42.5	45.3
o Current primary expenditure	33.1	33.1	31.2	30.6	28.9	26.7	28.3	29.3
o Interest payments								
o Capital expenditure	5.7	5.1	10.1	12.3	9.0	9.9	14.2	16.0
▪ Primary balance					6.3	5.8	4.6	3.1
▪ Overall balance	-8.6	-5.4	-1.3	-3.5	1.2	3.6	2.2	0.9
▪ Annualized cause of natural disasters	-	-	-	-	-	-	-	-
▪ Public debt (incl. guaranteed)	93.7	127.2	130.6	116.7	100.4	95.7	90.9	84.7
o External	67.5	79.9	84.4	81.2	68.8	67.7	63.6	58.9
o Domestic	26.2	47.3	46.2	35.5	31.6	28.0	27.3	26.0
Money and credit, end of period	Annual percentage change, unless otherwise specified							
▪ Broad Money		8.5	1.0	5.9	3.7	9.9	9.7	4.3
▪ Credit to private sector	-3.1	-1.3	-2.3	4.3	4.1	7.6	3.4	5.5
Balance of payments								
▪ Current account balance	-18.7	-13.8	-13.0	-17.2	-26.0	-15.7	-25.0	-31.8
o Exports of goods and services								
o Imports of goods and services								
▪ Capital and financial account balance	-				-19.9	-6.9	-15.8	-16.7
o FDI								
o Capital grants								
o Other (incl. errors and omissions)								
▪ External debt (gross)	67.5	79.9	84.4	81.2	68 .8	67.7	63.6	58.9
Savings-Investment balance (% GDP)	-11.3	-5.6	-5.7	-7.3	-19.9	-6.9	-15.8	-16.7
▪ Savings	13.6	15.3	19.7	21.6	8.9	22.0	15.3	12.8
▪ Investment	25.4	20.9	25.4	28.9	28.7	28.9	31.1	29.5
Memorandum items								
▪ Nominal GDP (EC$ million)	706.8	680.5	697.1	731.7	808	856	921	984
▪ Net imputed international reserves								
o Months of imports of goods and services				2.9	3.0	3.8	3.0	2.4

Source: 2018 Article IV Consultation - IMF Country Report No. 18/265

6.5.3 Pre-SAPs Economic Situation in 2015 and 2018

After the tropical storm Erika in August 2015, the Government of Dominica focused recovery efforts on infrastructure rehabilitation, social support, and the identification of financing for reconstruction. The approval by the IMF of a loan under the RCF (SDR 6.15 million) in October 2015 supported immediate financing needs. The storm worsened long-standing competitiveness and fiscal sustainability problems. The difficulties related to restraining public wage expenditures and executing public investment further compound these challenges.

The recovery was underpinned by an increase in public investment for reconstruction and a gradual normalization of economic activities, mainly tourism and agriculture. The current account and fiscal deficits were projected to deteriorate during the reconstruction phase and to improve gradually over the medium term on the back of the fiscal consolidation and the recovery of the main export sectors.

Dominica was still recovering from the tropical storm Erika of August 27, 2015 when the Category 5 Hurricane Maria made landfall on September 18, 2017. While Erika had caused severe damage, estimated at 96 percent of GDP, Maria was Dominica's worst natural disaster, with more than thirty deaths and damage estimated at US$1.3 billion, or 226 percent of GDP. Hurricane Maria affected almost every household and economic sector, most of which were insufficiently insured. The recovery cost was estimated at US$1.3 billion. Labor-intensive sectors sustained substantial loss and damage, particularly agriculture (31 percent of GDP), transport (17 percent of GDP), and commerce (microbusiness, 13 percent of GDP). The remaining damage fell on the public sector, with infrastructure carrying the brunt (43 percent of GDP). Public education and health facilities also incurred significant damage.

Agriculture, livestock and fisheries sectors were devastated with output estimated at one-fourth of pre-hurricane levels due to loss of crops, substantial destruction to trees and livestock, and significant equipment loss. Manufacturing also suffered severe damage to production facilities. Tourism room capacity was halved, also affecting services such as transport, restaurants, and wholesale and retail trade services. Public services and transport were severely affected by damage to electricity, water and sanitation infrastructure. Many secondary roads, critical to access arable land and transport labour and agricultural products to markets and ports, remain inaccessible. Construction, on the other hand, had a positive contribution to growth, reflecting pre-hurricane investments and rehabilitation and reconstruction. The analysis below relies heavily on the 2018 Article IV Consultation - IMF Country Report No. 18/265, which provides an excellent analysis of the economic and financial situation pre- and post - Hurricane Maria in Dominica.

After the hurricane, tax revenue declined by 23 percent while expenditure increased by 18 percent, mainly due to rehabilitation costs, public investment, and wage advances to public employees. With the revenue collapse, drawdown of large government deposits helped to meet financing needs. As of December 2017, the authorities had deposits in the banking system equivalent to 24 percent of GDP, largely from their Citizenship-By-Investment (CBI) Programme. In addition to in-kind support, Dominica received an insurance pay out of US$20.6 million from the Caribbean Catastrophe Risk Insurance Facility (CCRIF) and grants amounting to US$10.9 million as of end-March 2018.

The hurricane exacerbated weaknesses in the financial sector, particularly of non-bank institutions. Prior to the hurricane, low bank profitability and high rates of non-performing loans (15 percent of total loans) constrained credit to the private sector which, despite ample liquidity, was on a downward trend. After the hurricane, banks NPLs increased to 17.4 percent of loans, while provisioning nearly doubled to reach 80 percent of NPLs by end-2017. Credit unions, which account for over half of financial intermediation increased credit modestly given less demanding requirements.

A Climate Resiliency Executing Agency of Dominica (CREAD) was established to boost the execution of large public investment projects with resilience to natural disasters. CREAD operated as an independent agency and reported to Parliament. It was funded by DFID grants and managed by non-government technical experts.

6.5.4 Macroeconomic Impact of the 2015 SAP on Dominica

Table 6.9 presents key economic and financial indicators for Dominica for the period 2012 -2020.

Table 6.9: Dominica - Selected Economic and Financial Indicators, 2012-2020

Description	Year								
	2012	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**Proj. 2020**
Output and prices	Annual percentage change, unless otherwise specified								
▪ Real GDP	-1.1	0.8	4.2	-3.7	2.6	-4.7	-14.1	9.4	6.8
▪ Nominal GDP	-3.0	4.6	3.9	1.3	8.7	-4.1	-12.9	11.2	8.7
▪ Consumer prices, end of period	1.3	-0.4	0.5	-0.5	-0.2	1.4	1.4	1.8	1.8
▪ Consumer prices, period average	1.4	0.0	0.8	-0.8	0.0	0.6	1.4	1.8	1.8
▪ Real effective exchange rate									
Central government balances (accrual)	In percent of GDP, unless otherwise specified								
▪ **Revenue**	30.3	30.0	27.1	31.5	47.1	46.8	37.0	34.8	27.8
o Taxes	22.2	21.8	22.1	22.7	23.5	18.9	20.1	21.7	22.3
o Non-tax revenue	5.4	5.1	3.0	6.8	22.7	18.7	8.8	6.8	4.5
o Grants	2.7	3.1	2.0	2.1	0.9	9.1	8.1	6.2	0.9
▪ **Expenditure**	35.6	32.8	31.7	32.4	43.3	46.1	41.0	38.9	36.2
o Current primary expenditure	23.2	21.9	23.3	23.0	25.8	27.5	25.1	23.5	22.9
o Interest payments	2.0	2.0	1.6	1.9	1.6	1.3	1.9	1.8	1.8
o Capital expenditure	10.4	8.9	6.8	7.5	15.9	17.3	14.1	13.6	11.5
▪ Primary balance	-3.4	-0.8	-3.0	1.0	5.4	2.0	-2.1	-2.3	-6.6
▪ Overall balance	-5.4	-2.8	-4.6	-0.9	3.8	0.7	-5.5	-5.6	-9.9
▪ Annualized cause of natural disasters							1.5	1.5	1.5
▪ Public debt (incl. guaranteed)	72.4	80.1	78.7	75.3	71.7	82.7	87.7	83.3	86.1
o Domestic	52.8	61.6	61.0	58.1	54.7	66.0	71.1	68.1	72.8
o External	19.6	18.5	17.7	17.1	17.1	16.7	16.6	15.2	13.2
Money and credit, end of period	Annual percentage change, unless otherwise specified								
▪ Broad Money	9.7	2.2	7.8	4.0	6.0	17.4	-0.9	-0.4	0.0
▪ Credit to private sector	3.0	-0.3	-2.7	0.9	3.1	-3.0	-1.0	0.5	0.5
Balance of payments									
▪ Current account balance	-17.3	-9.7	-7.1	-1.9	0.8	-12.5	-31.7	-22.1	-20.4
o Exports of goods and services	32.6	38.1	51.6	50.1	48.3	42.6	33.2	41.4	44.2
o Imports of goods and services	51.4	47.9	63.4	58.8	54.0	67.2	83.1	81.0	75.7
▪ Capital and financial account balance	-11.7	11.7	6.7	11.4	29.6	41.4	1.3	-3.5	-9.0
o FDI	-12.0	-4.6	-2.6	-4.2	-5.4	-5.2	-6.8	-6.4	-6.2
o Capital grants	4.5	3.6	7.6	10.3	23.5	22.1	16.5	9.1	5.5
o Other (incl. errors and omissions)	0.7	0.7	1.9	8.2	22.1	18.8	12.4	7.3	4.6
▪ External debt (gross)	76.0	84.0	83.7	86.5	77.9	88.8	99.6	95.6	99.7
Savings-Investment balance	-17.3	-9.7	-7.0	-1.9	0.8	-12.5	-31.7	-22.1	-20.4

▪ Savings	-2.1	3.9	7.6	14.3	20.0	10.8	-6.3	-1.0	-2.2
▪ Investment	15.2	13.6	14.8	16.2	19.2	23.3	25.4	21.1	18.2
Memorandum items									
▪ Nominal GDP (EC$ million)	1,312	1,373	1,426	1,445	1,570	1,505	1,310	1,456	1,583
▪ Net imputed international reserves									
o Months of imports of goods and services	4.4	4.2	3.6	4.8	8.4	6.8	6.3	5.7	5.6

Source: 2018 Article IV Consultation - IMF Country Report No. 18/265

The main risks to the economic recovery process in Dominica stem from public financing uncertainties, possible financial sector instability, and capacity constraints affecting reconstruction. The speed and extent of the recovery depend critically on the availability of grants, administrative capacity to meet requirements for the disbursement of official loans, and CBI program performance. Fiscal and current account deficits would be smaller, however, should financing be lower than projected. Discontinuation of Petro-caribe financing flows of near 1 percent of GDP per year could add to looming financing constraints. The recovery also depends on reconstruction capacity constraints, including possible bottlenecks on the availability of construction materials and specialized labour, and the success of CREAD. Natural disasters remain a recurrent threat.

6.6 SAPs and the Macroeconomic Impact on Grenada

6.6.1 Pre-SAPs Economic Situation 2001 through 2013

Grenada has received support from the IMF under nine (9) SAPs between 1975 and 2020. The following provides an analysis of the support provided under the ECF in 2010 and 2014, as well as under the RCF in 2020.

In 2009, Grenada's economy was severely impacted by the global crisis. The economic downturn was deeper than initially expected, reflecting the adverse effects of the difficult external environment on growth; the external position and fiscal revenue, especially as related to tourism receipts; FDI and remittances. While economic performance in 2008 was better than previously estimated, economic activity in 2009 slowed markedly.

The weak economy led to rising unemployment while poverty remains widespread. According to a preliminary draft of the Country Poverty Assessment (CPA) prepared with assistance from the Caribbean Development Bank, the unemployment rate stood at 25 percent in June 2008. The collapse of the Trinidad and Tobago-based CL Financial Group represents a major challenge to financial system stability.

The high debt-to-GDP ratio (over 100 percent of GDP at end-2008) provided the government very little space for countercyclical fiscal policies. Furthermore, weak economic activity resulted in total revenues during 2009 to be near 1.5 percent of GDP, which was lower than anticipated. Although a tax amnesty that ended in April yielded EC$9 million (0.5 percent of GDP) more than expected, the sharp decline in imports resulted in a substantial shortfall (1 percent of GDP) of international trade taxes.

The government has been protecting social spending to mitigate the impact of the economic slowdown on vulnerable groups. A joint social safety net assessment by the United Nations and the

World Bank estimates that social assistance spending increased from 1.4 percent of GDP in 2004 to 3.2 percent in 2008, partly reflecting escalating food prices. In April 2010, the IMF, after reflecting on the adverse external circumstances of 2009, approved an augmentation of total resources under the 2006 PRGF-supported Programme to SDR 16.4 million (140 percent of quota).

After demonstrating a slight recovery in the years 2010 through 2012, Grenada found itself amid a deep fiscal crisis in 2013. Public debt reached about 110 percent of GDP at the end - 2013, in part reflecting attempts to run countercyclical fiscal policies since the outset of the global crisis. The government assuming office in March 2013 found that it was unable to meet its financial obligations and immediately announced that it would seek a "comprehensive and collaborative" debt restructuring. To address these challenges, the Government designed a comprehensive adjustment programme that focused on:

- **Strengthening competitiveness** to improve medium-term growth prospects by tightening income policies, removing constraints to growth through reforms in the energy and other sectors, improving the investment environment, and putting in place the legal infrastructure for public-private partnerships.
- **Restoring fiscal sustainability** through a comprehensive three-pillar approach consisting of: (i) a significant and frontloaded fiscal adjustment to address flow imbalances, (ii) a comprehensive debt restructuring to address stock imbalances, and (iii) ambitious fiscal structural reforms to support fiscal sustainability.
- **Strengthening the financial sector**

In support of the country comprehensive adjustment programme, the government in June 2014 requested and obtained approval from the IMF for a three year Extended Credit Facility (ECF) in the amount of SDR14.04 million (120 percent of quota, about US$21.9 million). SDR2.04 million was available upon Board approval of the ECF and the remainder in six subsequent instalments of SDR 2 million upon successful completion of semi-annual reviews.[91]

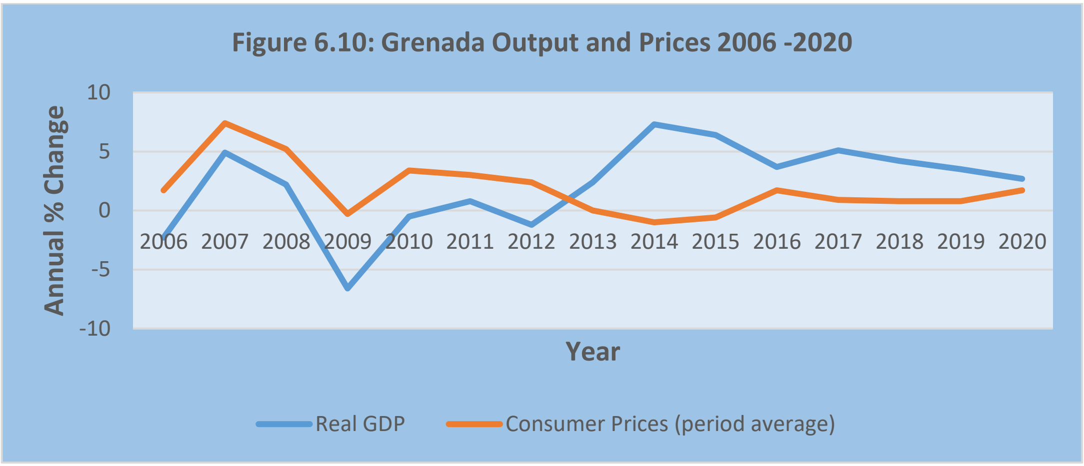
6.6.2 Macroeconomic Impact of the 2014 SAP on Grenada

The support provided by the IMF has resulted in the robust growth of the Grenadian economy since 2014. Based on the IMF 2018 Article IV Consultation Staff Report, by 2018, GDP expanded by 4.2 percent, driven by strong activity in construction and tourism. Unemployment has been falling, but it remains high at 21.7 percent as of mid-2018. Inflation remained low and bank credit growth is positive. The external current account deficit narrowed in 2018 due to strong tourism receipts, but it remains elevated at around 11 percent of GDP. Robust FDI flows, including from the Citizenship-by-Investment (CBI) Programme, are financing the external deficit while supporting economic growth. Adherence to the fiscal responsibility law (FRL) has enabled further debt reduction. The fiscal surplus increased further in 2018, reflecting a combination of strong revenues and adherence to the FRL mandated expenditure restraint. Low execution of grant financing and institutional bottlenecks in project execution combined to keep capital outlays subdued at 2.8 percent of GDP. Central government debt fell from 70 to 63.5 percent of GDP in 2018, but arrears remain to be regularized. Grenada's positive economic performance continued into earlier 2020 when the impact of COVID – 19 started to be reflected in key indicators.

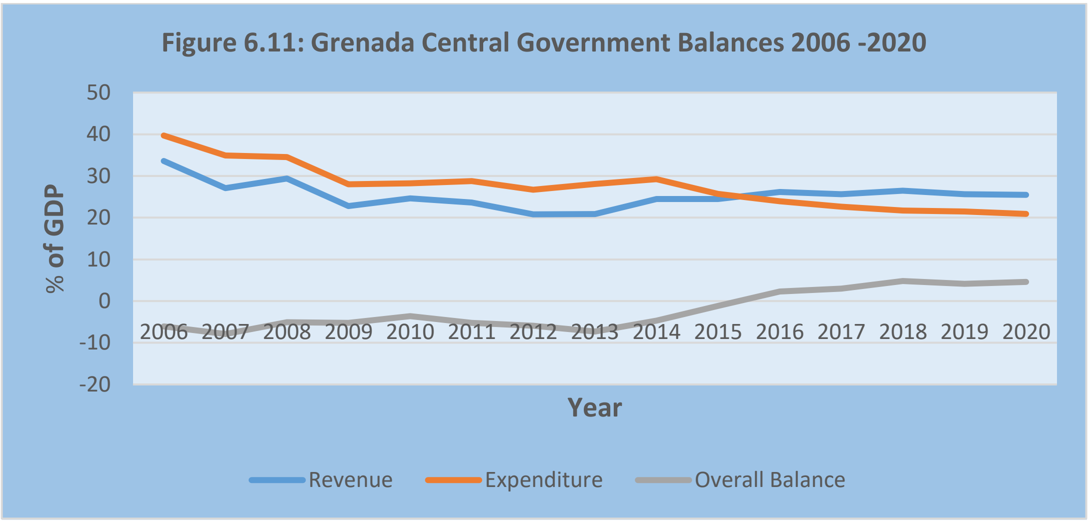
Grenada's impressive economic performance over the past five years was marked by a virtuous cycle of high growth and falling debt. At the root of this success were fiscal and structural reforms implemented under the country's home-grown programme that was supported by the 2014-17 ECF arrangement. Notwithstanding the large and sustained fiscal consolidation, growth surged in 2014-18

[91] IMF 2014 Article IV Consultation

averaging 5.5 percent per year. Good agriculture harvests early in this period, strong FDI into large tourism projects, solid US growth, and confidence effects from fixing fiscal imbalances and other policy improvements supported this expansion. **Figures 6.10 through 6.14** provide a graphical representation of the economic performance of the Grenada economy during the period 2006 through 2020[92].



Source: IMF 2010, 2014 and 2019 Article IV Consultation Staff Reports



Source: IMF 2010, 2014 and 2019 Article IV Consultation Staff Reports

[92] 2020 figures are projection based on 2018 information.

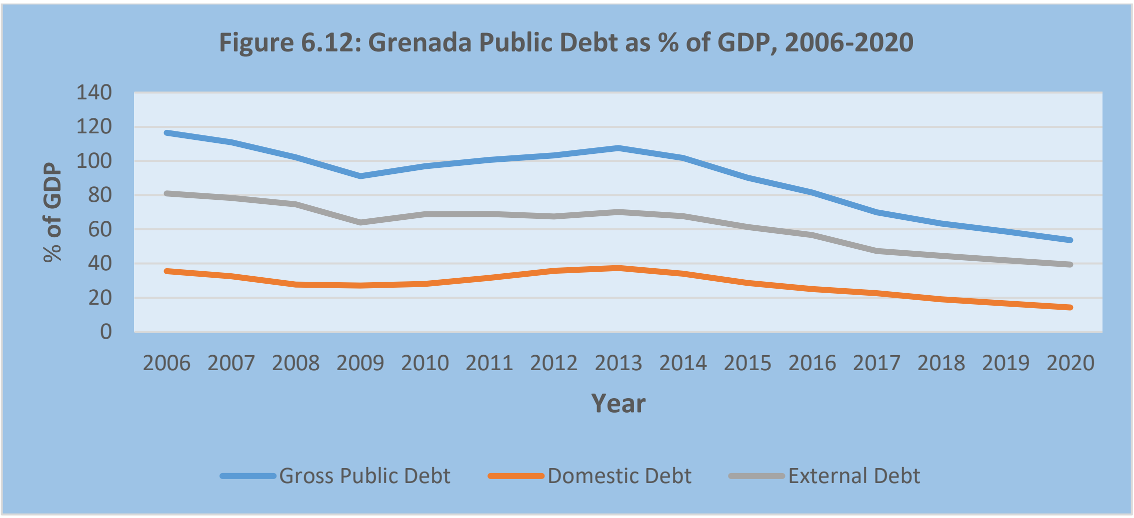


Figure 6.12: Grenada Public Debt as % of GDP, 2006-2020

Source: IMF 2010, 2014 and 2019 Article IV Consultation Staff Reports

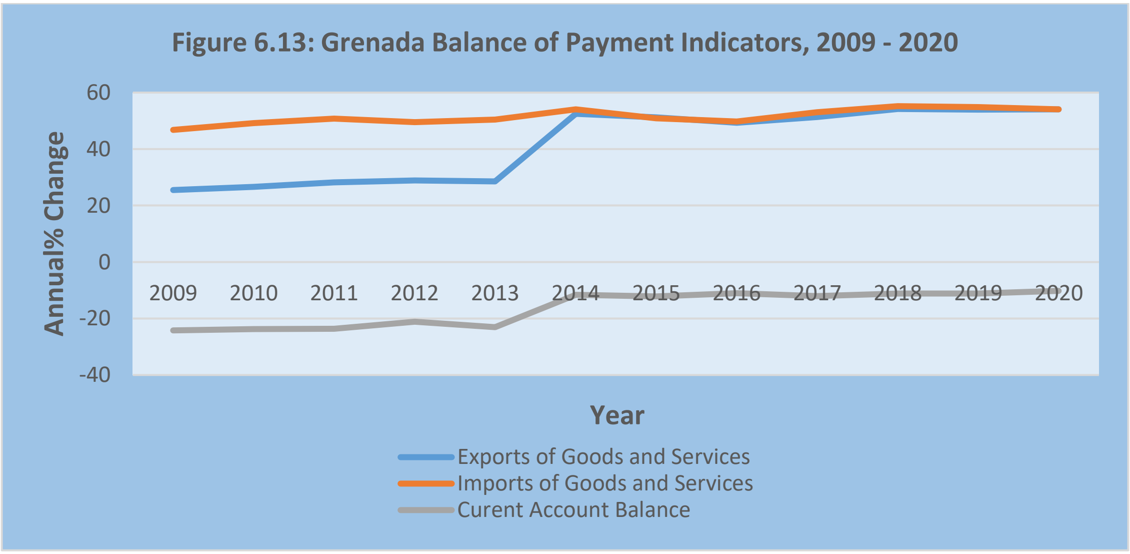


Figure 6.13: Grenada Balance of Payment Indicators, 2009 - 2020

Source: IMF 2010, 2014 and 2019 Article IV Consultation Staff Reports

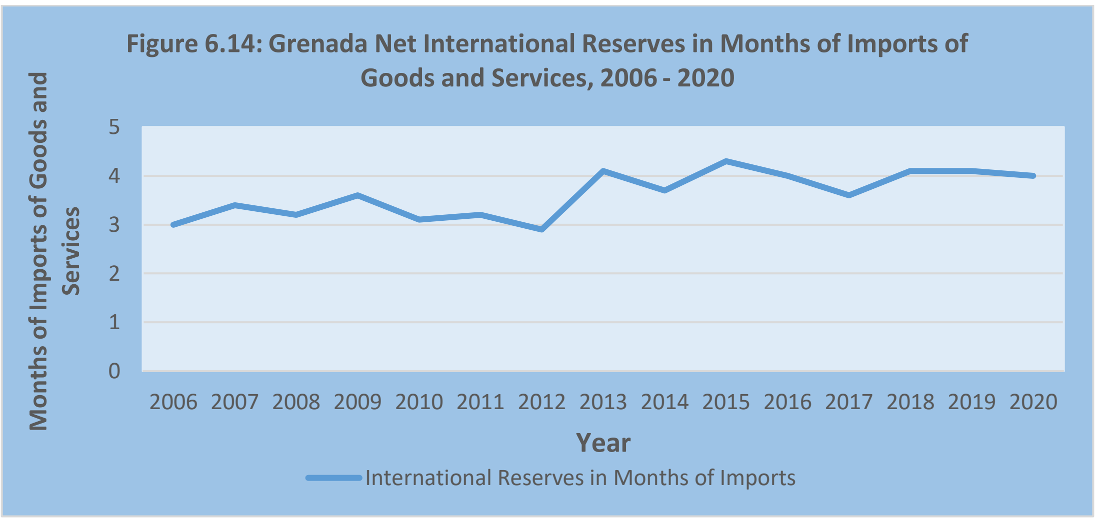


Figure 6.14: Grenada Net International Reserves in Months of Imports of Goods and Services, 2006 - 2020

Source: IMF 2010, 2014 and 2019 Article IV Consultation Staff Reports

Growth remained vigorous in 2017–18 but was uneven across sectors. Activity expanded by 4-5 percent led by booming construction in FDI-financed tourism-related projects. Tourism-related industries, including hotels, restaurants and transportation grew by about 10 percent in 2018, with activity in these sectors being temporarily boosted by cruise passenger traffic and port storage demand diverted from the region's hurricane-struck countries at the turn of 2017/18. Unemployment declined from 23.5 percent in 2017 to 21.8 percent in mid-2018 but remained elevated, with youth unemployment remaining particularly high (but also on a declining trend). Solid Citizenship-by-Investment (CBI) inflows (4.5 percent of GDP) supported growth through FDI and financing of public projects.

Inflation has remained subdued. CPI growth remained 1 percent between 2017 and 2020 (year-average basis). Compliance with the fiscal responsibility law (FRL) has facilitated record budget surpluses and rapid debt reduction. The fiscal surplus strengthened further in early-2019, despite moderate tax cuts. The top personal income tax rate and the corporate income tax rate were both reduced from 30 to 28 percent starting from 2019. **Table 6.10** presents a detailed picture of the overall economic and financial situation of Grenada during 2006 through to 2020[93] period. It is important to note here that the projections for 2020 were not realized due to the impact of the COVID- 19 pandemic.

[93] Projected figures.

Table 6.10: Grenada - Selected Economic and Financial Indicators, 2005-2020

Description	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Proj. 2020
Output and prices	Annual percentage change, unless otherwise specified														
▪ Real GDP	-2.3	4,9	2.2	-6.6	-0.5	0.8	-1.2	2.4	7.3	6.4	3.7	5.1	4.2	3.5	2.7
▪ Nominal GDP				-6.6	0.0	1.0	2.7	5.3	8.2	9.4	6.5	6.1	5.2	4.7	4.6
▪ Consumer prices, end of period	4.2	3.9	8.0	-2.3	4.2	3.5	1.8	-1.2	-0.6	1.1	0.9	0.5	1.4	0.9	1.9
▪ Consumer prices, period average	1.7	7.4	5.2	-0.3	3.4	3.0	2.4	0.0	-1.0	-0.6	1.7	0.9	0.8	0.8	1.7
▪ Real effective exchange rate	-4.6	0.2	6.6	-8.8	1.0	1.1	-1.0	-1.9	-3.5	2.5	-0.2	-2.6	-2.4	-	-
Central government balances (accrual)	In percent of GDP, unless otherwise specified														
▪ **Revenue**	**33.6**	**27.1**	**29.4**	**22.8**	**24.6**	**23.6**	**20.8**	**20.9**	**24.5**	**24.5**	**26.2**	**25.6**	**26.5**	**25.6**	**25.5**
o Taxes	23.2	24.4	23.7	17.5	18.7	18.4	18.0	16.6	18.2	19.0	20.9	21.4	22.0	21.5	21.5
o Non-tax revenue	1.7	1.6	1.7	2.0	1.9	1.8	1.7	2.9	2.2	2.2	1.8	1.7	1.6	1.6	1.6
o Grants	8.7	1.0	4.1	3.3	4.0	3.4	1.1	1.4	4.1	3.2	3.5	2.6	2.9	2.4	2.4
▪ **Expenditure**	39.7	34.9	34.5	**28.0**	**28.2**	**28.8**	**26.7**	**28.1**	**29.2**	**25.7**	**23.9**	**22.6**	**21.7**	**21.5**	**20.9**
o Current primary expenditure	19.1	19.3	20.7	18.2	18.8	18.6	18.3	17.8	16.4	14.0	16.9	17.3	17.0	16.5	16.5
o Interest payments	1.8	2.1	2.1	2.2	2.2	2.5	3.4	3.3	3.5	3.3	2.9	2.7	2.0	2.1	1.9
o Capital expenditure	18.8	13.5	11.7	7.6	7.3	7.8	5.0	7.1	9.2	8.3	4.2	2.6	2.7	2.8	2.5
▪ Primary balance	-4.3	-5.8	-3.0	-3.0	-1.5	-2.7	-2.5	-3.9	-1.1	2.1	5.2	5.7	6.8	6.2	6.5
▪ Overall balance	-6.1	-7.9	-5.1	-5.2	-3.6	-5.2	-5.9	-7.3	-4.7	-1.2	2.3	3.0	4.8	4.1	4.6
▪ Public debt (incl. guaranteed)	116.5	111.0	102.2	91.1	96.9	100.7	103.3	107.6	101.8	90.1	81.6	70.0	63.4	58.7	53.7
o Domestic	35.5	32.6	27.6	27.2	28.0	31.7	35.8	37.4	34.1	28.7	25.0	22.6	19.0	16.7	14.3
o External	81.0	78.4	74.6	63.9	68.9	69.0	67.6	70.2	67.7	61.4	56.6	47.4	44.5	42.0	39.4
Money and credit, end of period	Annual percentage change, unless otherwise specified														
▪ Broad Money	0.1	11.0	4.1	3.0	1.0	0.7	0.7	4.1	4.1	5.2	1.3	4.0	5.9	4.7	4.6
▪ Credit to private sector	8.5	12.0	10.2	4.5	5.6	2.2	0.2	-5.1	-5.1	-3.8	-0.2	0.6	2.8	5.2	4.7
Balance of payments															
▪ Current account balance				-24.3	-23.7	-23.6	-21.1	-23.1	-11.6	-12.2	-11.0	-12.0	-11.2	-11.2	-10.2
o Exports of goods and services				25.5	26.6	28.2	28.9	28.5	52.5	51.2	49.3	51.3	54.2	54.0	54.1
o Imports of goods and services				46.8	49.2	50.8	49.5	50.4	54.1	50.9	49.8	53.1	55.2	54.9	54.1
▪ Capital account balance									7.1	3.3	4.7	5.9	5.2	5.2	5.1
▪ Financial account balance									-6.2	-5.8	-2.2	-5.5	-5.8	-6.0	-5.1
▪ Errors and omissions									-1.8	3.2	4.1	0.2	0.2	0.0	0.0
▪ External debt (gross)				113.5	123.4	136.3	141.0	144.0	143.0	133.2	125.7	117.4	108.0	106.6	101.7
Savings-Investment balance				-24.3	-23.7	-21.1	-23.2	-15.5	-11.6	-12.2	-11.0	-12.0	-11.2	-11.2	-10.2
▪ Savings				-0.4	-1.7	-3.7	-4.7	-3.2	6.7	5.5	9.1	9.0	11.0	9.0	9.1
▪ Investment				23.9	22.0	19.9	16.3	20.0	18.3	17.7	20.1	20.9	22.2	20.2	19.3
Memorandum items															
▪ Nominal GDP (EC$ million)	1,524	1,648	1,832	2,082	2,082	2,102	2,160	2,275	2,461	2,692	2,866	3,043	3,202	3,352	3,508
▪ Net imputed international reserves															
o Months of imports of goods and services	3.0	3.4	3.2	3.6	3.1	3.2	2.9	4.1	3.7	4.3	4.0	3.6	4.1	4.1	4.0

6.7 SAPs and the Macroeconomic Impact on St. Lucia

St. Lucia, a tourism-dependent economy in the Caribbean, was adversely affected by the COVID-19 pandemic. Tourism exports, which typically would account for nearly 90 percent of the country's foreign exchange earnings yearly, have come to an abrupt halt with widespread cancellations spreading out into the foreseeable future. The economy is now projected to contract by 8.5 percent in 2020. More severe local outbreaks of COVID-19 could cause additional widespread and prolonged disruptions to economic activity.

Reflecting the large external financing gaps arising from the sharp contraction of net exports and the significant fiscal needs to immediately increase public health spending, the government sought financial assistance under the Rapid Credit Facility (RCF) exogenous shock window of SDR 21.4 million, equivalent to 100 percent of quota, to be used for budget support. The Executive Board of the International Monetary Fund (IMF) approved a disbursement loan to St. Lucia following the request under the Rapid Credit Facility (RCF) mechanism, to help cover its balance of payment needs stemming from the outbreak of the COVID-19 pandemic. Disbursement to St. Lucia was at the maximum available access under the RCF instrument of 100 percent of quota for St. Lucia (SDR 21.4 million or US$ 29.2 million).

Pre-Covid-19, the St. Lucian economy grew steadily in recent years, driven by robust tourism exports. Growth has averaged 2.6 percent in 2017-19, compared to the historical average of 1.5 percent. Increased activity in hotel and food services have accounted for half of this growth. The robust tourism sector growth reflected favourable external conditions, including strong growth in the United States (which account for nearly half of St. Lucia's stayover tourists). There are also large public infrastructure investments that are getting underway (e.g. a new airport terminal that will cost 9 percent of GDP funded through government-guaranteed loans from Taiwan Province of China and local and regional banks). Public debt, which had stabilized in recent years, was projected to rise in the near term to nearly 70 percent of GDP owing to the project loans. The 2019 Article IV consultation assessed debt vulnerability to be elevated and public debt not stabilized over the near term under current policies.

The current account recorded a 2 percent of GDP surplus in 2019. However, a range of indicators including the Doing Business Ranking, labour productivity growth and unit labour costs suggest St. Lucia has important competitiveness challenges, particularly in the non-tourism sector. St. Lucia maintains imputed reserves at the Eastern Caribbean Central Bank (ECCB) of around 3.2 months of imports at the end of 2019.

The COVID-19 pandemic is likely to have a continued adverse effect on the St. Lucian economy. The government has implemented a range of resolute containment measures, including border closures and a 24-hour shutdown during April 1-7 to curtail the spread of the disease. These domestic disruptions are magnified by the collapse in tourism which will reverberate throughout the local economy. Preliminary information suggests that tourism exports could decline by at least 50 percent year-on-year in 2020.[94] While uncertainties are very large, growth is now projected to decline sharply to -8.5 percent in 2020 (from 3.2 percent in the pre-virus baseline). This presumes that infrastructure projects continue to start up later in the year, cushioning the impact on growth in 2020 and contributing to a rebound in 2021. However, nominal GDP is not expected to recover to the 2019 level until 2022.

The pandemic has given rise to an urgent BOP need. The expected sharp decline in tourism exports, of about US$460 million, will only be partially offset by terms-of-trade gains from lower commodity

[94] The World Travel and Tourism Council projected a 25 percent decline in global tourism activities in 2020.

prices. Additional BOP needs arise from an expected decline in remittances (of US$10 million) and increased imports related to public health spending. It was assumed that during the remainder of 2020, St. Lucia would be able to achieve a partial rollover of the maturing medium and long-term debt due to tighter market financial conditions. The resulting shift in the current and capital account resulted in an important BOP financing need for 2020 (estimated to be US$154 million, or 8 percent of GDP). This financing need was expected to be met by a combination of multilateral and bilateral support, disbursements under the RCF, and liquidity support from the ECCB.

The overall fiscal deficit for FY2020/21 is expected to widen to 7 percent of GDP from 2 percent of GDP in FY2019/20. Total revenue is projected to decline by 2 percent of GDP, with the sharp decline in import duties and excise tax partially offset by a potential increase in fuel surcharges of up to 1.3 percent of GDP. Spending is expected to increase by 2 percent of GDP, arising mainly from additional public health expenditure to contain the spread of COVID-19 (estimated to cost over EC$30 million, or 0.6 percent of GDP) and temporary income support to vulnerable households. This is expected to be partially offset by a reduction in domestically financed capital expenditure.

The main risks to the economic outlook of St. Lucia arise from a prolonged COVID-19 outbreak and a more prolonged halt to tourism than is currently anticipated. The economic outlook is subject to an unusual degree of uncertainty related to the impact of COVID-19 on St. Lucia and the global economy. Even after the pandemic recedes, it may take a long time for the tourism sector to recover to the pre-pandemic levels. St. Lucia may also be negatively affected by the diminished availability of external financing sources given the ongoing disruption to global financial markets. The country's high vulnerability to natural disasters add to the risks to both growth and the fiscal outlook.

Table 6.11 below presents selected economic and financial indicators for St. Lucia for the period 2016-2021

Table 6.11: St. Lucia – Selected Economic and Financial Indicators, 2016-2021

Description	Year					
	2016	2017	2018	Prelim 2019	Proj 2020	Proj 2021
National income and prices	Annual percentage change, unless otherwise indicated					
▪ GDP at constant factor cost	1.9	3.6	2.8	2.8	-8.5	6.9
▪ Consumer prices (end of period)	-2.8	2.0	2.2	0.7	0.7	2.0
Money and credit, end of	Changes in percent at end of period broad money					
▪ Broad money	2.3	0.2	3.4	3.2	-8.3	8.8
▪ Net credit to the private (nominal)	-7.8	-1.9	1.0	-1.9	-12.8	5.8
▪ Credit to the private sector (real)	-4.8	-2.0	3.3	-2.5	-13.0	3.9
Central government	In percent of GDP					
▪ Revenue	21.3	21.0	22.1	22.2	20.4	22.8
o Taxes	19.1	18.5	19.3	19.5	17.3	19.6
o Non-tax revenue	1.1	1.4	2.1	1.5	1.4	1.4
o Grants	1.1	1.2	0.7	1.2	1.7	1.7
▪ Expenditure	22.6.	23.3	23.1	25	27.	26.5
o Current Primary Expenditure	16.1	16.1	17.2	18.7	19.7	18.4
o Interest payments	3.1	3.0	3.0	3.1	3.1	2.8
o Capital Expenditure	3.4	4.2	3.0	3.7	4.5	5.3
▪ Primary Balance	1.7	0.8	2.0	-0.2	-3.8	-0.9
▪ Overall Balance	-1.4	-2.2	-1.0	-3.3	-6.9	-3.7
▪ **Public Debt**	60.3	60.0	60.5	62.8	74.7	77.3
o External	28.8	30.7	29.3	30.0	38.3	40.1
o Domestic	31.5	29.3	31.2	32.8	36.4	37.2
External sector	In percent of GDP					
▪ Current account balance	: -6.5	-1.0	2.2	4.6	-10.4	-0.5
o Exports of goods and services	49.3	52.0	55.1	54.2	32.6	48.0
o Imports of goods and services	-49.6	-47.9	-47.8	-44.6	-37.6	-43.4

▪ Capital account balance	0.7	0.6	0,6	1.2	1.7	1.7
▪ Financial account balance	-4.3	-0.1	2.4	5.7	-8.7	1.3
▪ Errors and omissions	1.5	0.2	-0.4	0.0	0.0	0.0
▪ External debt (gross	61.4	62.8	62.0	64.7	78.1	73.2
o Public debt	28.8	30.7	29.3	30.0	38.3	40.1
▪ **Savings-Investment balance**	-7.1	-1.1	2.3	4.9	10.9	-0.5
o Savings	13.3	20.5	23.4	26.4	14.1	25.9
o Investment	20.5	21.6	21.1	21.5	25.0	26.3
Memorandum items:						
▪ Nominal GDP at market prices (in millions of EC$)	5,040	5,398	5,516	5,731	5,252	5,715
▪ Net Imputed international reserves						
o (In months of imports of goods and services)	3.7	3.9	3.4	3.2	3.6	3.3

Source: St. Lucia: Request for Disbursement under the Rapid Credit Facility—Press Release; and Staff Report, May 2020 - IMF Country Report No. 20/157

7. COVID-19 Pandemic and SAPs

7.1 Global Perspective

The COVID-19 pandemic, which has disrupted billions of lives and livelihoods, is today threatening decades of hard-won development gains and therefore demands an urgent, exceptional response. There were over 103,377 million confirmed cases and 2.236 million confirmed deaths across 188 countries by February 2, 2021.[95] The severity of the pandemic is challenging the world's health systems, while associated lockdowns and travel restrictions have upended normal life for most people.

The crisis is spurring changes in behaviours and trends likely to transform the post-COVID-19 world. The range of growth outcomes in 2020-21 remains exceptionally uncertain, and recovery is highly dependent on global progress in containing and mitigating the pandemic. The COVID-19 pandemic has triggered what is likely to be the deepest global recession since World War II. In a best-case scenario, the global economy could shrink by 5.2 percent in 2020 before rebounding in 2021. In a scenario of prolonged shutdowns, world output could contract by almost 8 percent in 2020 (roughly equivalent to the combined GDP of France, Italy, and Spain). [96]

The recession in advanced economies is having a significant impact on developing countries, including the five countries under review. The World Bank now projects negative growth for over 150 countries in 2020. The emerging food crisis could intensify, and food insecurity could spread much more widely.

Billions of jobs are under threat worldwide. Nearly 80 percent of the world's informal economy workers – 1.6 billion people – have faced COVID-19 lockdowns and slowdowns in hard-hit industries including wholesale and retail, food and hospitality, tourism, transport and manufacturing. With 740 million women globally in informal employment and a majority employed in services, women are particularly hard hit by the crisis. Remittance flows – the economic lifeline for many low-income families and a key source of revenues for many developing economies – are expected to fall by one-fifth in 2020. [97]

The COVID-19 crisis is exacting a massive toll on the poor and vulnerable. Millions of people will fall into extreme poverty, while millions of existing poor will experience even deeper deprivation – the first increase in global poverty since 1998. This will mean an estimated additional 18 million extremely poor people in fragile and conflict-affected situations (FCSs), and the pandemic is deepening existing sources of fragility and exacerbating instability in fragility, conflict, and violence (FCV) settings. The pandemic is aggravating specific risks for women with sharp increases in domestic and gender-based violence and a substantial increase in emergency calls for domestic violence cases.[98]

The scale of the financing challenge for developing countries is measured in trillions of US Dollars. The sudden reversal of capital flows has helped finance the exceptional fiscal packages in the advanced economies but has left emerging markets and developing economies (EMDEs) exposed. The additional financing needs for developing countries arising from the COVID-19 crisis remain uncertain, but they will be exceptionally high and likely to persist over the medium term. Pandemic-related external financing gaps for active IDA countries could be in the range of US$25- 100 billion per year – assuming that incremental financing needs arising from the crisis are in the range of 2.5-10 percent of GDP per year and that only half of these can be met internally.[99]

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[95] Data from: CDC · WHO · ECDC · Wikipedia · The New York Times, 2021.
[96] World Bank Group, 2020
[97] Ibid
[98] Ibid
[99] World Bank Group, 2020

The WBG is repositioning from regular operations to mount an exceptional crisis response to help developing countries address spill-over effects from the massive, sudden stop in global economic activity, just as the countries themselves are hit by the coronavirus. The WBG's objective is to assist countries in meeting the dual challenge they now confront: (i) addressing the health threat, and the social and economic impacts of the COVID-19 crisis, while (ii) maintaining a line of sight to their long-term development vision. The ambition of the WBG crisis response is to help client countries assist at least one billion people impacted by the COVID-19 crisis and to restore momentum on the twin goals. Intensified partnerships and coordinated support will be integral to responding at the scale needed to flatten the pandemic's curve, protect prosperity and steepen the curve of recovery.[100]

The WBG COVID-19 crisis response is aligned with its comparative advantages and anchored in longstanding core principles – which taken together guide selectivity. The comparative advantage of the World Bank Group comes from the powerful combination of country depth and global breadth, public and private sector instruments and relationships, multisector knowledge and practitioner expertise and the ability to mobilize and leverage financing. This positions the bank to respond to multidimensional crises such as COVID-19, drawing on global experience and lessons learned. At the same time, the WBG's resources are limited and it is committed to serving all clients. Therefore, its crisis response must focus on scaling up selectively for impact. Core principles guide this process, fighting poverty and promoting shared prosperity, sustainability, inclusion, fair burden-sharing, transparency, governance and respect for the rule of law. Equally, the approach reflects a continued commitment to building human and natural capital and to preserving global public goods such as public health, climate and biodiversity. Operating across the three stages of Relief, Restructuring and Resilient Recovery, four thematic pillars anchor a selective WBG crisis response (**Table7.1**). The relief stage involves an emergency response to the health threat posed by COVID-19 and its immediate social, economic and financial impacts. [101]

As countries bring the pandemic under control and start re-opening their economies, the subsequent restructuring stage focuses on strengthening health systems for pandemic readiness; restoring human capital and restructuring; debt resolution; and recapitalization of firms and financial institutions. The resilient recovery stage entails taking advantage of new opportunities to build a more sustainable, inclusive and resilient future in a world transformed by the pandemic. The four thematic pillars of the WBG crisis response are aligned with its comparative advantages. The pillars comprise:

- World Bank emergency support to health interventions for saving lives threatened by the virus;
- WBG social response for protecting poor and vulnerable people from the impact of the economic and social crisis triggered by the pandemic;
- WBG economic response for saving livelihoods, preserving jobs, and ensuring more sustainable business growth and job creation by helping firms and financial institutions survive the initial crisis shock, restructure and recapitalize to build resilience in recovery; and
- Focused WBG support for strengthening policies, institutions and investments for resilient, inclusive and sustainable recovery by Rebuilding Better.

[100] Ibid
[101] Ibid

Table 7.1: Stages and Pillars of the World Bank Group Response to COVID-19

<table>
<tr><th rowspan="2">Pillar</th><th colspan="3">Stage</th></tr>
<tr><th>Relief</th><th>Restructuring</th><th>Resilient Recovery</th></tr>
<tr><td>Save Lives</td><td>Public Health Emergency
WBG global emergency health program and new Bank projects
Restructuring existing Bank projects</td><td>Restructuring Health Systems
WBG global emergency health program and new Bank projects
Mobilizing private investment to close health supply gaps</td><td>Pandemic-ready Health Systems
WBG global emergency health program and new Bank projects
Long-term IFC financing for private firms</td></tr>
<tr><td>Protect the Poorest & Most Vulnerable</td><td>Social Emergency
Cash and in-kind transfers
Community-driven development
Restructuring existing Bank projects
Guarantees to MFIs</td><td>Restoring Human Capital
Cash and in-kind transfers
Community-driven development
New Bank projects
Recapitalization of strategic MFIs through IFC support</td><td>Building Equity and Inclusion
Cash and in-kind transfers
Community-driven development
ASAs on labour market policies
IFC lending to MFIs</td></tr>
<tr><td>Ensure Sustainable Business Growth and Job Creation</td><td>Economic Emergency
New Bank projects and programs
Support for trade and working capital from IFC
MIGA instruments
Financing from PPPs</td><td>Firm Restructuring and Debt Resolution
New Bank projects
IFC support to recapitalize firms
Long-term financing from IFC
MIGA instruments
PPPs</td><td>Green Business Growth and Job Creation
New Bank projects
IFC and MIGA instruments
PPPs</td></tr>
<tr><td>Strengthen Policies, Institutions and Investments for rebuilding Better</td><td>Maintaining Focus on Long-term Goals
New Bank projects on fiscal strengthening and service delivery
ASAs on debt sustainability and transparency
Guarantees for SMEs and MFIs</td><td>Policy and Institutional Reforms
New Bank projects
ASAs on restructuring and to track progress toward shared development goals</td><td>Investments to Rebuild Better
Full range of Bank Group instruments, with focus on PPPs and private sector solutions
ASAs to track progress toward shared development goals</td></tr>
</table>

Source: World Bank Group, 2020. Saving Lives, Scaling-up Impact, and Getting Back on Track: World Bank Group COVID-19 Crisis Response Approach Paper, June 2020.

7.2 Impact of COVID-19 on Caribbean Countries

The current COVID-19 situation in the Caribbean may be characterized as explosive, with significant increases in confirmed cases and deaths starting in January 2021. **Table 7.2** presents the situation for countries of the region with respect to confirmed cases, deaths, and recoveries as of February 2, 2021.

Table 7.2: COVID-19 Status in the Caribbean Region, February 2, 2021

Country	Confirmed Cases	Deaths	Recovered
Jamaica	15,778	352	12,068
Belize	11,945	302	11,353
Haiti	11,533	245	9,098
Suriname	8,449	156	7,734
Bahamas	8,223	176	6,784
Guyana	7,654	177	6,635
Trinidad & Tobago	7,566	134	7,178
Barbados	1,558	14	1,169
Turks & Caicos Islands	1,504	9	1,160
St. Lucia	1,411	15	626
St. Vincent & the Grenadines	901	2	251
Antigua & Barbuda	234	7	177
Dominica	117	0	106
Grenada	148	1	142
British Virgin Islands	72	1	70
Montserrat	13	1	12

Source: CDC · WHO · ECDC · Wikipedia · The New York Times, 2021

There is no doubt that the COVID-19 pandemic is having far-reaching impacts on how people earn a living and meet critical needs. A Caribbean COVID-19 Food Security and Livelihoods Impact Survey was launched by CARICOM to rapidly gather data on impacts to livelihoods, food security and access to markets. Prepared by the World Food Programme with support from the Food and Agriculture Organization, the survey link was shared via social media, email and media. Presented below is a summary of data collected and analysed from 1-12 April 2020.[102]

- COVID-19 has caused widespread disruption to livelihoods, driven primarily by movement restrictions and concerns about being in public spaces.
- Half of the respondents have faced a change in income, owing mainly to job loss or reduced revenue/salary. People owning businesses, engaged in casual labour or petty trade appear most impacted.
- Most respondents were able to access markets within seven days, but with substantial variations across the region. Those unable to do so cited movement restrictions, store closures and concerns about leaving the house.
- Availability of food, hygiene items and medicines appears to be less than normal, but very few respondents indicated that items were unavailable.
- People are changing how they shop, with most respondents purchasing larger quantities.
- Most respondents are not having difficulty eating enough, but some are eating less preferred foods.
- At the regional level, trends were broadly consistent between male and female respondents, though further country-level analysis may reveal greater gender differences.

[102] Caribbean Community (CARICOM), Caribbean Disaster Emergency Management Agency CDEMA), World Food Programme (WFP) and the Food and Agriculture Organization of the United Nations (FAO), 2020.

It is important to note that while the survey contributes to a better overview of impacts, the data is not representative and the use of a web-based questionnaire limits inputs from those without connectivity.

Caribbean countries have shown foresight in pursuing containment and mitigation measures, as well as adopting contingency and preparedness plans—from expanding hospital capacity and quarantine facilities to procuring medical supplies and training medical staff. To ensure the virus is successfully contained, it will be vital to continue mass testing and contact tracing, while allocating adequate resources to hospitals and healthcare facilities.

However, most countries in the Caribbean have limited spending room in their budgets to cushion the economic impact of the pandemic. Likewise, few countries have flexible exchange rate regimes that would help boost their exports and output. Given this, directing resources within the available policy space toward individuals and businesses most affected by the pandemic will be critical to protect livelihoods and enable recovery.

Most countries have already announced fiscal packages that include additional health spending; temporary cash transfers for displaced workers; credit support to small and medium-sized firms and affected sectors such as tourism, transport, and agriculture; expansion of social safety net programs for vulnerable groups (e.g., food and income support); reduction or deferral of some taxes and electricity tariffs and tax and custom duty waivers on essential food and hygiene product imports.

Central Banks in the ECCU, Aruba, Barbados, Belize, Haiti, Jamaica, and Trinidad and Tobago have reduced policy rates and/or reserve requirements, or provided liquidity assistance through other facilities. Banks and other lending institutions have offered short-term payment deferrals and interest rate reductions on mortgages and loans and waived late fees to eligible customers. However, further fiscal, monetary and credit-easing measures will likely be needed depending on the effectiveness of containment measures and the recovery of the tourism sector. For Caribbean countries, an important consideration will be to identify financial sector risks, including exposures to tourism-related activities, and conduct stress testing.

7.3 Stepping up IMF support

The IMF is actively engaging Caribbean countries to offer policy advice and assistance to cope with the pandemic, especially to those with pressing financing needs. Requests for the Rapid Credit Facility by Haiti, Dominica, Grenada, and St. Lucia have already been approved, while emergency assistance for three additional Caribbean countries, including Jamaica, was approved by the IMF's Executive Board. Barbados has also requested and obtained an augmentation of its existing Extended Fund Facility.

The doubling of the IMF's emergency financing capacity means that up to US$2.5 billion could be made available immediately to the Caribbean region. In addition, other recent reforms allow immediate debt service relief to low-income countries affected by the crisis, such as Haiti, thereby creating space for spending on urgent health needs. The devastating impact of the current COVID-19 pandemic on the Caribbean illustrates how vulnerable these countries are to exogenous shocks, both directly and through second-round effects.

7.4 IMF Financial Support to Caribbean Countries to Address COVID-19

The Executive Board of the International Monetary Fund (IMF) in April 2020 approved disbursements to Dominica, Grenada, and St. Lucia following their requests under the Rapid Credit Facility (RCF) mechanism, with a combined SDR 48 million (US$65.6 million), to help cover their balance of payment needs stemming from the outbreak of the COVID-19 pandemic. Disbursements to all three countries are set at the maximum available access under the RCF instrument of 100 percent of quota for Grenada (SDR 16.4 million or US$ 22.4 million); St. Lucia (SDR 21.4 million or US$ 29.2 million) and 89.4 percent of quota for Dominica (SDR 10.3 million or US$14 million). These countries are small states that are very vulnerable to shocks, including large natural disasters, with Dominica in particular still recovering from the devastation of Hurricane Maria in 2017.

The pandemic has dealt these largely tourism-dependent countries a very hard blow. Tourism inflows essentially came to a halt in mid-March, 2020, with ripple effects across other sectors. The closure of the borders, coupled with the curtailment of commercial activity, has had a debilitating impact on these economies. A drop in fiscal revenues, combined with additional direct health and social expenditures will temporarily increase the fiscal deficit and financing needs. IMF support will help cover some of these needs and allow the governments to ease the impact on the population, such as upgrading public health facilities and providing social assistance to the vulnerable and adversely affected sectors.

According to the IMF,[103] the COVID-19 pandemic poses a major challenge to Dominica, Grenada, and St. Lucia. Their key tourism sectors have been hit hard by the shock. The contraction in tourism is expected to have a major impact on their economies, by causing ripple effects across all economic sectors, eroding fiscal revenues, and creating urgent balance of payments pressures. In addition, these three small states are also highly vulnerable to natural disasters.

The countries' governments have responded to the pandemic by swiftly implementing containment measures, allocating scarce budgetary resources to critical health care spending, and introducing income support to the most affected sectors and households. Protection of the financial system will help cushion the economic impact of the pandemic. Measures have also been taken by the Eastern Caribbean Central Bank to facilitate the provision of credit and safeguard financial stability. In addition, the governments have expressed commitment to meeting the regional debt target of 60 percent of GDP by 2030. To this end, they plan to implement necessary adjustment measures to rebuild policy space once the crisis has abated, building on the progress achieved in recent years. Looking forward, the authorities are also committed to implementing policies that support durable economic growth and poverty reduction within a balanced development strategy that includes comprehensive measures to boost resilience to natural disasters.

7.5 Socioeconomic Implications of COVID-19 for the Caribbean

7.5.1 Pre- and Post- COVID-19 Situation

Before COVID-19, the economies of the Caribbean countries were characterized by slow economic growth, high indebtedness, significant vulnerability to different hazards —notably natural hazards— and dependence on tourism and food imports.

In November 2019, ECLAC forecast that the Caribbean region was projected to grow by 2.3% (**Table 7.3**). If the projected growth for the region had been confirmed, the seven years from 2014 to 2020 would have been the slowest period of economic growth in the Caribbean in 40 years. With this expected performance of the thirteen Caribbean economies, five would have had growth of over 3%, and Antigua and Barbuda would have had the fastest growth, at 6.5%. Under the World Bank country classifications by income level, Caribbean countries ranked in the middle-income, upper-middle-income and high-income economies, the exception being Haiti.

[103] IMF Press Release No. 20/192, April 28, 2020

Table 7.3: The Caribbean Countries GDP growth, 2019 and Projections for 2020 (Percentages)

Country	2019	2020 projections in November 2019, pre-COVID-19	2020 projections in December 2020, including COVID-19 effects
Antigua and Barbuda	6.2	6.5	-18.3
Bahamas	0.9	-0.6	-14.5
Barbados	0	1.3	-16.0
Cuba	0.5	0.5	-8.5
Dominica	9.0	4.9	-15.4
Grenada	3.3	4.0	-12.4
Haiti	-0.7	0.3	-3.0
Jamaica	1.7	1.6	-9.0
Dominican Republic	4.8	4.7	-5.5
Saint Kitts and Nevis	3.0	3.5	-15.1
Saint Vincent and the Grenadines	2.5	2.4	-6.3
Saint Lucia	2.0	3.2	-26.6
Trinidad and Tobago	0.6	1.9	-6.8
Caribbean	**2.1**	**2.3**	**-6.7**

Source: Economic Commission for Latin America and the Caribbean (ECLAC)

Before the pandemic, unemployment rates had begun to decline in some Caribbean countries. The reductions in unemployment in Jamaica and Grenada were particularly notable, as they were from historically high rates, (ECLAC, 2020e). One characteristic of Caribbean labour markets is a high unemployment rate for youth (ECLAC, 2018).

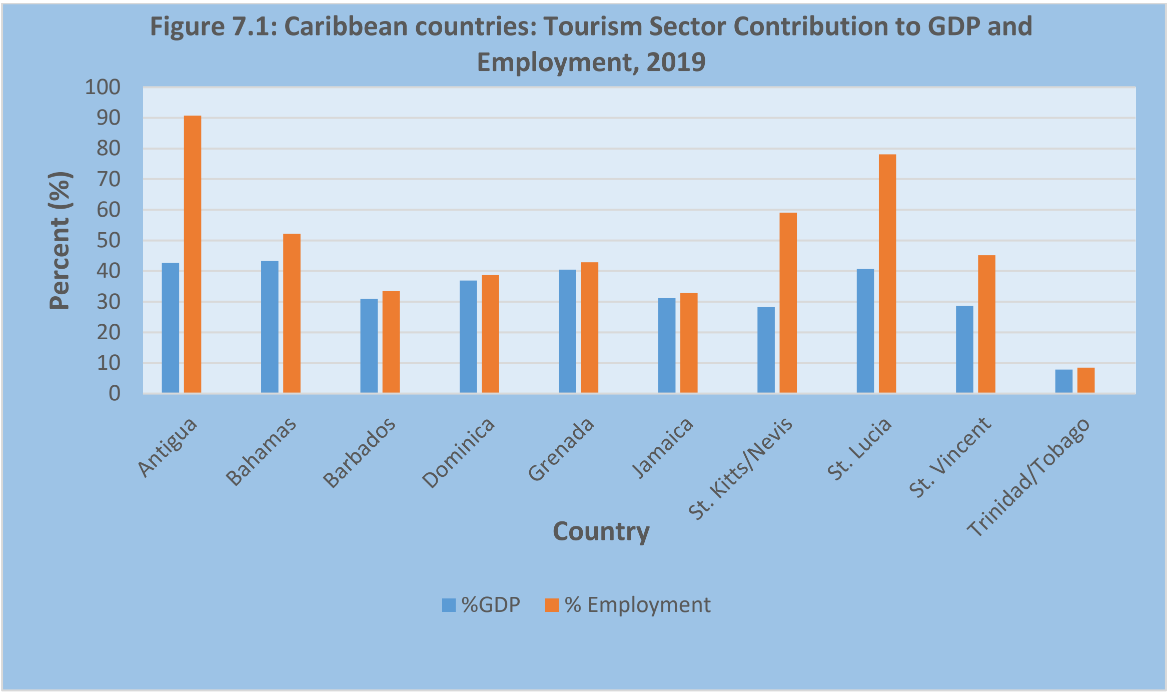
Additionally, the Caribbean countries had limited fiscal space. Their average debt-to-GDP ratio was 68.2% in 2019, up 0.9 percentage points from the previous year (ECLAC, 2020d). Caribbean economies have the highest debt ratios in the world. ECLAC has argued that policy missteps and fiscal profligacy —a common cliché— have not necessarily been the root causes of debt accumulation in the Caribbean region, but rather the impacts of negative external economic shocks, extreme events and climate change challenges (ECLAC, 2018).

The high level of indebtedness of the Caribbean region has translated into high debt service that consumes a significant part of tax revenue. In the 2009–2018 period, average debt service as a percentage of government income exceeded 40% in three countries in the Caribbean: Antigua and Barbuda, Barbados and Jamaica. In the case of Jamaica, the average ratio was extreme, at 68%. In the Bahamas, Grenada, Saint Kitts and Nevis, Saint Lucia and Saint Vincent and the Grenadines this indicator was between 20% and 40% (Bárcena, 2020a).

This fiscal situation meant that the countries had very little room to compensate for any negative shocks such as disasters, which are recurrent in the Caribbean. The frequency of natural hazards and the concentration of the population on the coast makes the Caribbean one of the regions hit hardest by disasters. Between 1970 and 2019, 409 disasters triggered by natural hazards were recorded in the

13 Caribbean countries, which killed 243,740, affected 53.7 million and caused total damage of US$ 67.5 billion.[104]

Caribbean countries are highly dependent on tourism. According to data from the World Travel and Tourism Council (WTTC),[105] the tourism sector accounts for the highest share of GDP and employment in the Caribbean region of the world (**Figure 7.1**).



Source: World Travel and Tourism Council (WTTC), 2020

Antigua and Barbuda, the Bahamas, Grenada and St. Lucia are the countries of the Caribbean with the highest contributions of tourism to GDP, at over 40%. At the other extreme, there is Trinidad and Tobago where the tourism sector's contribution to GDP is less than 11%. Caribbean employment is highly dependent on tourism; in 9 of the 10 analysed countries (Figure 5.1) more than 30% of total employment comes from tourism and in 4 countries more than 50%, as in the cases of Antigua and Barbuda, (90.7%), Saint Lucia, (78.1%), Saint Kitts and Nevis (59.1%), and the Bahamas (52.2%). Tourists visiting the Caribbean come mainly, in order of importance, from the United States, Canada and Europe.

All Caribbean countries are net food importers - agricultural imports outweigh agricultural exports. The greatest vulnerability exists when a net food importer allocates a high proportion of exports to finance food imports, and its agricultural exports are low compared to total exports (ECLAC/FAO, 2020). The vulnerability in terms of food is even greater in low-income countries with high levels of malnutrition, such as Haiti. In most countries in the Caribbean, the risk to food security lies in the disruption of food supply chains. Another factor that increases the food vulnerability of the Caribbean countries is that there is very limited diversification of the markets where imports come from. Therefore, a disruption of food supply chains increases the risk of food insecurity.

The English-speaking Caribbean has a high prevalence of non-communicable diseases, with 70% of all deaths of over-60s attributable to these diseases. Mortality in the Caribbean region from non-communicable diseases is the highest in the Americas. Heart attacks, strokes and diabetes cause most

[104] The damage figure is in constant dollars at 2019 prices. The source of this information is CRED (2020).

[105] See [online] https://wttc.org/Research/Economic-Impact/Data-Gateway

premature deaths, and hypertension is the leading risk factor. Diabetes prevalence in the Caribbean region is also twice the global average. The major non-communicable diseases in the Caribbean share common underlying risk factors, namely unhealthy eating habits, physical inactivity, obesity, tobacco and alcohol use and inadequate use of preventive health services (Jones, 2016).

7.5.2 The Overall Impact of the COVID-19 Pandemic

COVID-19 and cascading effects are affecting the Caribbean through the following external transmission channels (ECLAC, 2020):

- A decline in the economic activity of the region's main trading partners and cascading effects. In 2020, the world economy is expected to contract by 5.2% (IMF, 2020). The downturns in economies around the world have been simultaneous, and 90% of countries and continental averages are expected to record negative growth rates. It looks set to be the worst recession in the global economy since the Second World War. Global trade will also contract sharply in 2020, reflecting considerably weaker demand for goods and services that are critical for the Caribbean, such as tourism.
- A decline in remittances, especially for those countries where remittances account for a high percentage of GDP.
- Lower demand for tourism services. As previously mentioned, the economies of the Caribbean are largely based on tourism. Tourist activity could take several years to return to 2019 levels. In the short term, there will be a recovery as borders open, but flows will be much lower than before COVID-19, owing to the recession in the United States, Canada and Europe, which are the main sources of tourists for the Caribbean. There will also be a fear of potential infection during the trip, accompanied by the uncertainty of hospital capacities in destination countries and new border closures, all of which may lead tourists to postpone travel. The magnitude and duration of the impact of these factors will to some extent be determined by how quickly vaccines are distributed and their effectiveness.

However, there has been a drop in commodity prices. Caribbean countries could therefore benefit from falls in agricultural commodity and energy prices which will help most of the countries of the Caribbean absorb the shocks they are experiencing through other channels.

7.6 IMF Financial Support to the Selected Countries

7.6.1 Antigua and Barbuda: Impact of and Response to the Impact of the COVID - 19 Pandemic

Like many of the small, open economies of the Caribbean, and perhaps more than others, Antigua and Barbuda is heavily dependent on international tourism as the key driver of growth and income generation. When both the direct and indirect impacts of the sector are considered, tourism is responsible for 47% of annual output and is a major contributor to government revenues and employment. Following the unprecedented damage caused by Hurricane Irma in 2017, construction and public policies related to the recovery efforts have also become critical to restoring output growth. In 2018, the combined expansion of the construction and tourism industries led to an overall growth of 7.4%.

With the abrupt stop in the global travel industry, the COVID-19 pandemic has already led to significant economic and social dislocation in the twin-island nation, pushing unemployment back into double digits, putting downward pressure on output, widening the fiscal imbalance, and increasing social vulnerabilities. Specifically, as major declines in economic activity in the country's main tourism source markets are already projected for 2020, the forecast is for Antigua and Barbuda's economy to reverse the growth achieved in 2019 and record a decline above 10%, with an associated increase in the fiscal deficit to 9% and a widening of the rate of unemployment to above 30%.[106]

The April 2020 edition of the IMF's World Economic Outlook projected a decline in GDP for Antigua and Barbuda of 10.0% in 2020, rebounding by 8.0% in 2021. This is a significant downward adjustment from its October 2019 projections of 3.3% growth in 2020 and 2.5% growth in 2021.

In line with the expectation that COVID-19 will lead to a major slowdown in the global economy, the World Bank is predicting that global remittances will fall by approximately 20% due to a fall in wages and employment of migrant workers. These workers, unfortunately, are more likely to lose their jobs due to an economic slowdown. The prediction is that remittances to Latin America and the Caribbean will fall by 19.3% in 2020 but will recover somewhat in 2021. During the last global recession, remittances to Antigua and Barbuda fell by almost 60%. If a similar decline in remittances were to occur, remittances would fall to US$15 million, less than half the amount received in 2014. More than its impact on reserves, this decline would represent a further reduction in income among the most vulnerable groups and increase the upward pressure on the level of poverty.[107]

Given the declines in economic activity in the island's main tourism source markets of between 6 and 10 percent, the concurrent fall in domestic output is forecast to reduce the tax base and constrain tax revenue from goods and services. This category is projected to decrease by between 5-10% due to the national shutdown and delayed restart of tourism. This will be compounded by expected expansions in fiscal outlays as part of the Government's response. Given these impacts and the prevailing tax buoyancies, the fiscal deficit could jump to between 9 and 10 percent of GDP – in line with IMF forecasts – which would be the largest deficit in over 10 years.[108]

Information obtained from the government suggests that more than 10,000 additional persons have become unemployed as a result of the pandemic, an estimate that represents 20% of the labour force, putting the total unemployment rate at nearly 30%. An estimated 3,600 hotel workers have lost their income due to the closure of the hotels.

Data from the most recent survey of the labour force suggests that approximately 60% of employees within the tourism sector are women, implying that this group would be disproportionately affected by the shuttering of hotels and ancillary businesses. Moreover, when the knock-on effects of the slowdown in tourism on other related service sectors are considered, nearly 1 in every 3 women could potentially be directly affected by the slowdown. Single-parent households are disproportionately headed by women who generally support larger households than men. As such, any substantial impact on women's income will have direct and severe impacts on the children in their care. With the reopening of the borders to international travel, the tourism sector is currently expected to begin a gradual recovery toward the end of 2020, though this could be significantly delayed in the event of a global second wave. These shocks to tourism, the knock-on effects on other sectors and the resultant impact on unemployment will translate into a significant impact on children since they already represent a substantial portion of those in poverty. The disproportionate impact on single mothers will further reduce their capabilities. Additionally, the social impact on children will be exacerbated by the shifting realities of education in the COVID-19 environment due to school and business closures. Even if classes are all migrated to an online platform, only 76% of the population has access to the

[106] UNDP, UNICEF and UN Women Eastern Caribbean, 2020. Antigua and Barbuda COVID-19 Heat Report: Human and Economic Assessment of Impact. July 2020

[107] Ibid

[108]

internet, and this proportion is lower among the poor. The use of online classes will, therefore, need to address the gap in relation to access to computers and the internet[109]

In response, government has implemented a series of measures designed to respond to the health, economic and social impacts of the virus. These interventions include a substantial increase in health-sector expenditure equivalent to 0.5% of GDP; the deployment of international disease specialists; and a robust testing and quarantine programme, which has contributed to significant containment of the spread. Additionally, several monetary measures were announced, including a 20% reduction in electricity costs to the public and fuel costs to fisher-folk for 90 days; a one-year investment incentive framework for home renovation and construction; suspension of the common external tariff on food imports and all new tax measures announced in the 2020 budget; and expansion of social safety net programmes. Following the success of the containment measures that limited the spread of the disease, on June 4, the Government was the first of the region to re-open the national borders, with strict protocols at ports and hotels to reduce the risk of transmission.[110]

7.6.2 Barbados: Impact of and Response to COVID -19 Pandemic

The year 2020 was a particularly difficult one for the Barbados economy as COVID-19 triggered global recessionary conditions and curtailed international travel. Depressed tourism activity, dampened consumption and delayed investment projects led to a sharp contraction in economic activity, elevated the level of unemployment, subdued government revenues and amplified economic vulnerabilities. However, the progress made since the start of the four-year (2018-2022) SAP with the IMF enabled the country to adjust economic policy, quickly mobilize external funding, build unprecedented reserves buffers and close the financing gap that might otherwise derail the country efforts.[111]

Preliminary estimates are that the real economy contracted by almost 18 percent (18%) in 2020. The sharp fall reflected the combined effects of the severely diminished activity in the tourism sector, weaker than anticipated investment and reduced consumption arising from lower employment income and increased uncertainty.[112]

There was a modest upward trend in tourist arrivals during the last quarter of 2020, as airlift improved and more hotels reopened after their closure in April. However, a 90 percent fall in long-stay visitor arrivals over the last three quarters reduced arrivals by 71 percent for 2020. Unlike the rest of the economy, agricultural output was 1.9 percent higher in 2020 than in 2019. The main source of this growth was higher food crop production. Chicken production contracted as tourism and local were demand depressed, while local milk production suffered from heat-related stress and a deterioration in grazing pasture conditions. The spill-over effects of the downturn in tourism were felt in the wholesale and retail and business services sectors, including real estate, car rental and the ancillary services provided to the tourism industry. Reduced activities during the lockdown period and lower demand arising from the fall-off in income were largely responsible for the sharp decline. Construction activity declined by over 3 percent, despite the implementation of some public and private projects.[113]

[109] UNDP, UNICEF and UN Women Eastern Caribbean, 2020. Antigua and Barbuda COVID-19 Heat Report: Human and Economic Assessment of Impact. July 2020
[110] Ibid
[111] Central Bank of Barbados (CBB), 2020. Review of Barbados Economic Performance: January to December 2020. Press Release, 2021.
[112] Ibid
[113] Ibid

The labour market softened after the lockdown of the economy during the second quarter of 2020, the protracting of the hotel sector and the dampening activity. Unemployment in the private sector rose, evidenced by an unprecedented level of unemployment claims, particularly during the second quarter of the year. The government introduced its Barbados Employment and Sustainable Transformation (BEST) programme to support business' cash flow and incentivise firms to retain and retrain employees in the tourism sector. Under the programme, returning employees are guaranteed 80 percent of the national wages.

The inflationary pressures eased during the second half of 2020. The twelve-month average of prices was 3.5 percent in 2020 compared to 3.6 percent in 2019. The weakening of the international oil prices exerted downward pressure on energy prices, reflected in transportation and electricity prices falling by 1.6 percent and 6.7 percent respectively in 2020.

The gross international reserves rose by BD$1.2 billion to an unparalleled BD$2.7 billion at the end 2020, raising the import cover to 40 weeks of imports. The increase, particularly during the fourth-quarter, reflected the support from the international financial institutions (IFIs) that was designed to cushion the impact of reduced foreign exchange inflows from travel credits and foreign investment. It was also designed to help close the financing gap created by lower revenues and higher expenditures, including external debt services. The financial account balance of payments strengthened considerably during 2020. The IMF augmented the resources under the EFF programme, providing both balance of payments support (BD$97 million) and budget support (BD$368 million). In addition, the Inter-American Development Bank (IADB) and the Corporacion Andina de Fomento (CAF)[114] provided budgetary support of BD$400 million and BD$200 million, respectively. The external current deficit worsened during 2020, due to the decline in travel credits and exports.

The government adapted its fiscal stance in line with the changing environment. The primary balance target of 6 percent for the financial year 2020/21 was reduced further to a deficit of 1 percent compared to a surplus of 6 percent at the beginning of the year. The rationale for the adjustment reflected the large fall in revenue and the need to raise non-interest expenditure to dampen the adverse impact of the economic downturn.

7.6.3 Dominica: Impact of and Response to the COVID-19 Pandemic

The tourism sector of the island of Dominica was not as critically impacted as arrivals are less directly dependent on the traditional markets of the US, UK and Canada. Nonetheless, tourism is the main foreign exchange earner, with remittances also playing a critical role in the accumulation of reserves.

The Agricultural Sector, a key driver of growth and employment, is still recovering from the devastation wrought by Hurricane Maria in 2017. Construction has increased in importance as an engine of income generation. However, the labour market remains depressed and the unemployment rate was projected to have remained well above the most recent official data of 11% recorded in 2011, and is stated to be over the IMF's post-Erika estimates of 23%. The current data also suggests a disparity in employment rates between men and women, with the latter experiencing rates of 30% compared to 20% among the former.[115]

The COVID-19 pandemic is projected to increase the strain on the economy as supply chain disruptions, reduced domestic consumption and lower remittances will increase the downward

[114] The Development Bank of Latin America
[115] UNDP, UNICEF and UN Women Eastern Caribbean, 2020. Dominica COVID-19 Heat Report: Human and Economic Assessment of Impact. April 2020

pressure on economic growth. In its World Economic Outlook report for April 2020, the IMF revised its projections for economic growth to -4.7% in 2020 and 3.4% in 2021. While these revised projections take into account the significant and dynamic changes since these forecasts, the current report factors these as baseline estimates and assesses the potential risks in the context of new and emerging data.

The legacy of the ubiquitous border closures during April and May and the shuttering of businesses globally have already led to major losses in tourism and travel services and current estimates project a global decline in tourism arrivals of nearly 80% year on year. While the source market composition of Dominica's tourism sector may create a degree of insulation from these impacts, even at the lower end, the knock-on effects of declining arrivals on the wholesale and retail sector and household consumption will put further strain on growth prospects. At the same time, the World Bank is predicting that global remittances will fall by approximately 20 percent due to a fall in wages and employment of migrant workers. These workers, unfortunately, are more likely to lose their jobs due to an economic slowdown. The prediction is that remittances to Latin America and the Caribbean will fall by 19.3 percent in 2020, but will recover somewhat in 2021. If the decline in remittances is in line with World Bank predictions, remittances in 2020 could fall by US$10 million, leaving a significant hole in the foreign exchange inflows for the island as well as reducing significantly the income and consumption of many of the most vulnerable.[116]

Given the dependence of the island on revenues from its Citizen-By-Investment (CBI) Programme, it is anticipated that the fiscal situation in Dominica would worsen significantly in the short to medium-term. Moreover, given the difficulty of adjusting its fiscal position over this period, it is likely that the level of indebtedness on the island will rise significantly in the short term. CBI revenues are expected to reflect trends in global economic growth. Unemployment, particularly in the tourism and related sectors, will increase in line with the contraction in output. Using IMF unemployment estimates for 2018 as a baseline and an economic contraction of 4.7%, the rate of joblessness is forecast to increase, resulting in more than one in every four workers being unemployed. The level of poverty, particularly among women and children, could increase as the economic situation in the country worsens. These groups are likely to be significantly affected as women tend to work in industries and occupations that are likely to be most affected by the economic downturn.[117]

Dominica implemented the following measures in its fight against COVID-19:

- Medical personnel from Cuba, including 25 nurses, 5 doctors and 4 lab technicians were accepted to assist the country in battling the coronavirus (COVID-19) contagion.
- A state of emergency was declared which included border restrictions and a curfew from 6 p.m. to 6 a.m. Mondays to Fridays and a total lockdown on weekends from 6 p.m.on Friday to 6 a.m. on Monday.
- Essential services (financial institutions, gas stations, supermarkets) were accessed by the public from 8 a.m. to 2 p.m. Mondays to Fridays. The imposed state of emergency was extended for an additional three months while the curfew remained in place for an additional 21 days following April 20, 2020.
- Continuous education of the public regarding COVID-19
- The institution of a virtual customer service desk in efforts to promote social distancing to keep the public safe during the COVID-19 pandemic period.
- A ban of non-nationals on commercial passenger flights into Dominica effective March 26, 2020. Exit flights were allowed. Commercial flights were able to operate. However, crew

[116] Ibid

[117] UNDP, UNICEF and UN Women Eastern Caribbean, 2020. Dominica COVID-19 Heat Report: Human and Economic Assessment of Impact. April 2020

members were not allowed to disembark. Upon entry, nationals were placed in a 14-day mandatory quarantine

8 IMPACT OF STRUCTURAL ADJUSTMENT PROGRAMMES ON AGRICULTURE, FISHERIES AND SMALL BUSINESSES

8.1 Introduction

This section of the report presents the evidence of a gender-responsive evaluation of the Impact of SAPs on smallholder farmers, fisher-folk and small business entrepreneurs in Antigua and Barbuda, Barbados, Dominica, Grenada and St. Lucia, with a focus on women. It is being presented against the recognition that social justice and fairness arguments are often advanced when gender considerations are included in development. Documented evidence around the world shows that gender equity is positively linked to increased efficiency and better prospects for economic growth.[118]

There is also the recognition that biases against women hinder agricultural productivity and development and reduce the nutritional status of rural households. Women play a central role in agricultural production and marketing, hence maintaining food security at household, community and national levels. For example, research conducted on structural adjustment in sub-Saharan Africa shows that the supply response in agriculture is strongly influenced by gender inequalities. This is attributable to insufficient incentives for women to increase export crops as opposed to production for their own consumption, and through over-burdening of women's time, among several factors.[119]

Creating and sustaining a competitive equitably-oriented agricultural sector that helps small-scale farmers, especially women, will require explicitly examining gender issues and proactively integrating gender components into policy analysis and development strategies. Over the past four decades, the countries have undertaken major economic reform programmes with an emphasis on liberalisation. Such policy changes are seldom gender-neutral, almost all create winners and losers and very few benefit everyone equally. Where losers are women, there can be negative impacts not only on the welfare of the household but also on the rural economy at large.

SAPs, when designed with gender-equitable principles, can foster both competitiveness and gender equality to enhance poverty. The promise of this "win-win" solution must be the impetus for increasing and enhancing the ability of women and those who are poor to drive growth, by linking these groups to new opportunities throughout the agriculture, fisheries and small business sectors and their markets. This suggests that the rationale for emphasising gender in agricultural policies and strategies is as much one of economic efficiency as social equity.

The impact of SAPs on the agricultural sector must be viewed within the context that over time, as the economy develops, it is expected that labour will move out of agriculture to manufacturing and service sectors, so on the face of it, low level of employment in agriculture is not a bad thing. The reason the low level of employment in agriculture that is reported here is bad is because there is little or no mechanization in smallholder agriculture to compensate for the out-migration of labour. The manufacturing and service sectors are also not yet fully developed to provide gainful employment to the labour that is coming in.

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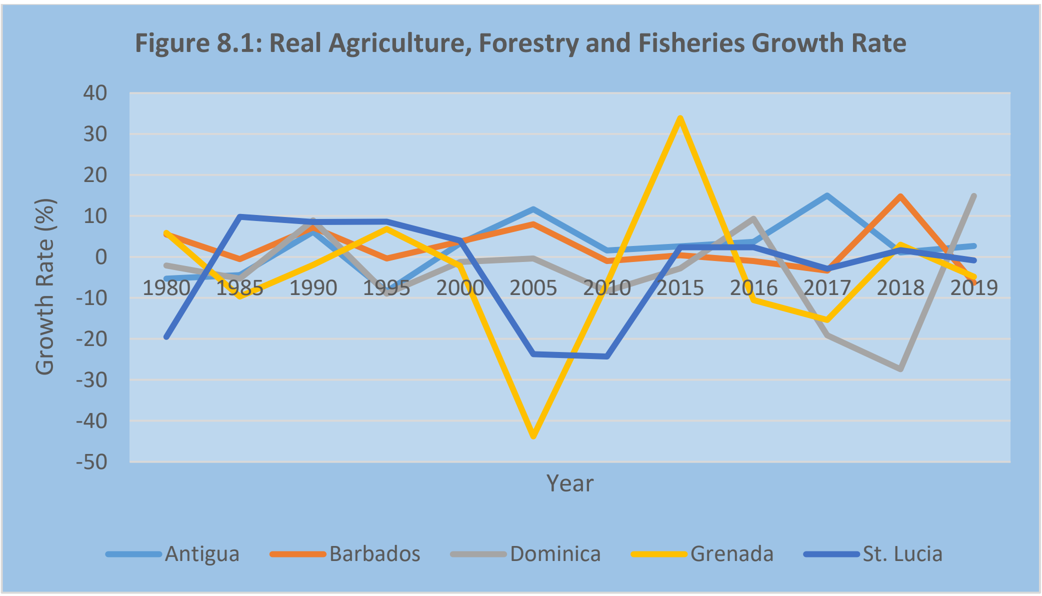
[118] FAO, 2006.
[119] Oyejide, Ademola, 1990; Evers, Barbara and Bernard Walters, 2000.

8.2 The Importance of the Agricultural Sector to the Economies

Although the five countries under review are Small Island Developing States (SIDS) they are highly diverse, varying widely in terms of their landmass, population, levels of socio-economic development, and vulnerability to external shocks. Agriculture remains the primary economic activity in Dominica, however, the other economies are largely service-oriented, with emphasis on tourism.

As mentioned earlier, the prolonged global oil, financial and economic crises have negatively impacted the economies of these countries. This resulted in low to negative growth rates, declines in foreign investment inflows and exports, high public debt, loss of competitiveness in the traditional agricultural export product markets (sugar and bananas), high and increasing national food import bills, and increased losses from disasters due to the countries' proneness to natural hazards, including hurricanes, droughts, landslides, and earthquakes.

The real growth of the agricultural sector of the countries over the period under review (1980 – 2019) has fluctuated with a downward trend (**Figure 8.1, see also Annex 8**). However, the sector continues to play an important part in the economic life of the countries through its contribution to GDP, employment and foreign exchange earnings. This contribution has been enhanced through its linkages and impacts on the manufacturing, health and tourism sectors and to the achievement of food and nutrition security for its domestic populations.



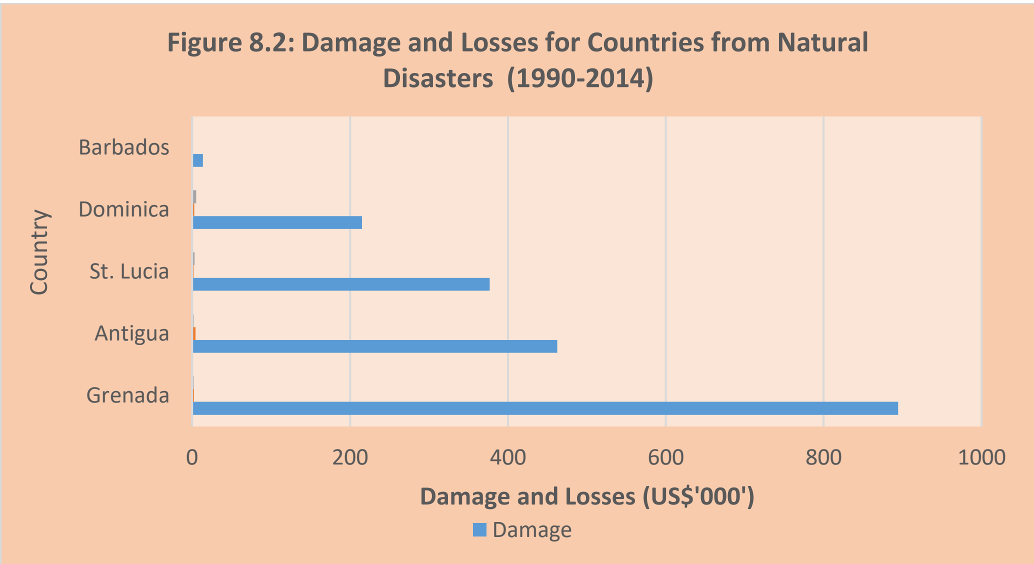
Source: World Bank Database

The drastic decline in the real rates of growth of the agricultural sector in St. Lucia and Grenada in 2005 was due mainly to the impact of Hurricane Ivan (2004) on the countries. Likewise, the agriculture sector growth rates in Dominica and Antigua and Barbuda were negatively impacted by Hurricanes Irma and Maria in 2017, which destroyed the agricultural infrastructure of both countries.

Disasters in the countries often cause millions of dollars in losses in infrastructure and economic and social sectors. For example, 2004 was one of the busiest and most destructive Atlantic hurricane seasons on record: direct losses and property damage in the Caribbean were estimated at $2 billion (UNDP 2011). Hurricane Dean entered the Caribbean through the Saint Lucia Channel on August 17, 2007, and caused major losses in the banana sector in Dominica where over 90 percent of the production was destroyed. Other important export crops such as citrus, avocado, mango, cocoa and hot peppers have also suffered important damage. The livelihood systems of about 3,000 farming families and 3,000 fishing families were seriously affected and took several months to recover. In December 2013, St. Lucia and St. Vincent and the Grenadines were impacted by a low-level trough system which caused extensive damage to the banana, 'other crops', livestock, fisheries and forestry sub-sectors, as well as to farm infrastructure (irrigation, drainage, farm buildings and office equipment), farm roads and land loss. Losses to the agriculture sectors of St. Lucia was estimated at US$11.83 million. According to the U.S. National Oceanic and Atmospheric Administration Tropical Cyclone Report on Hurricane Tomas, there were 44 casualties and damage in St. Lucia amounted to US$336.15 million and US$8.5 million in Barbados (NOAA Hurricane Tomas Report 2011).

Caribbean countries generally have limited resilience and are vulnerable to natural disasters, which have caused extensive damage to property, loss of lives and livelihood systems, thereby undermining national efforts to enhance food security and reduce poverty. There are severe limitations in areas related to the countries' institutional structures; the capacity of the National Emergency and Relief Organizations and other relevant public agencies to perform their respective responsibilities more effectively during a crisis; the capacity for physical mitigation, retrofitting and prevention measures to protect key infrastructure and lifeline facilities before disasters strike; the adequacy of shelters to ensure the safety of the poorer and most exposed populations; natural resource management; in the promoting community involvement and enhancing the role of the community in disaster preparedness and mitigation and recovery operations through organizing, training and equipping community disaster committees, and enhancing their role in disaster preparedness and mitigation and recovery operations; and in the availability and adequacy of disaster contingency funds to support the relief early recovery processes. These limitations were quite evident in the aftermath of Hurricane Ivan that impacted Grenada in 2004.

Over the 1990-2014 period, 182 major natural disasters occurred in the region, affecting 11.5 million persons, causing 241,550 deaths. Over 200,000 of these deaths occurred in Haiti as a result of the earthquake that damaged the island in 2010. Natural disasters caused US$ 16.6 billion in damage to immovable assets and stock during this time, and losses due to the disruption in the flow of goods and services. The damage caused to the five countries from natural disasters for the period 1990-2014 is presented in monetary terms in **Figure 8.2.**



Source: EM-DAT Database, 2015; NOAA Hurricane Tomas Report 2011.

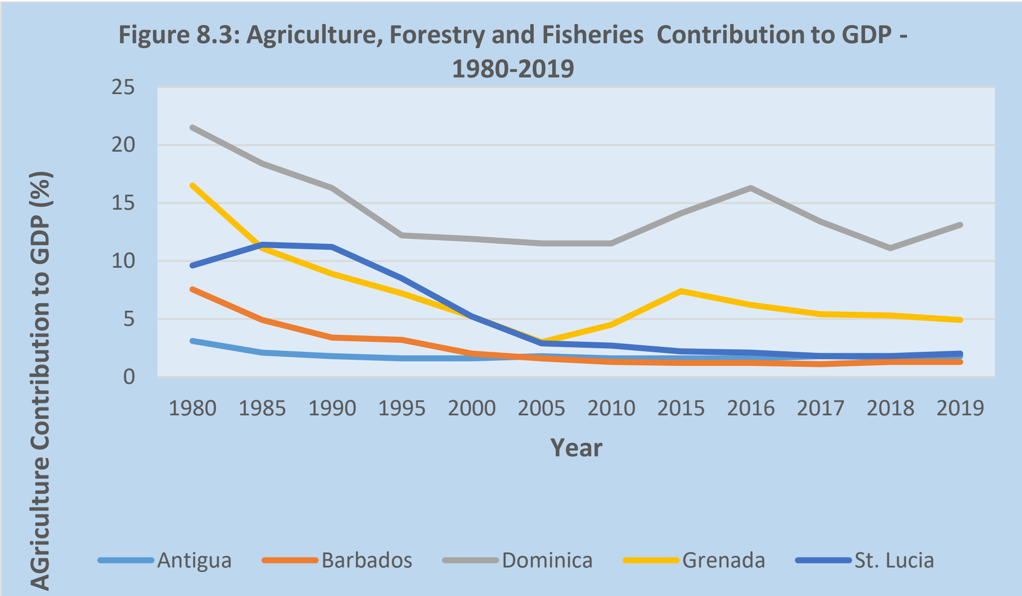
After 2014, and in particular, in 2017, Antigua and Barbuda and Dominica were heavily impacted by Hurricanes Irma and Maria resulting in significant destruction of properties and livelihoods. In Dominica, Hurricane Maria resulted in total damage of US$931 million and losses of US$380 million.

Most of the damages were sustained in the housing sector (38%), followed by transport (20%) and education (8%). The greatest losses were sustained in the agriculture sector (32%), followed by tourism (19%) and the transport sector (14%).[120] In Antigua and Barbuda, the total damage of the Irma/Maria events for Antigua and Barbuda amounted to USD 136 million, while losses amount to approximately USD 19 million. Recovery needs are estimated at USD 222 million, of which housing recovery financial needs are USD 79 million, health USD 7 million, and education USD 6.3 million[121].

Flooding is one of the most frequently occurring natural disasters in the countries, where it is most prevalent during the hurricane season and presents a serious threat to the socio-economic development of the region. Droughts have also negatively affected the economic and social sectors of these countries and are often related to the El Niño Southern Oscillation (ENSO).

The countries are beset with plant pests and diseases which are a serious constraint on agricultural growth and development. Furthermore, movement of pests and diseases among these small islands constitutes a severe quarantine problem. Root crops provide a major source of food in all countries, however, they are affected by a myriad of diseases. Several vegetables are also widely produced in the countries but they are also significantly affected by pests such as aphids, mites, nematodes and whiteflies. The countries have yet to achieve sustainable means of managing pests and diseases which is important for food security. Moreover, there has been indiscriminate use of pesticides in the countries and inadequate knowledge about pests and diseases, which often lead to misdiagnosis and incorrect management.

In 2018, the contribution of agriculture to GDP ranged from a low of 1.3% in Barbados to a high of 13.1% in Dominica, compared to 7.5% and 21.5% in 1980 in the two countries, respectively (**Figure 8.3**).



Source: World Bank Database

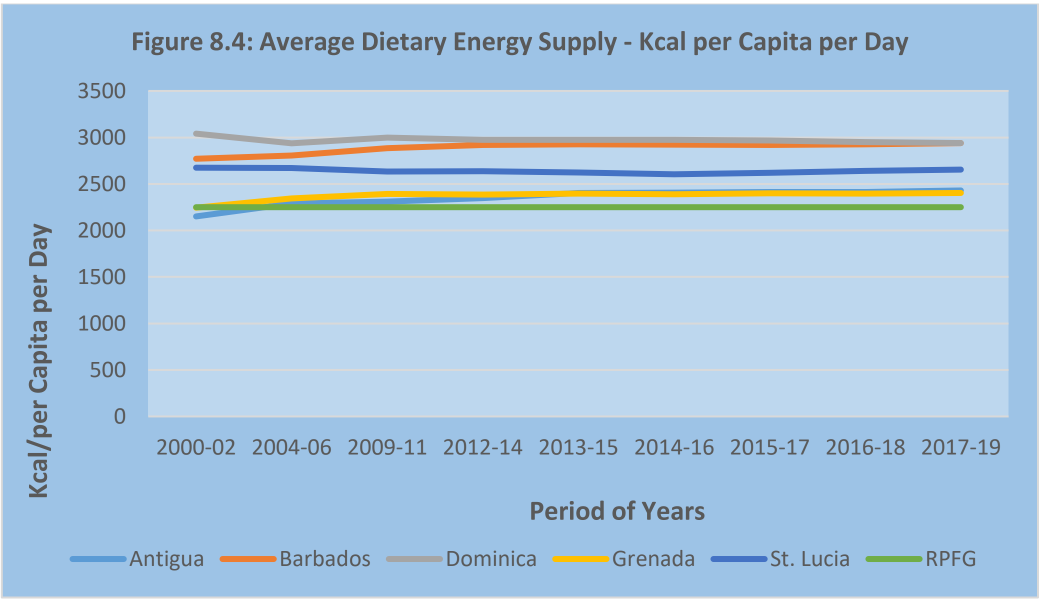
Historically, the food and agriculture sector has been the main contributor to economic development in the countries. However, the two main economic pillars of the food and agriculture sector– sugar and bananas, have declined significantly over the last three decades. Parallel to the loss of export markets for the main agricultural sector products (sugar and bananas) was the fact that domestic food

[120] Post Disaster Needs Assessments (PDNAs) conducted by the UN Group, EU and the WB in 2017.
[121] PDNA 2017

products were crowded out by rising food imports. The declines experienced by the domestic food production sector and the export sector contributed to rising rural unemployment and rural area economic decline.

The agricultural sector also contributes to food and nutrition security in countries, with deliberate and focused attention paid to all dimensions of food security: food availability, access, consumption/ utilization and stability. Food energy availability in all five countries exceeds the recommended food energy guidelines or recommended population food goals (RPFGs).[122] **Figure 8.4** presents the average dietary energy supply for the countries. Most countries are self-sufficient in roots and tubers. Additionally, most countries have a viable agricultural sector that produces a range of fresh vegetables, legumes and tree crops. Nevertheless, for several essential food groups, national production per capita has declined, most notably, including fruits and vegetables. At the national level, the food production index, agriculture's relative contribution to real GDP, and the food import bill are three areas that should be of concern to policymakers. They will be discussed later in the evaluation of the impact of SAPs on the sector.

According to Martínez et al., 2009, hunger is associated with food and nutrition insecurity while undernourishment is a reflection of chronic food insecurity. In the countries under review, some progress has been made to reduce the prevalence of undernourishment in the region.



Source: FAO Statistical Yearbook, 2020

Table 8.1 shows that the percentage of undernourished in the countries has declined during the period 1990 to 2016. Although the reduction in the undernourished population occurred at a very slow pace, the Millennium Development Goal (MDG) related targets which ended in 2015, were achieved by the countries.

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[122] These Recommended Population Food Goals (RPFGs)/Recommended Daily Allowances for Total Energy (Kcal/person/day), and Proteins, Fats/Oils and Sweeteners (gr/person/day) have been estimated by the Caribbean Food and Nutrition Institute (CFNI, 2006).

Table 8.1: Number of (Millions) and Prevalence (%) of Undernourished Persons in the Countries

Country	Millions					Prevalence (%)				
	1990-1992	2000-2002	2005-2007	2009-2011	1011-2016[123]	1990-1992	2000-2002	2005-2007	2009-2011	1011-2016
Antigua & Barbuda	<0.1	<0.1	<0.1	<0.1	<0.1	15.9	42.0	28.1	23.5	13.9
Barbados	ns	<0.1	<0.1	<0.1	<0.1	<5.0	5.2	6.7	<5.0	<5.0
Dominica	ns	ns	ns	ns	ns	<5.0	<5.0	<5.0	<5.0	<5.0
Grenada	<0.1	<0.1	<0.1	<0.1	<0.1	17.5	31.0	26.6	23.1	18.7
St. Lucia	<0.1	<0.1	<0.1	<0.1	<0.1	12.8	11.8	11.3	12.8	12.2

Source: FAO Statistical Yearbook, 2020

The prevalence of food inadequacy is an indicator used by the FAO to determine the percentage of persons in the population whose food access is deemed to be insufficient. Available data shows that for the period 1990 – 2013, there were decreases in the prevalence of food inadequacy in Antigua and Barbuda and Dominica, but increases in the other three countries (**Table 8.2**). Notwithstanding, the countries have made progress over the past 25 years in reducing the levels of food insecurity, as most have met the global hunger targets and the then United Nations MDGs.[124]

Table 8.2: The Prevalence of Food Insecurity in the Selected Countries

Countries	Prevalence of Food Insecurity (%)	
	1990-1992	**2011-2013**
Antigua & Barbuda	26.2	24.4
Barbados	6.8	8.6
Dominica	9.5	5.2
Grenada	25.9	28.9
St. Lucia	20.7	21.3

Source: FAO Statistical Yearbook, 2014

8.3 Factors of Production in Agriculture

8.3.1 Land Resources

The countries under review may be described as a chain of islands characterized by limited land resources. These limited land resources are subjected to immense strain from high population density, industrialization, tourism and urbanization. The topography of most countries may be characterized as generally mountainous with several mountainous peaks and limited flatlands that are mostly coastal. In terms of steepness of slopes, the five countries can be grouped as follows:

- Antigua and Barbuda, and Barbados, which are flat with little or no steep slopes; and
- Dominica, Grenada, and St. Lucia, which are dominated by steep slopes

[123] . Data in the column 2011-16 refer to the most recent available. Data for Antigua and Barbuda, The Bahamas, Grenada, St. Kitts and Nevis, and St. Lucia is for the period 2011-2013 made available in the SOFI 2013. Data for the rest of the countries is for the period 2014-2016 made available in the SOFI 2015 “ns’ refers to “not statistically significant.”
[124] FAO 2015. State of Food Insecurity in the Caribbean, 2015

Table 8.3 presents the productive land inventory of the countries, including agricultural, arable, forest and permanent crops lands as percentages of the total land areas. Arable land for agriculture has been on the decline over the years (Table 8.3) due to the aforementioned strong competing uses. The table shows significant declines in arable and agricultural lands for all countries over the period 1961 through to 2016, with Antigua and Barbuda and Barbados showing a two-fold decrease in arable landmass from 1961 to 2016.

Available agricultural lands also declined between 1961 and 2016 for all countries except Dominica, which recorded an increase in agricultural lands, and Grenada where the level was maintained.

The forests in the countries have remained somewhat unchanged over the period from 1990 to 2016, although the agricultural production methods practised on small landholdings that are occupied by farmers on mountain ranges and incessant forest fires have had a detrimental impact on forested lands.

Table 8.3: Arable Land Inventory in the Selected Countries

Country	1961	1980	2000	2016
	Arable Land as % of Total Land Area			
Antigua & Barbuda	18.18	6.82	9.09	9.09
Barbados	37.21	32.21	34.88	16.28
Dominica	9.33	9.33	6.67	8.00
Grenada	14.71	8.82	2.94	8.82
St. Lucia	8.20	7.38	3.28	4.92
	Agricultural Lands a % of Total Land Area			
Antigua & Barbuda	22.73	15.91	20.45	20.45
Barbados	44.19	41.86	34.88	23.26
Dominica	22.67	25.33	33.33	33.33
Grenada	23.53	47.05	35.29	23.53
St. Lucia	27.87	33.60	17.38	17.38
	Permanent Croplands as % of Total Land Area			
Antigua & Barbuda	2.27	2.27	2.27	2.27
Barbados	2.33	2.33	2.33	2.33
Dominica	10.67	13.33	18.67	22.67
Grenada	4.18	35.29	29.41	11.76
St. Lucia	14.75	21.31	17.87	11.48
	Forest Areas as % of Total Land Area			
	1990	2000	2010	2016
Antigua & Barbuda	23.41	22.73	22.27	22.27
Barbados	14.65	14.65	14.65	14.65
Dominica	66,67	63.10	59.55	57.41
Grenada	49.97	49.97	49.97	49.97
St. Lucia	35.74	34.75	33.77	33.18

Source: World Bank Database

Tables 8.4 and 8.5 show the land distribution in the five countries. The tables show the heavy concentration of lands in just a few holders. For example, in Barbados, 0.8 percent of landholders occupy 81.4 percent of the total land area (acres), while 97.8 percent of landholders occupy only 13.0 of total agricultural land area (acres). The land distribution situation in all countries requires the urgent need for land reform to ensure small farmers have better access to land for agricultural production.

Table 8.4: Land Distribution in Four of the Five Selected Countries

Size of Land Holdings (Acres)	Antigua & Barbuda		Barbados		Grenada		St. Lucia	
	No. of Holdings	Acres	No. of Holdings	Acres	No .of Holdings	Acres	No. of Holdings	Acres
	Cumulative Percent							
Landless	9.1	0.0	24.2	0.1	1.5	0.0	5.3	0.0
< 0.50	47.4	3.7	69.1	2.6	32.2	2.8	29.6	1.5
0.50 – 0.99	63.8	9.3	89.9	7.2	52.3	7.5	43.0	4.0
1.00 – 1.99	77.3	18.4	95.0	10.0	71.2	16.7	60.5	10.9
2.00 – 4.99	91.2	37.1	97.8	13.0	88.9	36.8	83.1	32.4
5.00 - 9.99	95.6	50.3	98.7	14.8	96.0	55.0	94.7	56.5
10.00 – 24.99	98.3	68.6	99.2	16.9	99.2	72.6	99.3	76.5
25.00 – 49.99	99.5	86.0	99.2	18.6	99.6	78.8	99.8	82.3
50.00 and over	100.0	100.0	100.0	100.0	100	100.0	100.0	100.0

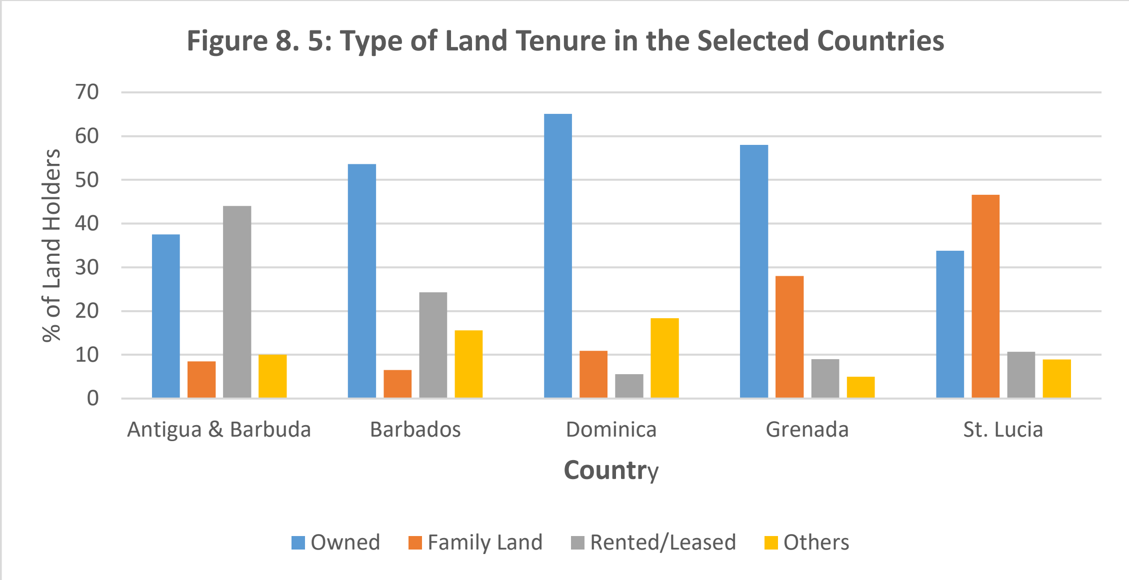
Source: Agricultural Censuses of the Countries – Various Years

Table 8.5: Land Distribution in Dominica

Size of Land Holdings (Acres)	No. of Holdings	Acres
	Cumulative Percent	
Landless	8.2	0.0
0.01- 099	29.6	1.3
1.00 – 4.99	74.5	21.0
5.00 – 9.99	90.1	39.0
10.00 – 24.99	97.7	58.2
25.00 – 49.99	98.7	63.8
50 and over	100.0	100.0

Source: Agricultural Census of Dominica

As can be observed from **Figure 8.5,** owned land is the prevalent land tenure arrangement in Barbados, Dominica and Grenada, as farmers have the desire to own the land that they produce on. This not the situation in Antigua and Barbuda where rented/leased is the most prevalent, and in St. Lucia, where family land is the most dominant land tenure arrangement.



Source: Agricultural Censuses of the Countries

8.3.2 Labour Force

Labour force is an area in which data for is quite limited. As indicated earlier, for most of the countries labour force data are compiled from surveys conducted. However, not all countries conduct regular surveys. For some countries, the only data on employment available are derived from the decennial population censuses. Notwithstanding these limitations, the information presented in this section provides some indication of the characteristics of the labour force in the selected countries.

Table 8.6 presents gender-disaggregated data for Barbados and St. Lucia on the total labour force, labour participation rates, level of employment in Agriculture. As can be observed from the table that when they are compared with men, women comprise a lower percentage of the labour force, their participation rate in the labour market is lower, and their level of employment in the agricultural sector is also lower.

Table 8.6: Labor Force Data for Barbados and St. Lucia, 1990 -2019

Description	Year									
	1990	1995	2000	2005	2010	2015	2016	2017	2018	2019
Barbados										
Total Labor Force	136,443	143,737	145,088	151,204	152,537	152,361	154,871	155,167	155,314	155,296
▪ % Female	46.8	47.8	48.4	48.7	49.3	49.4	49.4	49.4	49.4	49.3
▪ % Male	53.2	52.2	51.6	51.2	50.7	50.6	50.6	50.6	50.6	50.7
Participation Rate	67.3	68.2	-	69.6	66.6	64.0	65.4	64.4	63.6	62.3
▪ % Female of Female	60.2	62.8	-	64.5	61.9	60.8	61.9	60.5	59.5	59.0
▪ % Male of Male	77.5	77.2	74.6	74.8	72.4	69.5	70.1	69.8	69.5	69.2
▪ Female to Male ratio	78.8	82.3	84.1	85.1	86.9	88.6	88.9	89.1	89.2	89.3
Employment in Agriculture										
▪ Overall (%)	5.5	4.6	4.2	3.5	2.8	2.9	2.9	2.8	2.7	2.7
▪ % Female	4.3	3.5	3.4	2.6	2.1	1.6	1.8	1.7	1.6	1.6
▪ % Male	6.5	5.6	5.0	4.4	3.8	4.2	3.8	3.8	3.7	3.7
St. Lucia										
Total Labor Force	54,783	60,542	67,710	77,678	87,913	95,818	97,066	98,287	99,309	100,322
▪ % Female	39.2	40.8	42.7	44.4	44.3	44.7	45.0	45.2	45.2	45.3
▪ % Male	60.8	59.2	57.3	55.6	55.7	55.3	55.0	54.8	54.8	54.7
Participation Rate	63.0	67.8	69.0	68.2				70.3	70.6	69.5
▪ % Female of Female	63.5	61.2	62.0	60.8	-			64.7	64.7	65.1
▪ % Male of Male	78.1	77.2	75.3	76.1	76.6	77.4	77.6	77.8	78.7	76.7
▪ Female to Male ratio	61.0	65.3	70.4	75.9	80.2	84.4	85.2	85.9	86.5	90.1
Employment in Agriculture										
▪ Overall (%)	24.5	24.4	21.1	17.8	14.8	11.5	10.8	10.4	11.4	10.0
▪ % Female	14.3	17.2	13.8	10.9	8.1	5.2	4.8	4.4	5.1	2.9
▪ % Male	30.3	28.9	26.0	22.8	19.9	16.3	15.6	15.0	16.3	15.6

Source: World Bank Database – Based on ILO Modelled Estimate

Table 8.7 presents information on the main labour force characteristics of the countries, while **Table 8.8** shows the areas of economic inactivity of the labour force. While the information is outdated, it provides some indicative information of the gender structure within the labour market for all five countries.

The following observations may be arrived at from the analysis of the information contained in Tables 8.7 and 8.8:

- Women are represented in lower numbers and percentages than men in the economically active, employed labour force, agricultural employment, as well as in agricultural employment as a percentage of the relative economically active labour force for all countries;
- Women are represented in higher numbers and percentages in the economically inactive labour force for all countries;
- Women are represented in higher numbers and percentages in the unemployed labour force for all countries, except Antigua and Barbuda and Dominica;
- The employed labour in agriculture is very low in the countries, ranging from lows of 4% in Antigua and Barbuda and Barbados, to highs of 21% in Dominica and St. Lucia;
- Women employment in agriculture is very low in all countries, ranging from lows of 2% in Antigua and Barbuda and Barbados, to a high of 14% in St. Lucia; and
- The overall ratio of economically active to economically inactive population in the countries is 2 to 1.

Table 8.7: Main Labour Force Characteristics of the Countries

Country Labor Activity Description	Number of Persons by Gender			% Distribution of Persons by Gender		
	Women	Men	Total	Women	Men	Total
Antigua & Barbuda (1991)						
▪ Economically active	13,006	15,665	28,671	45	55	100
▪ Economically inactive	8,474	3,624	12,098	70	30	100
▪ Employed labor force	12,189	14,564	26,753	46	54	100
▪ Unemployed labor force	817	1,101	1,918	43	57	100
▪ Agriculture Employment	281	759	1,040	27	73	100
▪ Agriculture as % of Employed	-	-	-	2	5	4
Barbados (2000)						
▪ Economically active	68,900	73,400	142,300	48	52	100
▪ Economically inactive	40,500	24,600	65,100	62	38	100
▪ Employed labor force	61,000	68,000	129,000	47	53	100
▪ Unemployed labor force	7,900	5,400	13,300	59	41	100
▪ Agriculture Employment	1,277	3,164	4,461	29	71	100
▪ Agriculture as % of Employed	-	-	-	2	5	4
Dominica (2001)						
▪ Economically active	10,832	17,033	27,865	39	61	100
▪ Economically inactive	13,195	7,227	20,422	65	35	100
▪ Employed labor force	9,808	15,003	24,811	40	60	100
▪ Unemployed labor force	1,024	2,030	3,054	34	66	100
▪ Agriculture Employment	808	4,410	5,218	15	85	100
▪ Agriculture as % of Employed	-	-	-	8	29	21
Grenada (1998)						
▪ Economically active	17,844	23,171	41,016	44	56	100
▪ Economically inactive	14,599	7,450	22,049	66	34	100
▪ Employed labor force	14,056	20,731	34,787	40	60	100
▪ Unemployed labor force	3,788	2,440	6,228	61	39	100
▪ Agriculture Employment	1,363	3,431	4,704	28	72	100

▪ Agriculture as % of Employed	-	-	-	10	17	14
St. Lucia (2000)						
▪ Economically active	35,906	40,100	76,006	47	53	100
▪ Economically inactive	21,490	13,136	34,626	62	38	100
▪ Employed labor force	28,440	36,040	34,787	45	55	100
▪ Unemployed labor force	7,465	5,070	6,228	60	40	100
▪ Agriculture Employment	4,055	9,140	13,195	31	69	100
▪ Agriculture as % of Employed	-	-	-	14	26	21

Source: CARICOM Statistics – Labor Force Publications

Table 8.8: Economically Inactive Status by Countries

Country Economically Inactive Status	Number of Persons by Gender			% Distribution of Persons by Gender		
	Women	**Men**	**Total**	**Women**	**Men**	**Total**
Antigua & Barbuda (1991)						
▪ Home duties	4,761	431	**5,192**	92	8	**100**
▪ Students	1,880	1,595	**3,688**	54	46	**100**
▪ Retired	978	933	**1.911**	51	49	**100**
▪ Disabled	671	428	**1,099**	61	39	**100**
▪ Others	184	237	**421**	44	56	**100**
Total	**8,474**	**3,624**	**12,098**	**70**	**30**	**100**
Barbados (2000)						
▪ Home duties	10,400	1,000	**11,400**	91	9	**100**
▪ Students	6,000	6,800	**12,800**	47	53	**100**
▪ Retired	20,400	13,800	**34,200**	60	40	**100**
▪ Disabled	1,500	1,400	**2,900**	52	48	**100**
▪ Others	2,200	1,600	**3,800**	58	42	**100**
Total	**40,500**	**24,600**	**65,100**	**62**	**38**	**100**
Dominica (1998)						
▪ Home duties	6,852	1,382	**8,734**	83	17	**100**
▪ Students	2,494	2,303	**4,797**	52	48	**100**
▪ Retired	2,636	2,140	**4,776**	55	45	**100**
▪ Disabled	986	959	**1945**	51	49	**100**
▪ Others	227	433	**670**	34	64	**100**
Total	**13,195**	**7,227**	**20,422**	**65**	**35**	**100**
Grenada (1991)						
▪ Home duties	11,616	2,974	**14,590**	80	20	**100**
▪ Students	2,345	2,192	**4,537**	52	48	**100**
▪ Retired	834	1,161	**1,995**	42	58	**100**
▪ Disabled	1,362	1,015	**2,377**	57	43	**100**
▪ Others	77	127	**204**	38	62	**100**
Total	**116,234**	**7,469**	**23,703**	**68**	**32**	**100**
St. Lucia (1991)						
▪ Home duties	15,184	2,320	**17,504**	87	13	**100**
▪ Students	3,349	2,383	**5,732**	58	42	**100**
▪ Retired	1,155	1,436	**2,591**	45	55	**100**
▪ Disabled	1,844	1,609	**3,453**	53	47	**100**
▪ Others	396	519	**913**	43	57	**100**
Total	**21,928**	**8,265**	**30,193**	**73**	**27**	**100**

Source: CARICOM Statistics – Labor Force Publications

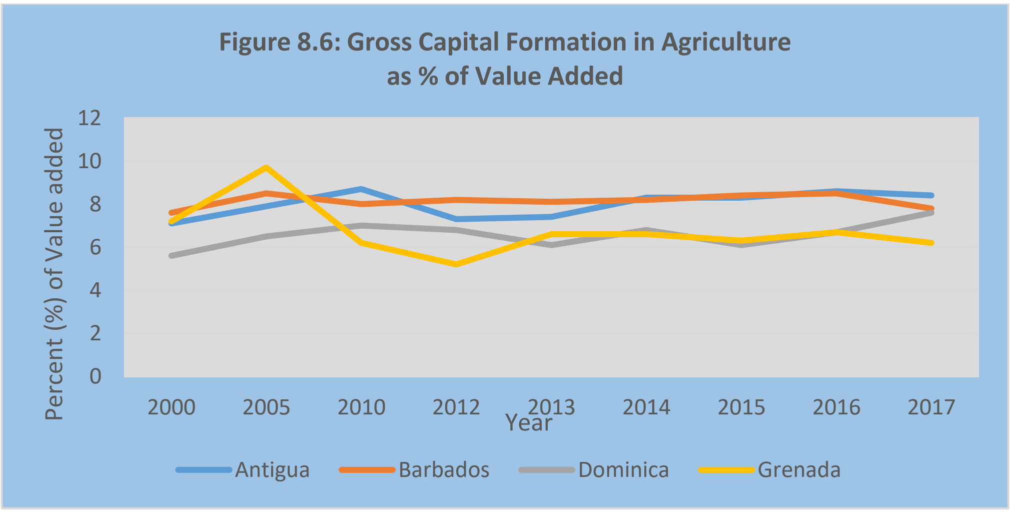
Of the economically inactive across the five countries:

- 38% are involved in home duties; and
- 85% of those involved in home duties are women, ranging from a low of 80% in Grenada to a high of 92% in Antigua and Barbuda.

This may be implying that the lack of investment in support services, including supplementary care services, means that women who carry the burden of domestic responsibilities cannot find the time to work in agriculture and related value-added industries. In essence, there is a pool of potential labour force and, therefore, the opportunity to increase women's participation rate in agriculture once the requisite investments are made in the support and supplementary care services. Thus, there is the potential to enhance women's contribution to agricultural productivity and development in the countries.

8.3.3 Capital Investment[125]

Capital investment in the sector is represented by Agriculture Investment Ratio (Agriculture Gross Fixed Capital Formation as a share of Agriculture Value Added). Data on capital investment in agriculture for the selected countries is presented in **Figure 8.6.**



Source: World Bank Database

Gross fixed capital formation comprised capital investments to create new assets, as well as improvements to existing fixed assets, such as buildings and structures, that increase their productive capacity, extend their service lives, or both. The data shows declines in most countries up to 2010, but the declines were contained thereafter.

Decreased investments in physical capital leading to lower capital stock in agriculture, forestry, and fishing is one possible driver of the real long-term decline in growth in agriculture value-added that is evidenced above (Figure 8.6). Falling profitability in the sector may be keeping investors away from agriculture and the gross capital formation (GCF) in agriculture and allied sectors as a ratio of gross value added (GVA) has fallen since 2010.

[125] Disaggregated gender and age data was difficult to access and therefore, the analysis of this section is based heavily on gross fixed ccapital formation in th the agricultural sector.

8.4 Structure of Agriculture, Fisheries and Small Business Sectors in the Countries

8.4.1 Structure of Agriculture

As mentioned earlier, the role of agriculture in the countries' economies changed from plantation mono-cropping of sugar cane in the 17th century to a diversified production which includes banana, citrus, coffee, cocoa and nutmeg. Two main agricultural production systems can be observed in the countries - subsistence and commercial farming. The two systems vary considerably with subsistence farming mainly practised by resource-poor peasant farmers on small landholdings, while commercial farming is carried out on a larger scale. Both small and large commercial farms co-exist; the smaller farms supply the local market while produce from the larger farms is exported. Large commercial farms have a well-established marketing system.[126] **Table 8.9** presents a list of the major agricultural commodities produced and the final destination of the outputs on a country basis.

Ruminant production in the countries is mainly a low-input and low-output system. Due to inadequate access to lands, animals are placed in rough pastures to graze, with limited feeding of grains. Meat from these animals is mainly sold on the local market. Poultry is the most important meat in the counties, followed by beef and pork.

Table 8.9: Major Commodities Produced and the Destination by Country[127]

Commodity	Antigua & Barbuda		Barbados		Dominica		Grenada		St. Lucia	
	NFS	EX	NFS	EX	NFS	EX	NFS	EX	NFS	EX
Fruit										
Banana	X		X		X	X	X	X	X	X
Plantain	X				X	X	X	X	X	X
Cocoa					X	X	X	X		
Mango	X	X	X		X	X	X	X	X	X
Breadfruit	X		X		X	X	X	X	X	X
Pineapple	X	X			X	X	X	X	X	
Root Tubers										
Yam	X		X		X	X	X	X	X	
Sweet Potatoes	X	X			X	X	X	X	X	
Dasheen					X	X	X	X	X	
Cassava	X		X		X		X		X	
Vegetables										
Tomatoes	X		X		X		X		X	
Cabbage	X		X		X		X	X	X	
Carrots	X		X		X		X	X	X	
Cucumber	X		X		X	X	X	X	X	
Pumpkins	X		X		X	X	X	X	X	
Melons	X		X		X	X	X	X	X	
Onions	X	X	X							
Seasoning/ herbs	X		X		X		X		X	
Spices										
Nutmeg							X	X		
Cinnamon					X	X	X	X		
Ginger					X	X	X	X		

[126] Wuddivira, M. etal (2017)

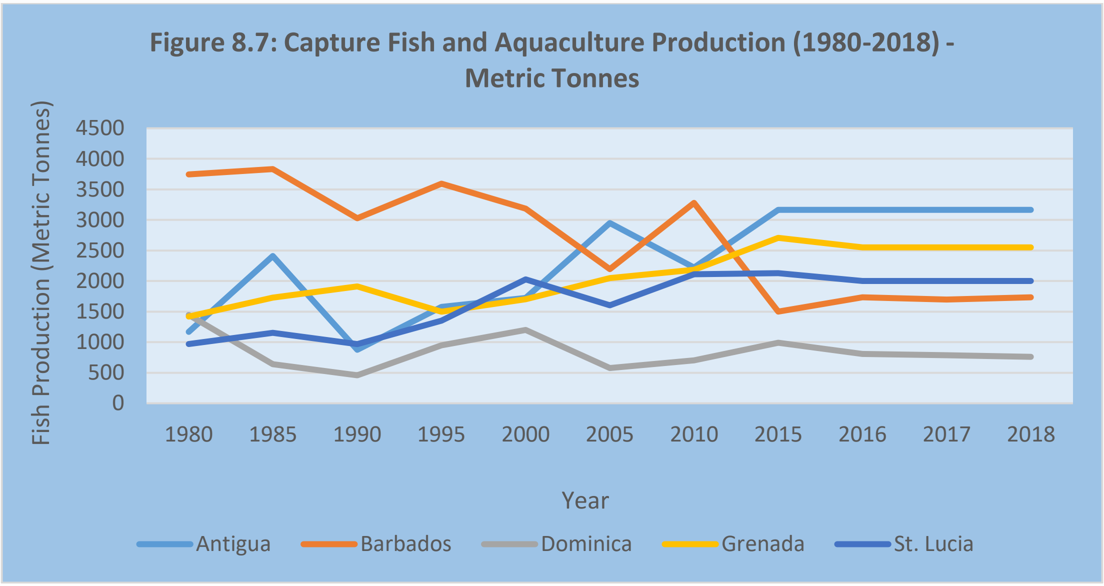
[127] EX represents Export; NFS represents National Food Security

Hot Pepper	X	X	X		X	X	X	X	X	
Essential oils										
Bay oil					X	X				
Livestock										
Cattle	X	X	X		X		X		X	
Small Ruminants	X	X	X	X	X		X		X	
Pigs	X		X		X	X	X		X	
Poultry	X		X		X		X		X	
Fish										
Fresh Fish	X	X	X		X	X	X	X	X	X
Processed	X	X	X		X		X	X		
Conch	X	X					X	X	X	X
Lobster	X	X	X		X		X	X	X	X
Aquaculture	X						X		X	

Source: FAO Statistical Yearbook, 2020

8.4.2 Structure of the Fishing Industry

Figure 8.7 presents fish production for the five countries for the period 1980 through 2018.



Source: FAO Fishery and Aquaculture Statistics

Antigua and Barbuda have 12 miles of territorial sea and 3,568 km2 of the continental shelf. Fisheries target mainly marine species and are characterized by their small-scale and commercial nature. There is currently no commercial exploitation of inland fisheries resources. However, there is a traditional recreational or subsistence harvest of some freshwater and estuarine species. Capture production has been quite stable with around 3,000 tonnes between 2005 and 2016. However, the year 2012 had an outstanding production of 5,700 tonnes due to three main reasons: i) greater catches of reef fish (e.g. groupers and snappers); ii) greatly increased harvest of queen conch - the fishing effort of the dive fishery shifted from the Caribbean spiny lobster to the queen conch as demand for lobster contracted due to reduced tourism, and iii) use of more Fish Aggregating Devices (FADs) for pelagic species. Capture fish production involves mainly small fishing units targeting demersal or reef-based resources mainly by lines, trap nets, and gillnets. Over several decades there have been some failed attempts in Antigua and Barbuda to conduct aquaculture on a range of products. However, seaweed (Euchuma sp. and Gracilaria sp.) farming has achieved some success in Antigua and Barbuda, but this is still very limited.

In 2015, a total of 1,907 persons were reported to be engaged in the fishery and aquaculture sector in Antigua and Barbuda which accounted for almost all fishing activity. Four percent of fishers were women and the remaining 96% men. The fishing fleet in 2014 composed of 338 motorized vessels of less than 18 meters in length (of which 237 were undecked and of less than 12 meters). In 2016, total exports of fish and fishery products amounted to US$274 000 and imports to US$5.9 million. The direct contribution of the sector to the GDP was estimated at US$9.7 million in 2013 and accounted for 47% of the agricultural GDP. The contribution of the sector to the combined national GDP was estimated at 0.63% in 2018 and per capita consumption was estimated at 55.7 kg in 2013. From 1990-2018, a total of 157 vessels were severely damaged, destroyed or lost at sea due to hurricanes, in addition to the loss of fishing gears and damage to landing site infrastructure. Difficulty in obtaining financing and the absence of reasonably priced vessel insurance has influenced the length of time that vessels are replaced or repaired or remain inactive.[128]

In **Barbados**, the Ministry of Maritime Affairs and the Blue Economy has primary responsibility for fisheries, mainly through the Fisheries Division and Markets Division. Its mandate is to ensure the optimum utilization of the fisheries' resources.

Total captured fish production in Barbados fluctuated heavily during the period under review. In recent years outputs have been affected by the invasions of sargassum seaweed that has substantial impacts on flying fish catch. The latest available statistics show a production of over 3,000 tonnes between 1980 and 2014, but output levels declined thereafter with fish production at 1,732 in 2018. Apart from a small number of farmers growing tilapia and crayfish in backyard ponds and tanks as a hobby for self-consumption, there was no commercial aquaculture operation until 2010. A commercial tilapia farm was built with an initial production of 3 tonnes per month in 2011. Total farmed fish production in Barbados is estimated at around 20 tonnes in 2014. The slow development in aquaculture is mainly due to the high cost of land, the high investment costs of marine aquaculture installations and the heavy focus on traditional offshore fisheries over the last decades.

Barbados is a net importer of fish for domestic fish consumption, estimated at 40.1 kg per capita in 2013. In 2015, the country imported fish and fishery products for a total value of US$25.8 million. There were around 3,000 active fishers in Barbados in 2015. Fish is landed at some 13 major landing sites all around the island. The fishing fleet comprises small open boats propelled by oars and outboard engines that fish for reef and coastal fishes to decked vessels that fish for tunas and swordfish on voyages lasting up to 14 days. There are also traditional vessels powered by inboard engines that fish for flying fish and large pelagic species, which land their fish daily. Over the last years, this segment has evolved into larger fishing vessels remaining at sea between 5 to 10 days. In 2010, 1,073 powered fishing vessels were reported, of which 90 percent were less than 12 metres.[129]

The Barbados Fisheries Management Plan foresees training of fishers and fisherfolk organizations to enable them to play an active role in fisheries management and quality assurance. The vision includes promotion of responsible fishing practices and implementation of agreed national, regional and international fisheries management measures; continued development of modern and appropriate infrastructure and production and marketing of quality value-added seafood products. However, hurricanes and tropical revolving storms continue to be a major threat to the fisheries sector.

[128] FAO Antigua and Barbuda Country Fishery and Aquaculture, 2018
[129] FAO Barbados Country Fishery and Aquaculture, 2018

In **Dominica**, the fishing fleet was estimated in 2017 to consist of 434 undecked multipurpose vessels, mostly motorized boats of less than 12 m. In 2017, 912 people, of which 17 were women, were reported to be engaged in fishing. Fish landing fluctuated in the last ten years from about 500 tonnes in 2013 to more than 1000 tonnes in 2014, with 762 tonnes reported in 2018. They are sold fresh to local consumers. There is no facility for processing and storage, resulting in wastage when the supply of pelagic fish exceeds local demand. There are an estimated 11 hectares of aquaculture operations in Dominica, with an estimated 1 tonne of freshwater prawns and 5 tonnes of tilapia produced annually.

Exports of fish and fishery products are rather limited in Dominica, estimated at USD 7,000 in 2016. Fishery resources are underutilized as a source to enhance domestic nutrition and food security, employment generation and foreign currency earnings. The fisheries sub-sector provides direct jobs to 1,195 persons, mainly in marine coastal fishing, with 14 women reported in part-time marine coastal fishing in 2015. A slight reduction to 900 direct jobs was reported in 2017. Since the crash of Dominican banana production, many farmers have become dependent on fishing to make a living. Additionally, there is greater demand for fish in the country, which seems to be directly correlated to the annual increase in the number of tourists visiting Dominica. In 2017, imports of fish and fishery products were estimated at US$1.6 million. Per capita fish consumption is significant, amounting to 27.1 kg in 2017.[130]

Over the past two decades, the fishing industry in **Grenada** has evolved from one that was essentially artisanal to a more commercialized fishery, harvesting a tropical multispecies stock. Today, the fisheries sector has become a major source of employment and income, a significant contributor to the food supply, food and nutrition security and a foreign exchange earner. The fisheries sector contributed 31 percent of the agricultural GDP and 1.5 percent of the national GDP in 2012.

In 2017 annual catches were estimated by FAO at 2,550 tonnes. Approximately 70 percent of the reported landings were of tuna and tuna-like fishes, most notably yellowfin and Atlantic sailfish. Catches of Caribbean spiny lobster in 2017 were estimated at 30 tonnes, well below the peak catches of over 72 tonnes in 1999, but on an increasing trend in comparison to previous years. There has been no reported commercial aquaculture production in Grenada for the last decade.

In 2017 there were about 3,500 fishers in Grenada, 86 percent of them full-time. In 2017 the fleet was estimated at 804 fishing boats with 90 percent motorized. In the last decade and a half, outboard motors have become very common, although they were found to be expensive to operate compared to boats powered by in-board diesel engines. During the last few years, successful attempts were made to expand large pelagic fisheries, and this has led to a growing number of longline boats. The secondary sector involves 70 vendors, 13 boat-builders and 10 exporters (5 of which do have plant facilities).

Annual per-capita fish consumption in Grenada was estimated at 27.9 kg in 2017. The fish catch in Grenada is mainly marketed fresh, fresh on ice and, to a lesser extent, frozen. There are six main market centres on the island of Grenada and one on Carriacou. Seasonal supply, species preference and the limited buying power of the consumers affect fish marketing. Import levels reflect certain traditional preferences for processed fish. A part of the production is exported intra-regionally to islands such as Martinique and Guadeloupe, especially from the Island of Carriacou. In 2017, exports of fish and fish products were estimated at US$5.2 million and imports at US$2.7 million.

Similarly to Dominica, over the past decade, the fishing industry in **Saint Lucia** has evolved from one that was essentially artisanal to a more commercial fishery, harvesting a tropical multispecies stock.

[130] FAO Dominica Country Fishery and Aquaculture, 2018

Total capture production in Saint Lucia was estimated at 2,000 tonnes in 2018. Over 50 percent of annual fish catches comprise offshore migratory pelagics such as dolphin fish, wahoo and tuna and tuna-like species. Flying fish forms an important but variable component of the catch and a multitude of shallow reef and coastal pelagic species are also key components. In 2016, over 822 undecked, powered vessels were reported as Saint Lucia's fleet with all but 7 of these under 12 meters in length overall. The fishery sector in 2017 provided direct employment to 3,328 persons in marine fishing, of which 182 were women, while 114 persons (20% women) were directly employed in aquaculture. Moreover, the small-scale fishery sector contributes significantly to poverty reduction and food security. Aquaculture is still in the embryonic stage with only 27 tonnes produced in 2016. The annual per caput fish supply is estimated at 23.7 kg in 2013. Fish imports are needed to complement domestic production and satisfy the demand from the tourism sector. In 2016, imports of fish and fishery products were estimated at US$8.9 million, while fishery exports continued to be negligible.

Table 8.11 presents the level of employment within the fishing industry on a country basis.

Table 8.11: Persons Employed in the Fishing Industry by Country – ('000')

Country	Year						
	1980	1990	2000	2010	2015	2016	2017
Antigua & Barbuda	1.45	0.64	0.89	1.53	1.89	…	…
Barbados	3.00	3.00	3.00	3.01	3.01	…	…
Dominica	1.50	2.50	2.24	1.54	1.20	1.05	0.91
Grenada	1.70	1.75	2.18	2.81	3.50	3.50	3.50
St. Lucia	2.60	4.80	28.02	2.55	2.97	3.18	3.33

Source: FAO Fishery and Aquaculture Statistics

8.4.3 Structure of Small Business Sector

Information on small business enterprise development in the Caribbean is often only based on one or more of the larger Caribbean states, mostly due to the absence of key information on other smaller Caribbean states of the region. This has resulted in a severe lack of data and analysis of small business enterprise in the five countries. Notwithstanding, information gleaned from a 2015 study that profiled women entrepreneurs in the Caribbean region is considered relevant to this report. The study presented an estimate of the number of self-employed women in the region, from an estimated 1.2 million employed women. It reported that:

- Out of 2.86 million total employed people in the region, there are 1.2 million employed women, making women roughly 42% of employed people in the region.
- Of the 1.2 million women employed, self-employed women comprise 8 percent of total employment, which is equivalent to 9% of total women employed.
- In terms of numbers, there were approximately 228,000 self-employed women; of which 204,000 (89.5 percent) had no employees, 21,000 (9.2 percent) had one to four employees, and 3,000 (1.3 percent) had five or more employees.
- The sectoral distribution of women-owned enterprises is dominated by services: the two largest sectors (retail trade and hotels and restaurants) accounted for 46% of all businesses owned by women, as compared to 34% of businesses with full ownership by men.

The report identifies priority barriers and constraints that require addressing. These include:

- Access to financing;

- Appropriate and relevant training and counselling (business advisory services) and other forms of capacity-building support (for example, business coaching and mentoring);
- Access to relevant and timely business-related information (for example, regulations, trade missions, obtaining technical support, etc.);
- Access to networks (for example, women entrepreneurs, and business associations); and
- Access to technology and equipment.

Three main priorities were identified to address gender segregation in the labour market, which is a direct effect of socio-cultural factors. These are:

- Expanding women's involvement in sectors with growth potential, both as employees and owners;
- Increasing acceptance of self-employment as a viable career option; and
- Improving access to developmental resources to promote greater involvement in self-employment in growth-oriented sectors.

An in-depth and comprehensive assessment of the overall small business agro-food system in the countries is also hindered by the lack of up-to-date and reliable data. Based on available data, the small business agro-processing industry in the countries may be characterized as not very well developed. The food industry consists mostly of small and medium enterprises and micro-companies and there are only a few larger (>50 staff) food processors, including a few international companies. It is usually the larger companies that have the capacity for research and development and the size of the interregional agricultural and food trade is small. The food industry often processes imported raw materials instead of using local produce.The countries do have some medium-sized retail chains, together with a large number of small local shops, street vendors and food markets. About two-thirds of grocery sales are conducted in the retail sector.[131]

8.4.4 Profile of Smallholder Farmers and Fisher-folks

Available information from the agricultural census of the countries, as well as reviews of several documents on small farmers in the Caribbean, have provided a fairly good profile of smallholder farmers and fisher-folks in the countries.[132] Traditionally Caribbean small farmers are defined as food producers operating on 2 hectares and under of farmland**.** They farm primarily food crops and to a lesser extent, rear small ruminants, manage small poultry units, and conduct activities in artisanal fisheries and small-scale aquaculture. FAO (2012) profiled the small farmer as a male ranging from age 41 to 54 years who may carry out one or various mixtures of agricultural activities. However, except for various forms of cropping systems, there are no dominant farming systems in the countries. Women farmers constitute about 30% of the farming population as holders and are also involved in multi-functional ways in the production, marketing and processing of fresh foods.[133]

Small farming is fragmented with farm structures ranging from 0.15 hectare of land to under 2.0 hectares of land. The small farmers are endowed with different resources and capacities not necessarily linked to the farm size. There is also a group of small farmers categorized as landless. They rear livestock and in at least one of the countries make up 12% of farmers.

Regarding gender issues and education, the data show that women tend to enter the system around age 30-35 and are primarily involved in areas such as weeding, harvesting and marketing, though

[131] Wuddivira, M.et al (2017)
[132] Report of Census of Antigua and Barbuda -2007; Report of Census of Agriculture – Saint Lucia -2007; FAO (2012); FAO Census of Agriculture website; Beckford C.L., Campbell D.R. (2013).
[133] FAO (2012)

males are dominant in marketing. The median age of women holders is 55 years. However, because the data recognizes one holder in the farm family unless joint land ownership is documented, the woman may not always be recorded nor recognized as a landholder.

In terms of education, 1999 data shows that about 50-55 % of small farmers had achieved primary level education, 20% secondary education and the remaining had attained post-secondary formal training and or higher education. Data collected since 2007 reveal that in a few countries young people are involved in farming as early as age 15 years, however, in general youth under the age of 25 years show little interest as holders and women under 35 tend to be absent as holders.

Small farmers use traditional farming systems such as intercropping and mixed cropping. They also use modern systems such as greenhouse technology and organic farming. Production practices include sustainable practices such as integrated pest management, rainwater harvesting and micro-irrigation. However many crop farmers use agri-chemicals, mainly fertilizers and pesticides, while livestock farmers use anti-biotics. Produce is marketed in many different segments in the domestic market and except for the open markets, there seem to be no identified market outlets for small farmers. Middlemen are an important part of domestic distribution chains as it eases the burden on farmers to find their own markets. Many of these middlemen are linked to fresh produce exporters.

Small farmers face challenges in the domestic market due to high food importation. As a countermeasure, there is a trend in small farming towards value chain arrangements and cluster formation in order to consolidate markets. This strategy is popular among farmer organizations and cooperative networks, but the majority of farmers are not benefitting from these arrangements.

Incomes generated from small farming are generally in general low and most farm households earn less than 25% of household expenditure from farming activities. Risks and uncertainties in the sector make small farmers unattractive to lending institutions. Furthermore, complications associated with tenure and the unavailability of agriculture risk insurance also militate against access to credit. Many farmers do not keep records and do not know the financial state of their enterprise. Mostly they blame the low incomes, high input costs and general production and marketing challenges in the system for the disinterest in adopting a business approach to their enterprise.

Some small farmers manage aquaculture ponds, others are small scale fisher-folks, while some are involved in mariculture (sea moss and conchs) production. A survey conducted by the Caribbean Fisheries Mechanism (CRFM) on poverty in the fisheries sector provided some insight into the welfare of fisher-folks. In the ten (10) countries[134] in which the survey was conducted 19.76% of the fisher--folks population was deemed vulnerable to poverty and a total of 9.77% across five countries[135] were considered poor.

Smallholder farmers in the countries are confronted by several constraints. They are exposed to all of the nine key binding constraints highlighted in the Jagdeo Initiative.[136] These constraints have been discussed in many forums in the region and addressed in several CARICOM policy and strategy documents on the sector. The constraints may be more pressing among small scale farmers because of their weaker capacities to participate in technical assistance and capacity building programs. The

[134] Bahamas, Barbados, Montserrat, St Kitts and Nevis, St. Vincent and the Grenadines, Trinidad and Tobago, Grenada, Jamaica, Belize and Guyana.
[135] Trinidad and Tobago, Grenada, Jamaica. Belize and Guyana
[136] Deficiencies in land and water issues; marketing, risk management, transportation, agriculture health and food safety, financing and investment, research and development, organization of the private sector, human resource development.

situation worsens in the circumstances of farmers operating at subsistence levels. These constraints are further exacerbated for women farmers in the Caribbean.

The key constraints to overcome are small volumes, poor risk coverage and the unmanaged heterogeneity which defies any semblance of the desired levels of organized and consolidated enterprise approach in small farming.

Notwithstanding the constraints that are identified, agriculture continues to be important to Caribbean economies concerning contribution to GDP, employment, foreign exchange earnings/saving, food security, and its linkages to other sectors such as tourism and manufacturing. However, the sector remains highly sex-segregated, with men dominating land ownership, access to credit and other means of production. Sectoral policies also tend to lack a gender analysis, which needs to be included in national policies and plans related to agricultural diversification, expansion, and food security.

In **Antigua and Barbuda**, the Ministry of Lands and Agriculture does not collect sex-disaggregated data on land ownership. However, gender segregation in the agricultural labour force is evident in information gleaned CDB and ILO data, which reveal that men represent 71.4% of workers in the agriculture, hunting and forestry sector as compared to 28.6% of women. The Antigua and Barbuda Country Gender Assessment (CGA) points out that the actual participation of women in agriculture may be underestimated due to the proximity of one's farm to the home, and the fact that women tend to engage in subsistence agriculture while maintaining responsibilities within the home.[137] Meeting the country's household subsistence needs has been challenged by the economic downturn, and the issue of food security has become of utmost importance to the Government. The Antigua and Barbuda CGA recommends that support be provided to develop gender-responsive agriculture, food security and environmental policies and programmes, to promote inclusive and sustainable interventions which would benefit both women and men.

In **Barbados**, the agricultural labour force is highly gender-segregated. The ownership of farms is predominantly male, with approximately 80% being owned by men. The Barbados CGA indicates that men account for 60% of skilled agricultural labourers and 62.9% of employees in agriculture, forestry and fishing.[138] In comparison, many of the smallest farms and subsistence plots are female-owned. Women's low ownership of land and farms constrains their access to credit in agriculture, as well as other productive sectors.

In **Dominica**, agriculture contributes 11.5 percent to GDP, and it is also a major employer accounting for an estimated 21 percent of total employment. Males comprise 85% of skilled agricultural and fishery workers, compared to 15% of females.[139] However, negative impacts of World Trade Agreements, devastating hurricanes, and increased production costs have resulted in a decline in banana exports in the last two decades. Youths' lack of interest in agriculture is also an issue of concern for the sustainability of the sector. The Dominica CGA reveals that rural women have been particularly affected by the banana crisis, both directly as small banana farmers and as spouses/partners of banana farmers.[140] In response to the crisis, the Dominica Bureau of Gender Affairs (BGA) established a revolving loan fund to assist women's small enterprise development. Women's groups established through financial funding from the BGA and other agencies are producing agro-processed products such as cassava flour and bread, seasonings, and other products for the local market. The Dominica CGA recommends that these enterprises would benefit from further support from government, banks

[137] Caribbean Development Bank. 2016. Country Gender Assessments (CGAs) Synthesis Report.
[138] Barbados Statistical Service Labour Force Survey, 2012.
[139] Government of Dominica 2014. Revised Main Findings, 2011 Population and Housing Census.
[140] Caribbean Development Bank. 2016. Country Gender Assessment Report.

and credit agencies, and international agencies to enable them to scale up and contribute to export trade. To ensure agricultural sustainability, the CGA also recommends that teaching of agriculture be introduced and/or strengthened at the primary, secondary and state college levels, and also that school gardens should be reintroduced to change the perception that agriculture is for the illiterate/poor, to one that agriculture and agri-business are attractive and profitable fields of study and endeavour. Further, to increase the contribution of agriculture to economic growth, the CGA recommends that men, women and youths need to be encouraged to become agricultural entrepreneurs, and support given to small- and medium-sized agricultural enterprises, paying specific attention to increasing women's land ownership and access to credit.

In Grenada, agriculture is the largest productive economic sector, consistently accounting for between 6-15% of the GNP per annum, and employing just over 8% of the labour force in 2011.[141] However, the country experienced a policy shift from an agriculture-based economy due to the decline in the banana export market, and Hurricanes Ivan and Emily in 2004 and 2005 which devastated the nutmeg industry. The Grenada CGA indicates that the agricultural labour force is highly gender-segregated. While men comprise the majority of labourers in government and privately owned crop farms by as much as 95%, women comprise the majority of workers in the cocoa and nutmeg factory houses where sorting and packing take place. Men also dominate livestock farming and fishing, while increasing numbers of women are entering poultry farming.[142] Such gendered segregation impacts the earning capacity of men and women in agriculture, as men are positioned in jobs where wages are higher. This translates further into men's and women's unequal access to assets/collateral to engage in agri-business, eco-tourism, etc. However, there is little evidence that government and other agricultural agencies are aware of the gender dimensions of agriculture. The Grenada CGA recommends that gender equality be promoted in agriculture to increase men's and women's equitable access to productive resources, and opportunities for entrepreneurship that link agriculture to agri-business and tourism. Further, the teaching of agriculture at the primary, secondary and Grenada National College levels should be introduced or strengthened, to stimulate youth participation in the sector, promote entrepreneurship in agriculture and agri-business, and contribute to restructuring the agricultural sector.

In **St. Lucia**, its CGA reveals that while the Government is cognizant of the role of women in food production, it does not explicitly discuss their participation in commercial food production or their economic contribution to agriculture.[143] Additionally, while women are least likely to hold land, they dominate agro-processing. However, especially for rural women, the expansion of their production and sales is hampered because HAACP[144] standards for international and regional export are not being met, as most products are produced in private homes.

8.5 Impact of Structural Adjustment Programmes on Agriculture

8.5.1 Overview

In the context of the agriculture, fisheries and small agri-business sectors, SAPs were aimed at increasing productivity and production, boosting exports as a basis for national economic growth, improving farmers', fisher-folks' and small business entrepreneurs' incomes and ensure food security.

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[141] According to data from the 2011 Population and Housing Census, there has been a 1.5% decrease in the farming population, from the high of 9.7% in 2001. Low profitability is a strong contributing factor.

[142] Caribbean Development Bank. 2014. Grenada Country Gender Assessment Report.

[143] Caribbean Development Bank. 2016. St. Lucia Country Gender Assessment Report

[144] Hazard analysis and critical control points "is a risk management system that identifies, evaluates, and controls hazards (biological, chemical and physical) related to food safety throughout the food supply chain." HACCP Growing Opportunities in Food Processing. St. Lucia Bureau of Standards (SLBS). Accessed at: http://slbs.org.lc/document_file/HACCP_Brochure_current.pdf

The policies pursued reflected the development strategy favoured by the IMF and the World Bank. At the macro level, the strategy includes:

- A reduction in the role of the state to reduce government expenditure;
- Restrictive monetary as well as fiscal policies;
- An expansion of the role of the private sector to promote economic growth; and
- Liberalization of internal and external trade intended to allow the market, rather than the government, to direct resource allocation and determine prices of inputs and outputs.

While the countries implemented similar restrictive macroeconomic programmes, which impacted the agricultural sector, there were differences in emphasis when it came to the specific sector policies pursued in each country. These depended in large part on the diagnosis of the principal factors deemed to be holding back the respective agricultural, fisheries and small agri-business sectors. The specific policies aimed at reforming the agriculture, fisheries and small agri-business sectors in the countries include:

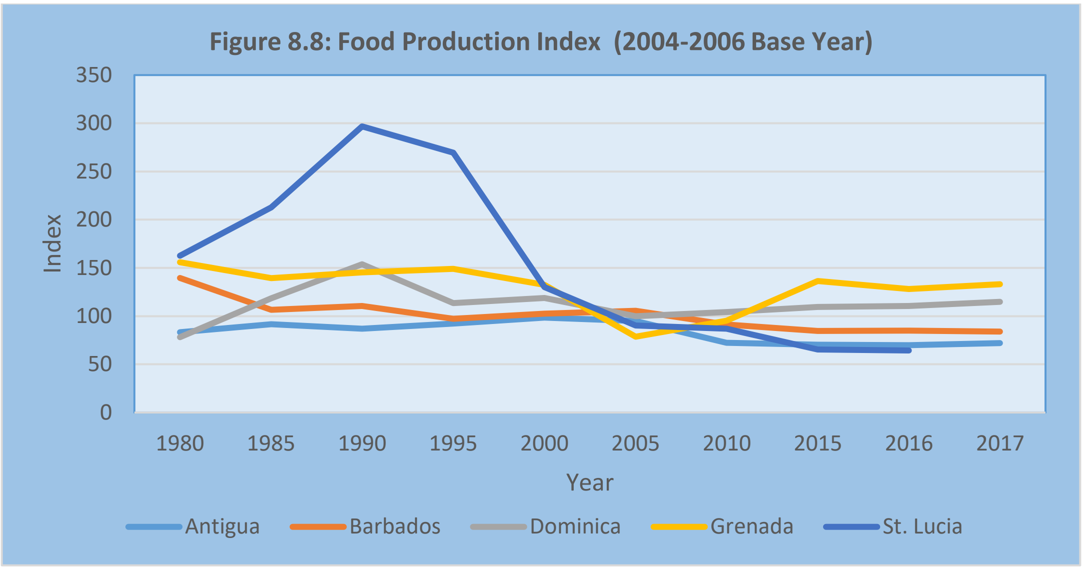
- Reduction of direct state involvement in the production, distribution and marketing of agricultural inputs and commodities;
- Removal of subsidies on agricultural inputs and credit;
- Liberalization of export and import trade, including the provision of export incentives to the private sector (removal of export tax);
- Privatization of agricultural markets; and
- Control of inflation.

It is important to note that there was a lack of participation in the design of the policies by the people most affected by them, which is an issue of concern. In fact, policy design has been the perview of the technical experts in the Ministries of Finance, Economic Development and Planning and Agriculture (including Fisheries) and the IMF and the World Bank.

The sections below present an evaluation of the impact of SAPs on the major indicators within the agriculture, fisheries and small agri-business sectors. This is done within the context of limitations in available gender and age disaggregated data. A much more detailed analysis will be conducted and presented in the analysis of the impact of national policies on the identified vulnerable groups within the sectors.

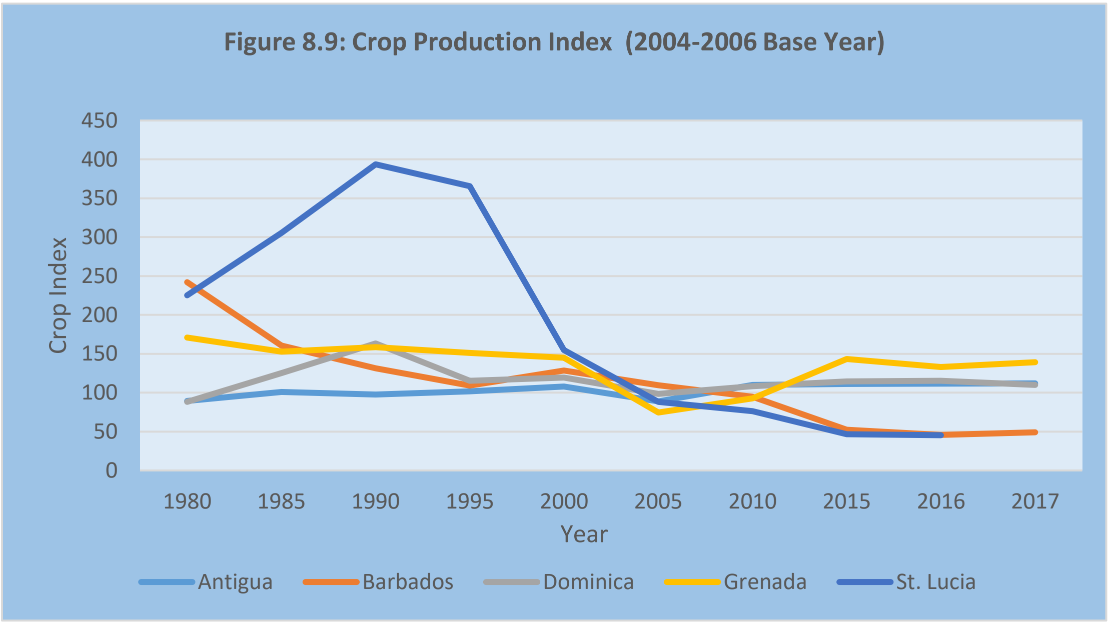
8.5.2 Total Agricultural Output

Figure 8.8 below shows the Food Production Index of agricultural production for each year (1980-2017) relative to the base period 2004-2006. It includes the production of all crops and livestock products originating in each country that are considered edible and contain nutrients, with the main exceptions of fodder crops, coffee and tea. The graph shows that there was significant variation in food production index among the countries between 1980 and 1995. 2000, the indices were above 100 for most countries.



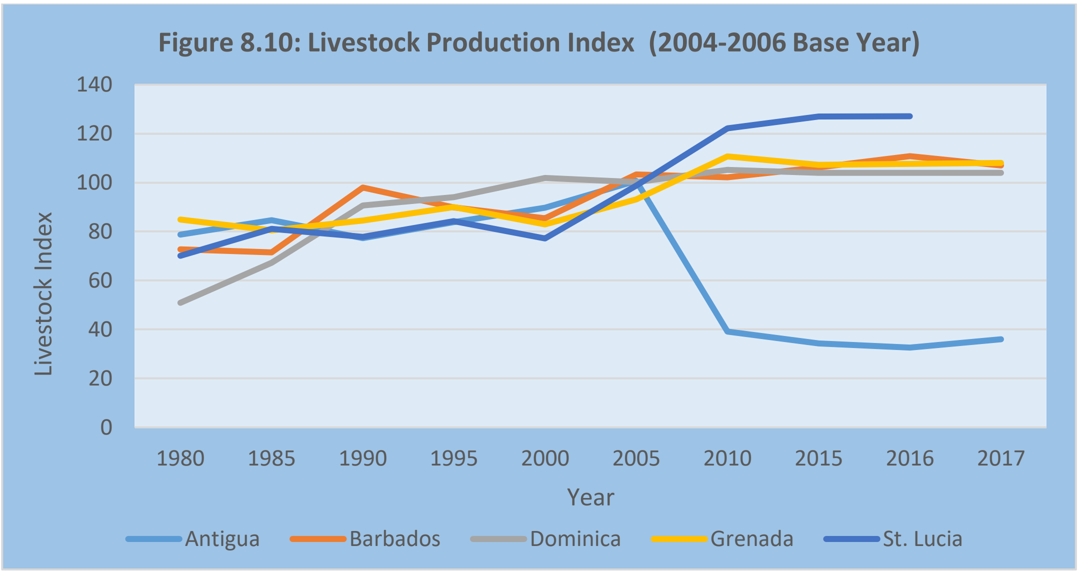
Source: World Bank Database

The food production index for most countries started a downward trend in 1995, and thereafter remained relatively low. As can be gleaned from **Figures 8.9 and 8.10**, the declines in the food production index experienced by all countries were due mainly to declines in the crop production indices.



Source: World Bank Database

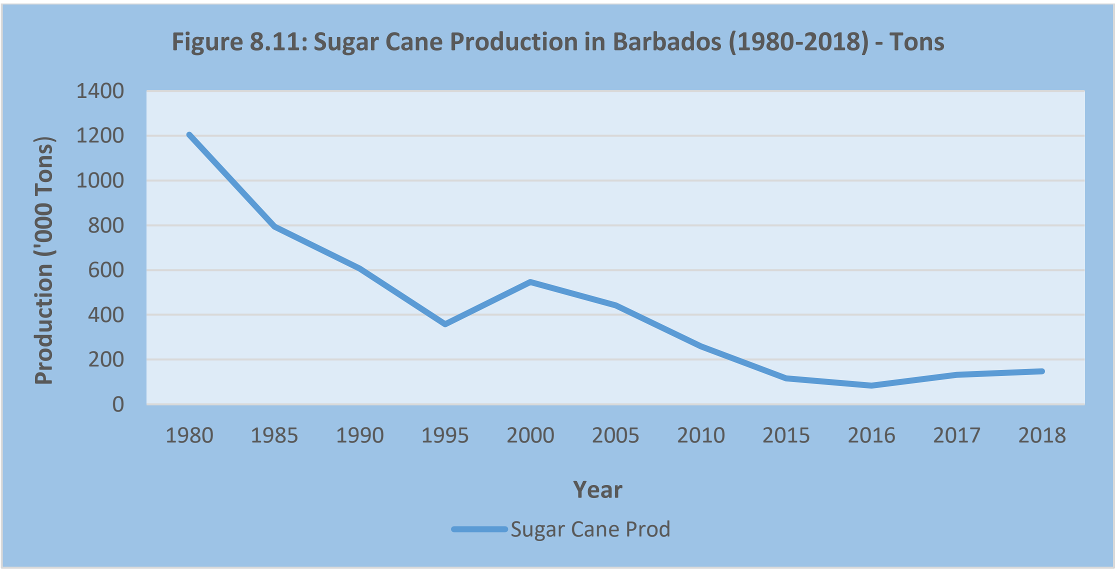
For Antigua and Barbuda however, the livestock production index declined significantly between 2005 and 2010, before the downward trend was thereafter arrested and stabilized (Figure 8.10).



Source: World Bank Database

8.5.3 Production of Traditional Export Commodities

The declines in agricultural production in countries are also reflected in the downward trends in the contribution of the sector to GDP. The declines in agricultural production in countries were due mainly to decreased output in the main traditional export commodities, including sugar cane (Barbados), Bananas (Dominica, Grenada and St. Lucia) and nutmeg in Grenada. The trends in production for these traditional commodities are presented in **Figures 8.11, 8.12 and 8.13** below.



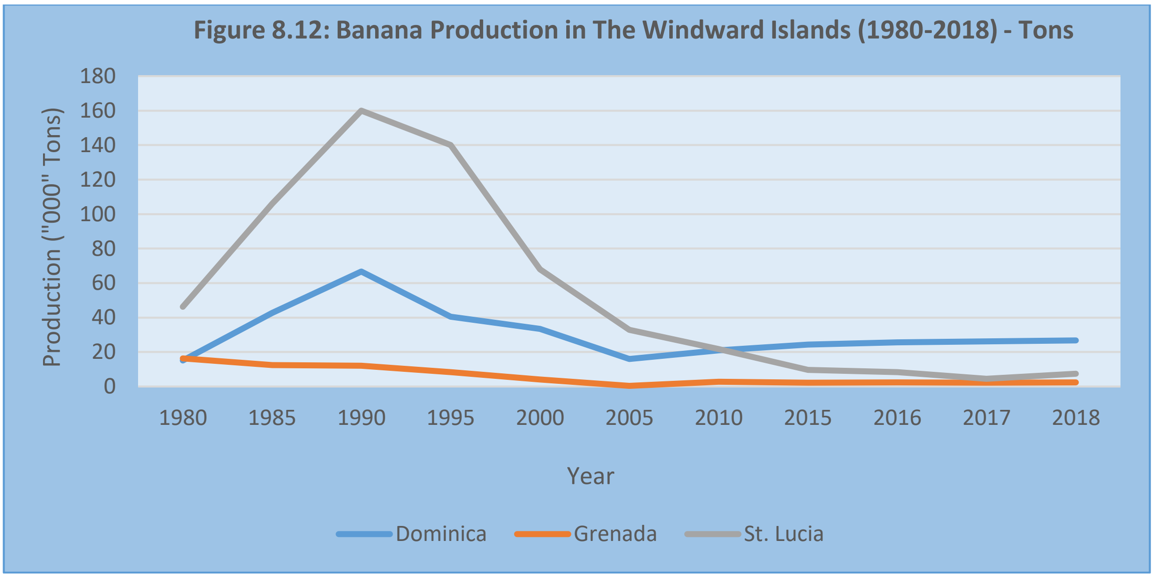
Source: Knoemo.com

Sugar cane production has for decades past been the backbone of the Barbados economy but is now largely in decline. Barbados achieved its highest sugar cane production of 1.855 million tons in 1967. Since then production has declined to reach a level of 146,831 tons in 2018.

Over the last four decades, the country found help in several agreements and arrangements with Britain and the European Union (EU), which accepted Barbados' sugar at preferential prices. However, the sugar industry in Barbados sustained a blow when the cost of sugar production on the island escalated due to the increased cost of imported inputs and the price of sugar on the international market plummeted. Europe drastically reduced the price it was willing to pay for Barbados sugar in order to safeguard its beet sugar industry. Although the production cost has exceeded the selling price globally, Barbados has maintained the industry for its foreign exchange value. However, the economic challenges led to the number of factories being shrunk, from 10 to 2.

The strategic plan of the industry is to produce speciality products carrying the Barbadian sugar trademark for the local retail market, produce molasses for the island's growing rum export industry, and produce electricity for local use in the longer term.

Figure 8.12 shows the downward trend in banana production in the Windward Islands, a decline that started in the early 1990s.



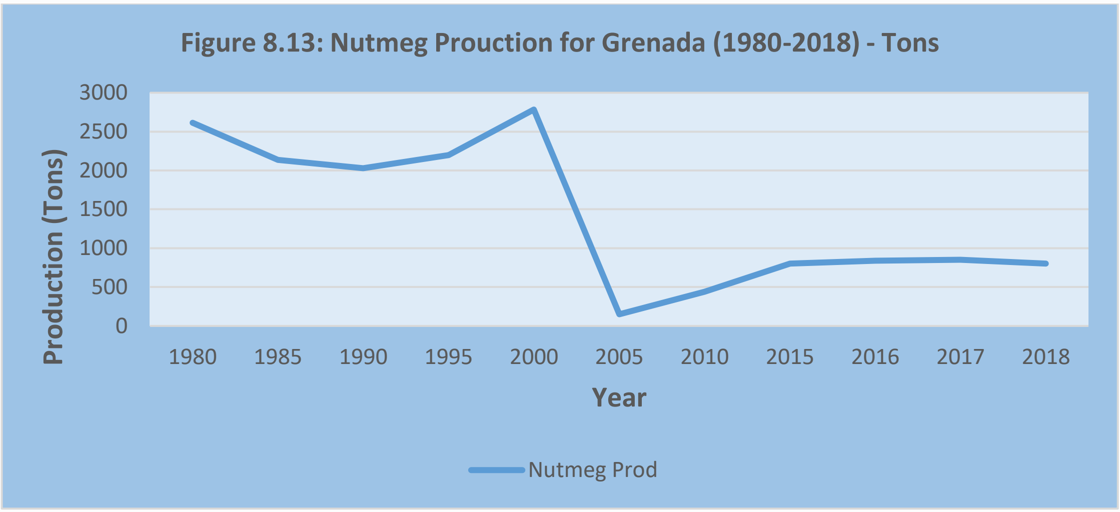
Source: Bananalink.org.uk/all about bananas

Until the early 1990s, the economies of the islands of Dominica, St Lucia, and to a lesser extent, Grenada (the Windward Islands) were heavily dependent upon the banana industry in terms of its contribution towards GDP, employment and export earnings. This dependency was further accentuated by their complete reliance upon the European Community (EC) market, principally the UK, for their banana exports. As former British Colonies and signatories of the Lome Convention, the countries have long enjoyed preferential access to these markets, as enshrined in the Community's Banana Protocol. However, the advent of the Single European Market (SEM) presented important external implications for Dominica, St. Lucia and Grenada as exporters of products such as bananas. The SEM legislation necessitated the elimination of nationally-administered trade barriers within the EC, including those sanctioned under the Banana Protocol. In the absence of the implementation of an equivalent import scheme, the SEM created severe difficulties for the countries. These difficulties negatively impacted the social and economic structure of the smallholder agricultural sector (primarily banana-growing) with worrying implications for rural poverty and inequality.

There is no doubt that Central American banana production systems have a considerable comparative advantage over those in banana producing countries of Dominica, Grenada, and Saint Lucia. The key factors of production, land and labour are lower in cost and more productive, combining to enable producers to produce fruit at a lower free on board (FOB) price per carton than the three countries, a price that could not sustain the industry in the islands. As the level of protection available for islands' fruit in the market diminishes, strategies should be developed to ensure that banana producers can compete in the UK market.

Grenada is responsible for more than 20 per cent of the world's nutmeg production, second only to Indonesia, which produces around seventy-five per cent of nutmeg globally. The crop provides income to approximately 30 per cent of the island's population.

In its peak period, Grenada produced over 2,000 tonnes of nutmeg per year with revenues of approximately EC$13 million per annum. However, between 2002 and 2004, in the aftermath of Hurricanes Ivan and Emily, 555,000 nutmeg trees, totaling more than 90 percent were destroyed. The nutmeg industry experienced a significant decline. By 2010, nutmeg production has recovered, but recovery was still below the pre-hurricane volumes (**Figure 8.13**)

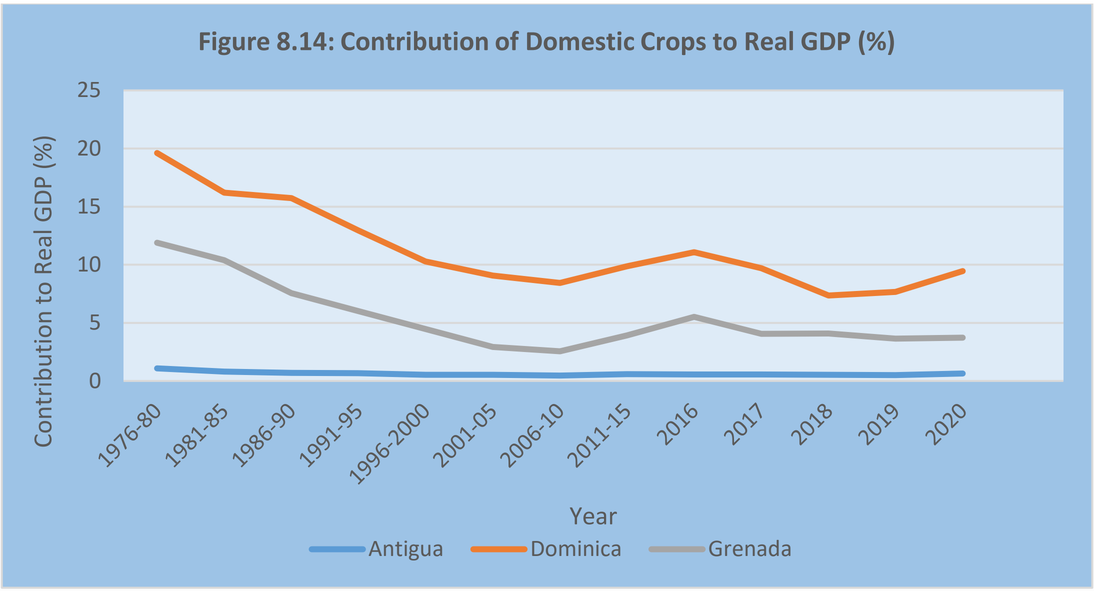


Knoemo.com

Technical improvements have also enabled farmers to overcome a number of threats to the growth of the sector. The nutmeg tree takes four to six years to produce fruit and more than 20 years to reach full production and given its shallow roots, it can be easily uprooted by the wind. Farmers are learning to adapt to these vulnerabilities by creating windbreaks and shelterbelts using trees such as bamboo, mango and citrus in the path of damaging winds, to reduce wind erosion. Intercropping with cocoa, banana, coconuts and root crops has also been an effective measure for soil and root protection. An alternative propagation method called grafting, introduced in Grenada in 2016, aimed to increase nutmeg productivity by converting hundreds of male trees into female fruit-bearing ones also holds immense promise for the sector. These developments and advances have opened the door for a "second wind" for Grenadian nutmeg— both locally and internationally.

8.5.4 Domestic Crop Production

Figure 8.14 shows that domestic crop production for the countries declined (Dominica and Grenada) or remained stagnant (Grenada) over the review period.



Source: Eastern Caribbean Central Bank (ECCB)

8.6 Agricultural Trade

The main agricultural commodities of significant exports in the countries are sugar cane and related products (Barbados), Bananas (Dominica and St. Lucia), cocoa (Dominica), Bay products (Dominica), nutmeg (Grenada) and pineapple (Antigua and Barbuda). The level of agricultural exports, which are shipped mainly to Europe and North America, has declined significantly over the last two decades. In 2018, the total value of export agricultural commodities was estimated at only US$165 million (**Table 8.12**).

Table 8.12: Value of Agricultural Exports by the Countries -2018

Country	Value of Agricultural Export (US$M)
Antigua & Barbuda	6
Barbados	93
Dominica	7
Grenada	24
St. Lucia	35
Total	**165**

Source: FAO Statistical Yearbook 2020

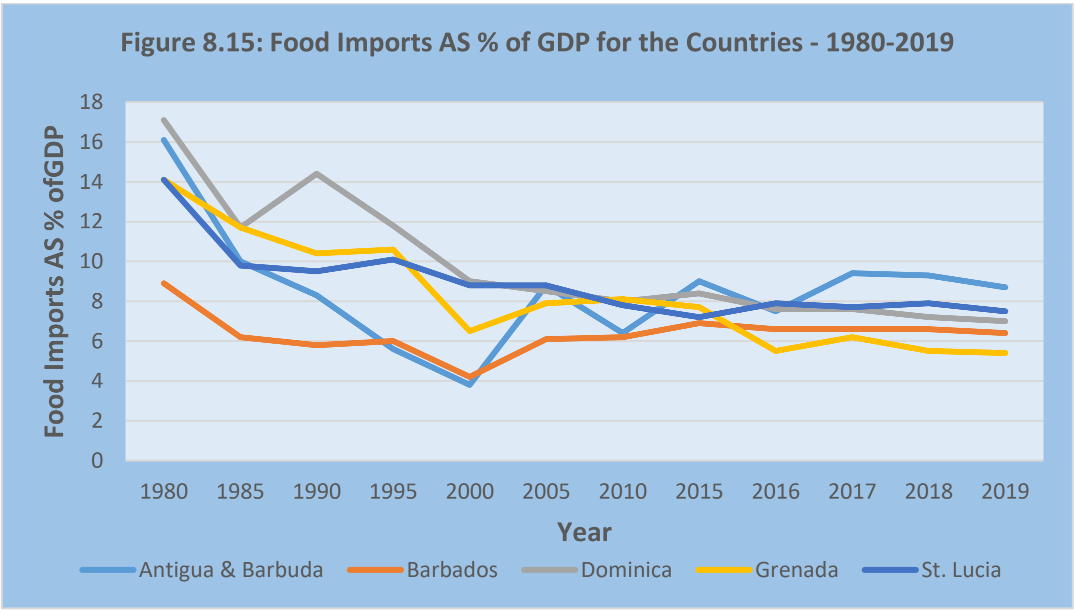
Some root and tubers (yams, dasheen and sweet potato) are also exported, but mainly to other Caribbean countries. The size of this inter-regional agricultural and food trade is very small. Information obtained from the FAO Statistical Database shows that the combined food import bill for the five countries has increased significantly from US$163.4 million in 1980 to US$307.6 million in 2000, US$572.6 million in 2010, and surpassed the US$774.4 million mark in 2019 (**Table 8.13**).

Table 8.13: Total Value of Food Imports by Country (US$ million) -1980 to 2019

Year	Country					Total
	Antigua & Barbuda	Barbados	Dominica	Grenada	St. Lucia	
1980	21.1	90.3	12.5	15.6	23.9	**163.4**
1985	24.0	87.0	13.9	19.6	27.7	**172.2**
1990	38.1	116.1	29.0	28.9	55.2	**267.3**
1995	32.5	134.1	32.4	36.1	77.2	**312.3**
2000	31.5	129.8	30.1	34.0	82.2	**307.6**
2005	90.2	233.2	30.8	55.1	100.5	**509.8**
2010	73.0	282.0	39.6	62.2	115.8	**572.6**
2015	120.3	323.8	45.4	77.0	129.5	**696.0**
2016	107.8	320.9	43.8	58.4	148.1	**679.0**
2017	138.2	327.1	39.3	69.9	154.4	**728.9**
2018	149.0	334.9	39.7	64.7	162.4	**750.7**
2019	143.9	335.3	40.5	65.4	159.3	**774.4**

Source: FAO Statistical Yearbook

Figure 8.15 presents the food imports of the five countries as percentages of GDP. As can be observed from the figure, food imports when denominated by GDP exhibit downward trends for the five countries under review, especially between 1980 and 2000, and to a lesser extent between 2015 and 2019.



Source: FAO Statistical Yearbook; World Bank Database

As presented in **Table 8.14**, the main food commodities of the countries related to import items in 2018 were meat and meat preparations (US$117 million), fruits and vegetables (US$116), beverages (US$108) and cereals and preparations (US$99 million).

Table 8.14: Main Food Import Commodities – 2018 (US$ million)

Country	CEREALS AND PREPARATIONS	FRUIT AND VEGETABLES	MEAT AND MEAT PREPARATIONS	DAIRY PRODUCTS AND EGGS	BEVERAGES	Fish	OTHER FOOD	Total
Antigua & Barbuda	16	26	27	12	32	10	26	**149**
Barbados	51	69	39	33	47	29	67	**335**
Dominica	6	4	9	3	4	2	12	**40**
Grenada	10	5	16	8	5	3	18	**65**
St. Lucia	16	12	26	12	20	8	68	**162**
Total	99	116	117	68	108	52	191	**751**

Source: FAO Statistical Yearbook

Based on available, albeit dated information presented in **Table 8.15**, it can be observed that the average food import dependence ratio (total food imports/total food consumption) increased from the range of 50-79% in 1995 to that of 55-92% in 2011. The value of the total import was US$641 in 2011.

Table 8.15: Food Import Dependency Ratio – 1995 and 2011

Country	Import as % of Total Consumption in 1995	Import as % of Total Consumption in 2011	Food Imports (US$ million)
Antigua & Barbuda	79	92	**113**
Barbados	72	87	**312**
Dominica	50	55	**52**
Grenada	65	81	**60**
St. Lucia	53	83	**104**
Total			**641**

Source: FAO State of Food Insecurity in the Caribbean 2015

As expected, the value of imports increased, thereafter (Table 8.13). Local agriculture is therefore clearly insufficient to supply the needs of the populations of the countries. The countries face considerable food supply, quality and safety issues. Most farmers in these countries are smallholders of hillside farms, resource-poor and unable to supply sufficient quality and safe foods to meet the demand of the population. In addition, the quality and safety of foods are challenged by the high incidence of pests and diseases and the high usage of pesticides. In all countries, agricultural production has declined considerably during the last decade except for poultry production, which has increased significantly. An econometric analysis of Caribbean food import demand reported that an increase in prices of imported food will not result in an equivalent decrease in the quantity of imported food demanded, mainly comprising oils, staples and other food products.[145]

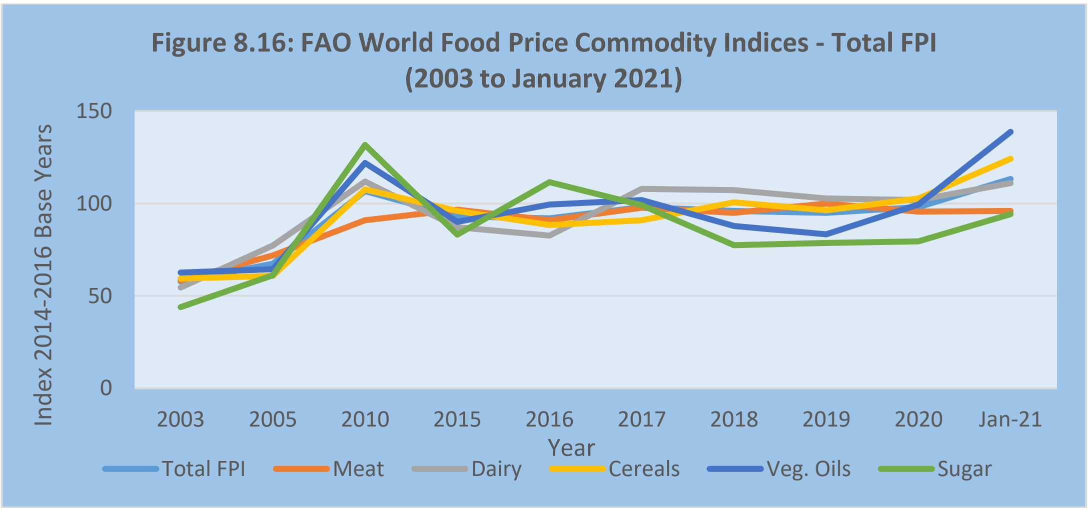
It is not surprising that this high level of food imports has negatively impacted the development of domestic agriculture products and agro-processing industries due to the inability of domestic sectors to compete against imports.[146] The agricultural producers of the countries are experiencing many challenges throughout the food value chain. Some of these include insufficient processing capability, high freight costs, small markets, tariff policies and lack of mechanisms for health/food safety and production certification. To reduce this high food import bill in the countries, a shift is needed to one that can replace a high proportion of food imports. For example, root crops such as cassava and sweet

[145] Walters and Jones, 2016
[146] Silva et al., 2011

potato are important commodities grown in the countries and can be used to replace some of the wheat flour in the diet of households residing in the countries. This suggests that the impact of SAPs on agricultural trade has been limited been at the onset there were inadequate analysis and determination of viable value chains that should be promoted for agricultural production (including value addition) and trade.

8.7 Consumer Price Inflation Rates for Food

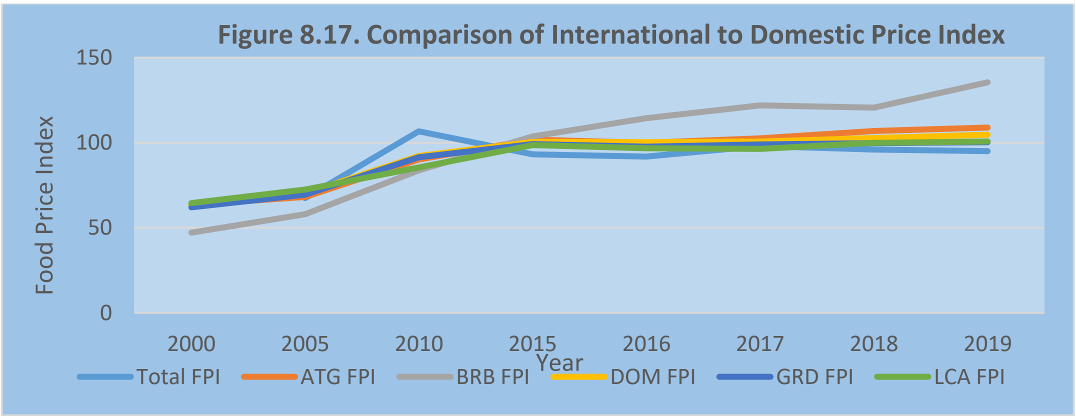
FAO World Food Price Commodity Indices for the period 2003 – January 2021 is presented graphically in **Figure 8.16** below. The index consists of the average of five commodity group price indices weighted by the average export shares of each of the groups over 2014-2016. As observed from Figure 7.15, between 2003 and 2020, the prices of the main imported commodities (meat, dairy, cereals, vegetable oil and sugar) increased by 64%, 87%, 73%, 59% and 81%, respectively.



Source: FAO Food Price Index/World Situation

The FAO Food Price Index (FFPI) averaged 113.3 points in January 2021, 4.7 points (4.3 percent) higher than in December 2020, not only marking the eighth month of consecutive rise but also registering its highest monthly average since July 2014. The latest increase reflected strong gains in the sugar, cereals and vegetable oils sub-indices, while meat and dairy values were also up but to a lesser extent.

The transmission of international food price inflation through domestic food prices in the countries is evaluated by comparing the FAO World Food Price Index by the food price index of the countries (**Figure 8.17**)



Source: FAO Statistical Yearbook

Figure 8.17 indicates, except for the period 2010-2013, a close relationship between the international food price index and the indices of Antigua, Dominica, Grenada and St. Lucia. In the case of Barbados, the domestic rate of food price inflation is higher than the international food price inflation. The influence of international food price inflation, domestic food demand and supply situation, and government taxes/ and or subsidies on domestic food price inflation will be explored in detail in the evaluation of the impact of national policies on the agricultural sector.

9 GENERAL DISCUSSION AND RECOMMENDATION

9.1 Impact of SAPs on the General Economy

Structural Adjustment Programmes have dominated the Caribbean landscape, particularly in the five countries reviewed, and they have been implicated in the rise of poverty. Based on the limited sex-disaggregated data available and analysed, women have not benefitted from SAPs. SAPs, designed by the International Monetary Fund and the World Bank, have been the framework for economic and social policy in most of the Caribbean since the mid-1970s: all the countries have implemented SAPs.147

Essentially, the countries have combined an IMF stabilisation loan with conditionalities for a longer-term SAP overseen by both the WB and the IMF. The stabilisation package which addresses monetary and fiscal issues typically attempts to address inflation, reduce the government's budget deficit and balance-of-payments problems. This is done with measures to reduce domestic demand, both government and private.

The longer-term SAP was aimed at the promotion of production and resource mobilisation through the promotion of commodity exports, public sector reform, market liberalisation and institutional reform. The programme was aimed at limiting the role of government in the economy, promoting private sector operations, removing restrictions in the economy, and ensuring market-determined prices. The freeing of prices, however, does not extend to labour, with wages tightly controlled, sometimes leading to a dramatic drop in real wages. Notwithstanding, inflation rates remained relatively high for all countries up until 2010 and they exhibited a downward tendency thereafter.

While the SAPs initially resulted in a reduction of macroeconomic imbalances, the resumption of growth was not achieved in all counties. However, the impact of the oil shocks, several worldwide recessions, and natural disasters on the countries over the period under review should be taken into consideration in the assessment of the results obtained. All countries recorded significant annual increases in total reserves between 1990 and 2015. In addition, despite the fluctuation in reserves between 1990 and 2017, all countries, except Barbados, recorded general upward trends in their annual import ratios (reserves/imports) for the period 1980 through to 2015, with declines thereafter. The lack of progress by the countries in reducing their external current account balances could be partly attributed to the oil shock of the late 1990s, and the various economic recessions encountered by the countries' main trading partners of Europe and the USA.

Except for a few years, the countries experienced deficits in their fiscal operation during the period under review. It cannot be overstated that fiscal policy needs to be at the core of a prudent macroeconomic policy framework. A government's net spending, which constitutes a direct part of domestic absorption, is under the control of the authorities and affects the resources available for domestic investment. The role of fiscal policy should not be confined to contracting absorption but should encompass improvement of incentives for private sector activity, via tax reform if necessary. The composition of government expenditure should also take into account the implications for growth. In particular, although capital spending may be the easiest to cut in the short term, it directly affects an economy's growth potential.

Public debt imposes a burden on SAPs, therefore prudent policies should include measures aimed at reducing the public debt. Countries that are solely dependent on one or two major export

[147] St. Lucia in 2020 for mitigating the effects of COVID-19.

commodities or resources are extremely vulnerable to external shocks (oil price, food price, hurricanes, invasive pest and disease species, COVID-19) over which the country usually has very little control. It is expected that the enhanced labour and capital mobility in the Caribbean, currently being pursued, and the CARICOM Free Movement Arrangement, could create an avenue for the diffusion of economic shocks by way of resource movements.

Economy-wide income restraint is desirable for successful adjustment as it supports prudent fiscal policy and external competitiveness. It is important to emphasize that monetary policy should be supported by fiscal policy, it should not be overburdened as high interest rates adversely affect investment and growth and eventually weaken the fiscal position.

9.2 Impact of SAPs on Small Holder Farmers, Fisher-folks, and Small Business Entrepreneurs

9.2.1 Agriculture

The agricultural sectors of the countries reviewed demonstrated significant declines in most of the important development indicators following the implementation of SAPs.

- Real growth of the agricultural sector of the countries during the period under review (1980 – 2019) fluctuated with a downward trend.
- The contribution of agriculture to GDP declined in Barbados (the lowest range) from 7.5% in 1980 to 1.3% in 2018; and in Dominica (the highest range) from 21.5% in 1980 to 7.5% in 2018.
- Both arable and agricultural lands declined in all countries, except Dominica where agricultural lands increased.
- The employed labour in agriculture is very low, ranging from lows of 4% in Antigua and Barbuda and Barbados, to highs of 21% in Dominica and St. Lucia;
- The employed labour of women in agriculture is very low, ranging from lows of 2% in Antigua and Barbuda and Barbados, to a high of 14% in St. Lucia.
- Of the combined economically inactive in all countries, 38% are involved in home duties. 85% of those involved in home duties are women, ranging from a low of 80% in Grenada to a high of 92% in Antigua and Barbuda.
- Capital investment in the sector represented by the Agriculture Investment Ratio (Agriculture Gross Fixed Capital Formation as a share of Agriculture Value Added) declined after 2010.
- There were significant declines in the Food Production Index of agricultural production for each year, mainly due to declines in main export crops (sugar, banana, and nutmeg) and the domestic crops. However, the livestock industry demonstrated increased production.
- The combined food import bill for the five countries has increased significantly from US$163.4 million in 1980 to US$307.6 million in 2000, US$572.6 million in 2010, and surpassed the US$774.4 million mark in 2019. Dated information showed an increase in the food dependency ratio.
- Between 2003 and 2020, the prices of the main imported commodities (meat, dairy, cereals, vegetable oil and sugar) increased by 64%, 87%, 73%, 59% and 81%, respectively.
- Domestic food price inflation rates for the countries were closely aligned to the international food inflation rate, with the exception of Barbados, where the domestic rate of food price inflation was higher than the international food price inflation.

9.2.2 Fisheries

- Capture fish and aquaculture production showed increases in Antigua and Barbuda, Grenada, and St. Lucia, while outputs in Barbados and Dominica declined.
- During the period of review, the total employment in the fishing industry increased in Antigua and Barbuda, Grenada, and St. Lucia, remained steady at about 3,000 persons in Barbados but declined in Dominica.

9.2.3 Small Business

Limited data on and analysis of small business enterprise in the five countries was available. Notwithstanding, information gleaned from a 2015 profile of women entrepreneurs in the Caribbean region suggests that the sector's development was impacted by limited access to financing; inappropriate training and lack of business advisory services; limited access to relevant and timely business-related information (for example, regulations, trade missions, obtaining technical support, etc).; limited access to technology and equipment; and limited access to women's networks.

9.2.4 Small Holder Farmers, Fisher-folks and Women

Smallholder farmers, fisher-folks and women are negatively impacted by SAPs more so than the larger farmers, as many lacked equal opportunities to enter and benefit within a liberalized markets for several reasons:

- Women have limited resources (land, labour, and capital) to invest in business opportunities that may be derived from the implementation of SAP;
- Women have limited education and technical knowledge for diversification and/or expansion into the viable value chains;
- Women have limited access to credit, which has become more expensive, to invest and/or purchase required more expensive inputs - with the cost of these inputs rising and government removing of subsidies;
- Women have been hurt by cuts in government spending on rural infrastructure, as well as processing, storage, and distribution systems;
- Women have to compete with imported foods;
- There is a lack of access to organized markets for produce, which has become monopolized by larger producers; and
- The reality that liberalization did not result in higher gross income margins, as farm production costs increased, and farm prices did not increase overall. In this case, larger farmers, who enjoyed economies of scale, as well as the exporters, may have experienced increased incomes.

9.2.5 Policy Implications

In all countries, significant increases in private investment were expected once the economies embraced deregulation and monetary and fiscal measures under SAPs. Local private investment in agriculture, fisheries, and small agribusiness manufacturing, which has never been significant in most of the countries, was unable to respond due to SAP- mandated policies such as high interest rates and the deregulation of imports. Foreign private investment in these sectors has been disappointing, with the notable exception of tourism. In addition, the countries were not rigorous enough in identifying appropriate value chains to replace the declining traditional commodities of sugar cane and bananas.

Thus, the expectations of job creation, foreign exchange earnings, and expanded markets, which were to wean the economy from aid and expand sectoral development, have not been realised. A major criticism made against the SAPs was that they were too narrow, relied mainly on fiscal and monetary instruments and had little relevance to the long-term development goals of the countries.

SAP also disabled the countries' economies by fundamentally changing their character as primary commodity producers, a situation which is the source of the economic crisis. This is particularly important because many of the SAP policies were designed based on a questionable analysis of 'comparative advantage'. They aimed to strengthen the country's ability to produce what they were already producing - primary agricultural commodities. The trade liberalisation, the high interest rates, the removal of subsidies, and the imposition of taxes on fuel and water threatened agriculture, fishing, and small domestic industries. Agriculture, especially food production, has also been adversely affected by interest rates and the high prices of inputs. There is consensus that low commodity prices have not brought the economic returns expected from the promotion of export agriculture. Also, SAPs have negatively impacted the environment. Export promotion has increased extractive activities, such as logging and mining, leading to deforestation, mining pollution, and the reduction in and degradation of land which can be used for the livelihood of ordinary people.

There is a consensus that the countries' future economic growth depends on the repositioning of the food and agriculture sector. This is driven by the need to enhance production and exploit market opportunities provided by the deepening of regional integration through the CARICOM Single Market and Economy (CSME). However, the Caribbean region is littered with a history of failed common policies and strategies for agricultural development. The Caribbean Community (CARICOM) Heads of Government have long emphasized the importance of the agricultural sector as a critical pillar of the economic and social development of the countries of the region. The Second Conference of CARICOM Heads of Government, held in 1975 in St Kitts-Nevis, established the (now-defunct) Caribbean Food Corporation. Subsequent CARICOM initiatives, such as the Regional Transformation Programme for Agriculture (1996), Regional Special Programme for Food Security (2002), the Jagdeo Initiative (2005) and Liliendaal Declaration (2009) all sought to address major constraints and establish roadmaps for the development of the food and agriculture sector.

The findings of the study highlight a number of challenges to the sustainable development of the food and agriculture sector in the countries. These challenges may be categorized into five main areas:

- To reduce food insecurity and malnutrition, especially related to high food costs and the high food import bill;
- To increase and improve efficient agricultural and food systems for the provision of goods and services from agriculture, forestry, fisheries, and related small business in a sustainable manner;
- To promote rural area territorial development and reduce rural poverty through linking smallholder farmers, fisher-folks, and small agro-processors to markets;
- To increase the resilience of livelihoods to threats and crises through disaster risk management and climate change adaptation measures;
- To promote gender equality and women's economic empowerment by designing and implementing plans, programmes, and projects with gender-equitable principles; and
- To improve public policy and governance.

In the context of the identified challenges, the agricultural development agenda of the countries must centre the need to eradicate hunger, poverty, and malnutrition in each state by:

- Stimulating sustainable economic expansion and diversification of the food and agriculture sector;
- Promoting sustainable management and utilization of natural resources; and

- Promoting gender-equitable rural development, with smallholder farmers, fisher-folks, and small agro-processing enterprises at the core.

The major policy challenge facing these countries is how to transform risk-averse and resource-deficient farmers into efficient and competitive entrepreneurs, if agriculture, fisheries, and small agro-processing facilities are to operate as the true engines of economic growth and social stability. Special efforts must therefore be made to support those who are vulnerable, including women. A good first step is to identify viable value chains that can ensure sustainable development of agriculture, fisheries, and small business enterprises. Value chain analyses should be conducted and must be grounded in performance dimensions embracing both quantitative and qualitative and involving the following criteria for analysis:

- Competitiveness, as indicated by the relative market share in the domestic, regional, or international market;
- Competitiveness of the value chain's product against its substitutes;
- Profitability of the chain actors;
- Food security;
- Technical and operational efficiency;
- Equity considerations by determining if the value that is added along a chain is distributed fairly among chain actors or are there indications of non-competitive behaviour by some actors; and
- Consumer satisfaction.

The aim is to achieve systemic change in the sectors that promotes upgrading and competitiveness. There is no doubt that the changes can provide small producers with important advantages through increased farm incomes, but also affect gender roles and relations. Value chains within the sectors must, therefore, be analysed from a gender-sensitive perspective and programmes must be designed to address different needs, potential and opportunities. Change in gender relations can result from:[148]

- New technologies that change labour patterns, time allocations, and income control;
- Shifts to high-value crops that alter patterns of control over resources and benefits; and
- Formalization of ownership and household financial management practices.

9.3 Benefits of Mainstreaming Gender in Agriculture, Fisheries and Small Business Development Agenda

9.3.1 Gender and Economic Development

Compelling empirical evidence shows that gender equality is good for economic growth. Research finds correlations between gender equality and economic growth, both in comparisons across countries and over time. Research concludes that gender inequalities undermine nations' productivity and human capacity. Gender inequalities affect competitiveness by restraining productivity, growth, and output and indirectly hindering trade performance.[149]

9.3.2 Policy is not Gender Neutral

[148] USAID, 2010.
[149] Global Hunger and Food Security Initiative Consultation Document, September 28, 2009. Available at http://www.state.gov/documents/organization/130164.pdf.

Over the past four decades, the five countries examined have undertaken major economic reform under the SAPs with an emphasis on liberalisation. Programmes have included:

- Exchange control and other price changes;
- Liberalisation of international trade;
- Privatisation of marketing, input, and service delivery; and
- Reductions in government expenditure and direct activity.

Such policy changes are seldom gender-neutral; almost all create gains and losses and very few benefit everyone equally. Where losers are women, there can be negative impacts not only on the welfare of the household but also on the rural economy at large.

It has been shown that SAPs themselves are gender-biased in various ways - the macro-economic policies, though appearing to be neutral, work out differently for different social groups based on class and gender relations. For example, the promotion of export crops has implications for women farmers, most of whom have to work harder on export crop farms they do not own. The promotion of extractive industries also has implications for the access to agricultural land, and therefore food security of many women. Also, the promotion of private capital and the relaxation of labour regulations has implications for the job security and working conditions of workers, especially those at the lower levels of employment, many of whom are women.

Most importantly, SAPs assume the unlimited availability of women's unpaid labour and time. The efficiency approach of SAPs sees women as a resource to be tapped to promote the efficiency of free-market policies and to deal with the shortfall in access to social services. Unfortunately, SAPs failed to recognize the existing constraints faced by women, due to a large extent to the gender-blind policies pursued over the decades, which have limited their effective participation in national development. The assumption is that all societies are fully monetised and market-oriented and that all individuals have the freedom to respond to market stimuli. This view does not take account of social inequalities, which hamper the access to resources and opportunities of particular groups and the importance of unpaid labour and mutual aid in all economies.

The international financial institutions have responded to the concerns of SAPs only partially, with add-on programmes to alleviate hardships and new conditionalities such as that of good governance. Thus far, these add on programmes, apart from not challenging the fundamental objections to SAPs, have failed in their announced objectives.

9.3.3 Women's Inability to Respond to Market Opportunities

Gendered patterns of behaviour have conditioned men's and women's jobs and tasks, the distribution of resources, and benefits derived from income-generating activities in each commodity value chain. This affects the efficiency and competitiveness of the value chains in the global market. This is attributed to the fact that:

- Households and markets interact in ways that affect access to land, labour, and capital assets;
- Social interactions reflect social norms, leading to a gendered-differentiated labour force; and
- Legal frameworks embody social beliefs, e.g., inheritance laws and property rights that restrict people's ability to access and accumulate wealth according to gender categories.

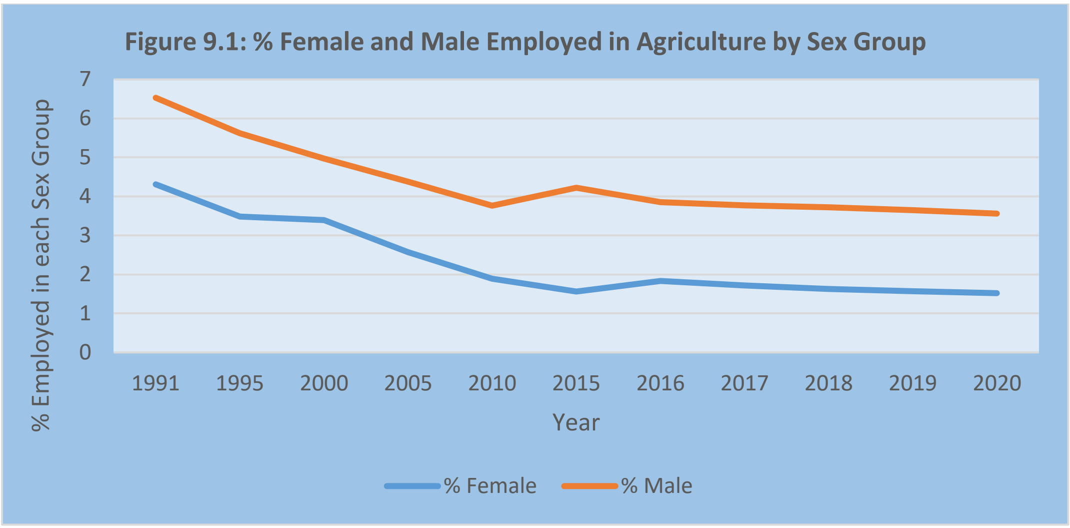
While gender inequality in the countries predates SAPs, the effects of SAPs and the policy climate they create are unfavourable to the promotion of social programmes and measures to address this issue. The problem of gender relations has been exacerbated by SAPs in many important ways. Studies of SAPs in Africa and Latin America show that more women than men have become unemployed; wage differentials between men and women are growing; and working conditions of women are deteriorating, a situation exacerbated by the fact that more women are swelling the ranks of informal sector workers.

Table 9.1 below shows that for Barbados and St. Lucia, the share of employed labour in Agriculture declined between 2000 and 2019.

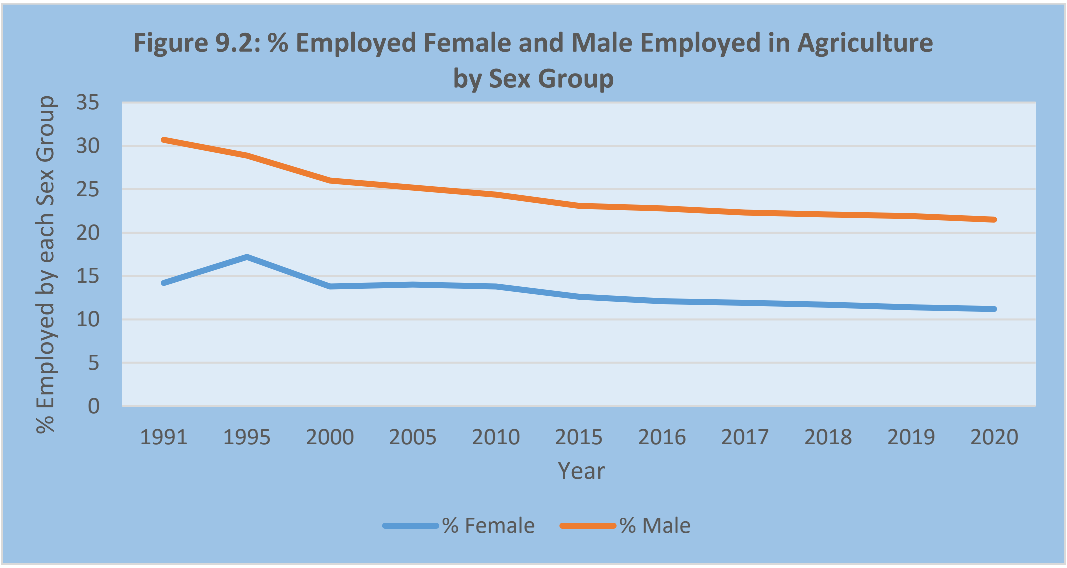
Table 9.1: Employment in Agriculture, Forestry and Fisheries

Year	Barbados			St. Lucia		
	Persons Employed in Agriculture	Share of Total Employment	Women as % of Agriculture	Persons Employed in Agriculture	Share of Total Employment	Women as % of Agriculture
	('000')	(%)	(%)	('000')	(%)	(%)
2000	6	4.2	37.9	12	21.1	26.3
2005	5	3.5	34.9	13	20.5	28.6
2010	4	2.8	32.9	14	19.8	30.4
2014	4	2.9	24.2	14	18.8	28.9
2015	5	2.9	26.9	13	18.5	28.3
2016	4	2.8	31.5	14	18.1	29.2
2017	4	2.7	30.7	14	17.7	29.4
2018	4	2.6	29.8	14	17.5	29.3
2019	4	2.6	29.3	14	17.3	29.0

Figure 9.1 and **Figure 9.2** present the percent of women and men employed in agriculture, forestry, and fishery for the period 1991 through 2020 by sex group, for Barbados and St. Lucia respectively. Surprisingly, the rate of attrition of both women and men from the sector was similar for both sexes in the two countries. This would suggest that quantitatively, more men than women became unemployed when both Table 9.1 and Figures 9.1 and 9.2 are taken into consideration. This outcome could be due in part to the structure of the labour force in the sugar industry in Barbados and that of the banana industry in St. Lucia, which suffered major declines over the review period.



Source: World Bank Database



Source: World Bank Database

Because of social norms and rigidities, women's ability to respond to changes in market opportunities (better prices, investment opportunities or job openings) may be restricted. Transmission of price incentives to women may not always occur. For example:

- Incentives for export crop production may be provided, but at the expense of subsistence crops, often a non-tradeable good under the responsibility of women.
- Increased demand for family labour from commercialisation of agriculture can lower the perceived benefits of education relative to the use of child labour, especially for girls.
- Cutbacks in government provision of health care and other social services may place a greater demand on women's time for caring for the sick and elderly domestically, thus reducing time available for food production and income generation activities.

- Disinvestment in community infrastructure such as water supply systems can increase women's workloads and inhibit their responses to economic changes. Public spending cuts may merely represent a transfer of costs from the market to the unpaid economy.

Policymakers therefore need to be aware of the misconception that women's labour has low marginal productivity. Bias against women is sometimes embedded in legal codes that may recognise only the male head of the household in various transactions or give women unequal inheritance or divorce rights. It may also be present in traditional and unwritten codes of conduct and conflict management.

9.3.4 Implications for Policy Formulation and Implementation

Agricultural policy formulation and implementation can influence gender discrimination by taking account of and helping mitigate the effects of social and cultural norms which disadvantage women, or reinforcing, consciously or unconsciously, existing discrimination against women.

Much opportunity exists for public policies to provide incentives under SAPs to equalise access to productive resources by gender. Fostering a legal and regulatory framework that 'levels the playing field' for decision making by women and men is also predicated on such policies. Levelling the playing field means to remove or mitigate discriminatory elements embodied in laws, institutions, market structures and technology, which are often applied differently by gender.[150]

Reducing gender bias will require fundamental reforms not only in institutions and legislation but also in ways of designing and carrying out policies, programmes, and projects and in their monitoring and evaluation. Systematic mainstreaming of gender in policy work involves the recognition of two key points:

- That a given policy can have different impacts on men and women; and
- That gender relations and gender-biased institutions and norms influence policy outcomes.

There is also the need for contextual and needs analyses to be carried out to inform policy reform. Reform needs to be gender-sensitive, especially since the analysis of needs at source are gender-blind. If this is not done, there is very little chance that SAP or any other strategy will adequately address prevailing disparities.

Effective, efficient, and sustainable agricultural policies are developed based on knowledge of the agricultural sector and its significance to the economy as a whole (macro); the markets, infrastructure, organisations, and institutions (meso); and the nature of agricultural households (micro). Based on the findings of this study, as well as the difficulties encountered in the conduct of the same, several analytical steps are recommended to advance the process of gender mainstreaming in the sectors. These analytical steps are:[151]

National Macroeconomic (Macro) Level:

[150] World Bank, 2000
[151] FAO, 2006

- Provision of gender-disaggregated national statistics to identify the location of men and women in the economy.
- Integrating the unpaid "domestic economy" in macro and agricultural analysis.

Agriculture, Fishery and Small Business (Meso) Level:

- Addressing gender-based distortions in markets which can result in inefficient resource allocation.
- Addressing gender asymmetries and biases in institutions and organisations which can restrict women's access to resources.

Households and Individual (Micro) Level:

- Taking account of gender differences in household preferences, time allocation and control over household resources.
- Understanding how such differences influence household production and investment decisions, food security and well-being within the household.

In addition to the economic sphere, action would be necessary in the legislative, institutional, and political spheres. Overall, a holistic approach to gender mainstreaming in agricultural policy planning and implementation should also be adopted. This means ensuring the consideration of gender roles and relationships in policies, strategic views, values, and procedures, both administrative and consultative.

ANNEXES

ANNEX 1: Literature Review

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ANNEX 2: Beijing Platform for Action (1995)

GENDER MAINSTREAMING MANDATES: MACROECONOMICS

Beijing Platform for Action (1995)

58. By Governments:

(a) Review and modify, with the full and equal participation of women, macroeconomic and social policies to achieve the objectives of the Platform for Action;

(b) Analyse, from a gender perspective, policies and programmes - including those related to macroeconomic stability, structural adjustment, external debt problems, taxation, investments, employment, markets and all relevant sectors of the economy - with respect to their impact on poverty, on inequality and particularly on women; assess their impact on family well-being and conditions and adjust them, as appropriate, to promote more equitable distribution of productive assets, wealth, opportunities, income and services;

(c) Pursue and implement sound and stable macroeconomic and sectoral policies that are designed and monitored with the full and equal participation of women, encourage broad-based sustained economic growth, address the structural causes of poverty, and are geared towards eradicating poverty and reducing gender-based inequality within the overall framework of achieving people-centred sustainable development;

By national and international non-governmental organizations and women's groups:

60. (a) Mobilize all parties involved in the development process, including academic institutions, non-governmental organizations and grass-roots and women's groups, to improve the effectiveness of anti-poverty programmes directed towards the poorest and most disadvantaged groups of women, such as rural and indigenous women, female heads of household, young women and older women, refugees and migrant women and women with disabilities, recognizing that social development is primarily the responsibility of Governments;

(b) Engage in lobbying and establish monitoring mechanisms, as appropriate, and other relevant activities to ensure implementation of the recommendations on poverty eradication outlined in the Platform for Action and aimed at ensuring accountability and transparency from the State and private sectors;

68. By national and international statistical organizations:
(a) Collect gender and age-disaggregated data on poverty and all aspects of economic activity and develop qualitative and quantitative statistical indicators to facilitate the assessment of economic performance from a gender perspective;

167. By Governments, central banks and national development banks, and private banking institutions, as appropriate:

(d) Ensure that women's priorities are included in public investment programmes for economic infrastructure, such as water and sanitation, electrification and energy conservation, transport, and road construction; promote greater involvement of women beneficiaries at the project planning and implementation stages to ensure access to jobs and contracts.

175. By Governments:
(b) Integrate a gender perspective into all economic restructuring and structural adjustment policies and design programmes for women who are affected by economic restructuring, including structural adjustment programmes, and for women who work in the informal sector;

Commission on the Status of Women (1996):
Resolution 40/9 on Poverty

The Commission on the Status of Women

9. Emphasizes that, in addition to the commitments and recommendations regarding the eradication of poverty outlined in the Programme of Action of the World Summit for Social Development 53/ and in the Platform for Action adopted by the Fourth World Conference on Women, specific measures in the Platform for Action should be undertaken to address the feminization of poverty and to mainstream a gender perspective in all policies and programmes for the eradication of poverty, including, inter alia, measures to:

(g) Develop gender-based methodologies and conduct research to be used in designing more effective policies to recognize and value the full contribution of women to the economy through both their unremunerated and remunerated work&

(h) Develop gender-based methodologies and conduct research to address the contribution of women to the economy&

(i) Analyse, from a gender perspective, macroeconomic and microeconomic policies, and the allocation of public expenditures,

13. Recommends that a United Nations system-wide effort be undertaken to review existing indicators, strengthen gender impact analysis of the design and implementation of economic reform programmes, develop complementary, qualitative assessments, and standardize measures and promote their implementation, and stresses that this effort will necessitate effective coordination;

Commission on the Status of Women (1997):
Agreed Conclusions 1997/3 on women and the economy

Governments, international organizations, the private sector, non-governmental organizations, social partners (employers' organizations and labour unions) should adopt a systematic and multifaceted approach to accelerating women's full participation in economic decision-making at all levels and ensure the mainstreaming of a gender perspective in the implementation of economic policies, including economic development policies and poverty eradication programmes. To this end, Governments are urged to enhance the capacity of women to influence and make economic decisions as paid workers, managers, employers, elected officials, members of non-governmental organizations and unions, producers, household managers and consumers. Governments are encouraged to conduct a gender analysis of policies and programmes that incorporates information on the full range of women's and men's paid and unpaid economic activity. Governments, international organizations, particularly the International Labour Organization (ILO), the private sector and non-governmental organizations, should develop and share case studies and best practices of gender analysis in policy areas that affect the economic situation of women.

4. Economic policies and structural adjustment programmes, including liberalization policies, should include privatization, financial and trade policies, should be formulated and monitored in a gender-

sensitive way, with inputs from the women most impacted by these policies, to generate positive results for women and men, drawing on research on the gender impact of macroeconomic and micro-economic policies. Governments should ensure, inter alia, that macroeconomic policies, including financial and public sector reforms, and employment generation, are gender-sensitive and friendly to small-scale and medium-sized enterprises. Local-level regulations and administrative arrangements should be conducive to women entrepreneurs. It is the responsibility of Governments to ensure that women are not discriminated against in times of structural change and economic recession

Beijing +5:
Recommendations of the Ad Hoc Committee of the Whole of the twenty-third special session of the General Assembly (2000)

53. All economic policies, institutions and resource allocation should adopt a gender perspective to ensure that development dividends are shared on equal grounds.

54. Recognizing the persistent and increasing burden of poverty on women in many countries, particularly in developing countries, it is essential to continue from a gender perspective to review, modify and implement integrated macro-economic and social policies and programmes, including, inter alia, those related to structural adjustment and external debt problems, to ensure universal and equitable access to social services, in particular to education, and affordable quality health care services and equal access to and control over economic resources.

73 a. Mainstream a gender perspective into key macroeconomic and social development policies and national development programmes;

101 e. Recognizing the mutually reinforcing links between gender equality and poverty eradication, elaborate and implement, where appropriate, in consultation with civil society, comprehensive gender-sensitive poverty eradication strategies addressing social, structural, and macro-economic issues;

101 i. Identify and implement development-oriented and durable solutions which integrate a gender perspective to external debt and debt-servicing problems of developing countries, including least-developed countries, inter alia, through debt relief, including the option of ODA debt cancellation, to help them to finance programmes and projects targeted at development, including the advancement of women;

82 m. Promote gender-sensitivity and social responsibility of the private sector, inter alia through the management of work time, and dissemination of gender-sensitive information and advocacy campaigns.

ANNEX 3: Selected Tables, Economic Performance and Human Development (by country)

Table A6.1: Indicator of Economic Performance and Human Development –Antigua and Barbuda

	Y	AD	AI	AN	AS	AX	BC	BH	BI	BJ	BK	BL	BM
Description	**1980**	**1985**	**1990**	**1995**	**2000**	**2005**	**2010**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**
EXTERNAL BALANCE													
Reserves minus Gold (US$ million)	7.8	16.6	27.5	59.4	63.6	127.3	136.6	355.7	330.1	313.6	328.6	279.1	
Reserves to Import	0.69	0.69	0.85	1.51	1.37	2.06	2.71	4.46	3.81	3.46	3.21	-	
Nominal Exchange Rate (LC to US$)	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7
External Current Account/GDP	-	-4.6	-7.9	3.9	-9.9	-17.2	-14.5	2.2	-2.4	-7.8	-13.6		
External Debt/GDP	-	27.5		51.9	61.7	21.7	39.9	42.1	37.9	36.2	34.9		
INTERNAL BALANCE													
Inflation	-	-	-	-	0.77	2.10	3.37	0.97	-0.49	2.43	1.21		
Growth	8.16	7.64	2.18	-4.36	6.20	-0.40	-7.84	3.83	5.50	3.15	7.39	4.66	
Unemployment	-	-	6.8	7.8	8.1	-	-	15.0	-	-	-	-	
Public Sector Balance/GDP	-	1.9	-1.5	-3.4	-5.4	15.6	-1.4	2.2	-0.4	-2.4	-3.2		
HUMAN DEVELOPMENT													
Human Development Index (HDI)	-	-	-	-	-	-	0.763	0.762	0.778	0.768	0.772	0.778	
HDI Rank in the World								62	70	73	74	78	
Life Expectancy at Birth	68.48	70.14	71.52	72.73	73.94	75.02	75.82	76.48	76.62	76.75	76.89		
Infant Mortality (Per 1,000 live births)	12.9	11.1	11.5	13.0	13.0	11.0	8.7	6.8	6.5	6.2	6.0	5.8	
Doctors per 100,000 persons)										29.56			
Population below National Poverty Line (%)						24.0[152]		22.0					

Source: World Bank Database; CARICOM Statistics; CEPALSTAT

[152] 2006/07

Table A6.2: Indicator of Economic Performance and Human Development -Barbados

Description	Y	AD	AI	AN	AS	AX	BC	BH	BI	BJ	BK	BL	BM
	1980	**1985**	**1990**	**1995**	**2000**	**2005**	**2010**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**
EXTERNAL BALANCE													
Reserves minus Gold (US$ million)	80.6	141.8	117.5	219.1	472.7	538.0	833.5	553.6	431.8	265.8	533.9	772.1	
Reserves to Import	1.56	2.28	1.52	2.40	3.45	3.09	3.96	2.42	1.69				
Nominal Exchange Rate (LC to US$)	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	
External Current Account/GDP		5.2	-0.5	-1.7	-5.7	-9.9	-5.3	-6.1	-4.3	-3.8	-4.0		
External Debt/GDP		30.4	31.4	22.3	23.9	19.8	30.0	42.7	38.8	38.2	35.2		
INTERNAL BALANCE													
Inflation	14.43	3.92	3.08	1.88	2.44	6.08	5.82	-1.11	1.28	4.66	3.67	4.10	
Growth	4.4	1.1	-3.3	2.0	4.5	14.9	-2.3	2.5	1.5	0.5	-0.6	-11.6	
Unemployment			21.0	19.7	9.4	9.1	10.7	11.4	9.7	9.8	9.4	10.3	10.9
Public Sector Balance/GDP		-5.2	-7.2	-0.8	-1.9	-2.4	-8.3	-9.2	-5.4	-4.5	-0.3		
HUMAN DEVELOPMENT													
Human Development Index (HDI)	0.658		0.706		0.732	0.761	0.771	0.808	.799	0.809	0.810	0.814	
HDI Rank in the World					31		52	54	57	57	56	58	
Life Expectancy at Birth	72.2	73.8	74.7	75.9	77.2	77.9	78.4	78.8	78.9	79.0	79.1		
Infant Mortality (Per 1,000 live births)	23.5	19.3	16.2	13.7	13.7	14.4	13.8	13.0	12.7	12.4	12.1	11.7	
Doctors per 100,000 persons)				13.46	13.44	17.70				24.84			
Population below National Poverty Line (%)								19.0					

Source: World Bank Database; CARICOM Statistics; CEPALSTAT

Table A6.3: Indicator of Economic Performance and Human Development -Dominica

Description	Y	AD	AI	AM	AS	AX	BC	BH	BI	BJ	BK	BL	BM
	1980	**1985**	**1990**	**1995**	**2000**	**2005**	**2010**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**
EXTERNAL BALANCE													
Reserves minus Gold (US$)	5.1	3.3	14.5	22.2	29.4	49.2	76.1	126.2	221.9	212.3	191.3	166.8	
Reserves to Import	1.11	0.60	1.24	1.67	1.55	2.55	3.26	4.19	7.45	7.40	5.21		
Nominal Exchange Rate (LC to US$)	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70
External Current Account/GDP		-1.3	-26.2	-22.7	-19.5	-21.1	-15.9	-4.7	-7.7	-8.9	-43.9		
External Debt/GDP		43.3	51.6	47.0	54.1	71.5	47.0	53.5	47.0	65.0	58.8		
INTERNAL BALANCE													
Inflation	132.7	3.74	3.19	1.32	0.86	1.68	3.00	-0.84	0.14	0.30	0.99		
Growth	13.4	1.4	5.4	3.0	2.3	0.7	0.7	-2.7	2.6	-6.8	2.3	3.6	
Unemployment					11.5								23.0
Public Sector Balance/GDP		-11.5	-16.9	-3.6	-5.0	-1.2	-6.1	-1.7	13.9	-4.5	-9.6		
HUMAN DEVELOPMENT													
Human Development Index (HDI)					0.703	0.708	0.722	0.721	0.718	0.736	0.738	0.742	
HDI Rank in the World					61			96	101	98	98	94	
Life Expectancy at Birth						94[153]							
Infant Mortality (Per 1,000 live births)	18.0	14.4	12.9	12.9	14.1	16,8	21.2	27.3	28.4	29.4	30.3	30.9	
Doctors per 100,000 persons)					17.79					11.19			
Population below National Poverty Line (%)								28.8					

Source: World Bank Database; CARICOM Statistics; CEPALSTAT

[153] Year 2003

Table A6.4: Indicator of Economic Performance and Human Development -Grenada

Description	Y	AD	AI	AM	AS	AX	BC	BH	BI	BJ	BK	BL	BM
	1980	**1985**	**1990**	**1995**	**2000**	**2005**	**2010**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**
EXTERNAL BALANCE													
Reserves minus Gold (US$)	12.9	20.8	17.6	36.7	57.7	94.3	119.2	198.0	207.7	199.1	233.8	236.3	-
Reserves to Import	2.46	2.78	1.38	2.35	1.98	2.59	3.35	3.74	3.91	3.34	3.65	-	-
Nominal Exchange Rate (LC to US$)	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70
External Current Account/GDP		0.5	-20.9	-12.5	-20.9	-27.8	-26.4	-12.5	-11.0	-14.4	-15.9		
External Debt/GDP		36.4	40.1	31.7	34.6	75.1	72.0	59.0	55.2	46.1	44.9		
INTERNAL BALANCE													
Inflation	21.82	2.50	2.72	1.87	2.18	3.48	3.44	-0.52	1.65	0.91	0.80		
Growth	-0.5	6.0	4.0	2.1	4.9	13.3	-0.5	6.4	3.7	4.4	4.1	1.9	
Unemployment			13.0		12.5	18.8		29.0					24.0
Public Sector Balance/GDP		0.8	-10.4	0.3	-3.2	3.0	-2.4	-1.2	1.8	3.0	4.9		
HUMAN DEVELOPMENT													
Human Development Index (HDI)							0.743	0.767	0.770	0.772		0.779	
HDI Rank in the World							-	79	75	78	78	74	
Life Expectancy at Birth	67.9	68.5	69.6	71.4	72.6	73.1	72.9	72.4	72.4	72.4	72.4		
Infant Mortality (Per 1,000 live births)	28.8	22.6	17.9	14.4	12.9	12.5	13.0	14.2	14.5	14.7	14.7	14.7	
Doctors per 100,000 persons)					5.64					14.07			
Population below National Poverty Line (%)								37.7					

Source: World Bank Database; CARICOM Statistics; CEPALSTAT

Table A6.5: Indicator of Economic Performance and Human Development –St. Lucia

Description	Y	AD	AI	AM	AS	AX	BC	BH	BI	BJ	BK	BL	BM
	1980	1985	1990	1995	2000	2005	2010	2015	2016	2017	2018	2019	2020
EXTERNAL BALANCE													
Reserves minus Gold (US$) million	8.3	12.7	44.6	63.1	78.8	132.5	206.3	317.5	305.5	321,8	285.8	260.9	
Reserves to Import	0.73	0.98	1.52	1.72	1.91	2.07	2.93	3.76	3.47	3.51	2.96		
Nominal Exchange Rate (LC to US$)	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70
External Current Account/GDP	-19.55	-4.39	-9.84	-4.75	-10.17	-11.40	-13.64	2.08	-4.15	1.36	4.98		
External Debt/GDP		13.3	16.8	20.9	27.0	46.2	32.5	31.0	31.7	33.5	31.8		
INTERNAL BALANCE													
Inflation	19.48	1.42	4.27	5.63	3.71	3.90	3.25	-0.98	-3.09	0.11	1.94	-	-
Growth	4.37	1.10	-3.31	2.01	4.48	3.96	-2.29	2.45	2.48	0.48	-0.58	-0.10	
Unemployment (ILO Estimate)	-	-	16.55[154]	15.83	16.49	18.70	17.12	24.09	21.26	21.07	20.88	20.71	20.15
Public Sector Balance/GDP													
HUMAN DEVELOPMENT													
Human Development Index (HDI)					0.69		0.731	0.744	0.745	0.747		0.759	
HDI Rank in the World					66			92	91	89	89	86	
Life Expectancy at Birth	68.1	69.7	71.1	72.3	73.3	74.1	75.6	75.7	75.9	76.1			
Infant Mortality (Per 1,000 live births)	25.3	20.4	17.7	16.3	15.6	16.0	17.0	18.6	19.0	19.3	19.7	20.0	
Doctors per 100,000 persons)						5.08	16.49			6.41			
Population below National Poverty Line (%)								28.8					

Source: World Bank Database; CARICOM Statistics; CEPALSTAT

[154] Year 1991

ANNEX 4: Selected Data, Growth of GDP by Economic Activity, by country

Table A8.1a Antigua and Barbuda: Growth Rate of Gross Domestic Product by Economic Activity in Constant Prices (%) - 1976-2020

Description	Period/Year												
	1976-80	1981-85	1986-90	1991-95	1996-2000	2001-05	2006-10	2011-15	2016	2017	2018	2019	2020
Agriculture, Livestock and Forestry	-4.22	-1.93	5.12	-1.18	2.32	0.68	1.91	-1.38	2.47	1.49	-0.99	0.46	1.05
▪ Crops	-4.11	0.00	6.18	-3.10	2.58	1.87	1.56	2.22	2.70	1.18	1.74	0.21	1.50
○ Banana													
○ Nutmeg													
○ Other Crops	-4.11	0.00	6.18	-3.10	2.58	1.87	1.56	2.22	2.70	1.18	1.74	0.21	1.50
▪ Livestock	-4.84	-0.51	3.82	1.89	2.30	-1.45	2.65	-8.03	2.26	2.47	-8.01	1.20	0.00
▪ Forestry	0.00	2.53	2.74	-1.65	-0.44	0.00	0.44	0.00	0.00	0.00	1.00	0.00	0.00
Fishing	-6.74	-5.43	-10.16	7.78	0.50	4.02	9.13	-9.21	5.00	28.11	2.09	2.07	0.00
Manufacturing	13.37	1.82	2.41	-2.85	3.77	3.27	0.01	1.00	6.41	-2.46	6.63	-6.18	-9.50
Hotels & Restaurants	7.44	12.80	0.28	2.16	1.01	2.80	-0.41	1.47	6.37	-2.24	8.29	7.79	-63.62
Wholesale & Retail	4.77	3.54	4.20	2.40	3.45	2.14	3.91	2.54	1.64	0.36	-1.86	1.42	-15.00
Public Administration, Defence & Compulsory Social Security	2.40	2.60	2.68	1.95	3.33	2.76	-2.81	2.67	5.47	3.08	6.50	5.65	-0.80
Education	2.30	3.05	2.70	1.97	3.28	10.98	-1.06	2.95	18.64	-0.77	0.61	5.26	-0.65
Health and Social Work	2.34	2.84	2.69	1.96	3.42	-2.49	-0.12	2.97	5.15	2.75	2.52	5.15	-3.65
Other Community, Social & Personal Services	1.88	4.63	2.80	2.05	37.38	5.27	-2.14	2.17	-5.17	-0.07	13.82	-3.14	-7.72
Overall GDP Growth	**5.10**	**4.54**	**4.25**	**1.47**	**4.92**	**3.51**	**-2.37**	**2.06**	**5.50**	**3.14**	**6.95**	**3.35**	**-18.27**

Source: Eastern Caribbean Central Bank

Table A8.1b: Antigua and Barbuda: Selected Contribution to Gross Domestic Product by Economic Activity in Constant Prices (%) - 1976-2020

Description	Period/Year												
	1976-80	1981-85	1986-90	1991-95	1996-2000	2001-05	2006-10	2011-15	2016	2017	2018	2019	2020
Agriculture, Livestock and Forestry	1.95	1.50	1.19	1.15	0.95	0.84	0.77	0.92	0.82	0.81	0.74	0.71	0.89
▪ Crops	1.08	0.79	0.69	0.67	0.54	0.53	0.46	0.59	0.56	0.55	0.52	0.50	0.63
○ Banana													
○ Nutmeg													
○ Other Crops	1.08	0.79	0.69	0.67	0.54	0.53	0.46	0.59	0.56	0.55	0.52	0.50	0.63
▪ Livestock	0.77	0.63	0.42	0.41	0.36	0.28	0.26	0.29	0.23	0.22	0.19	0.19	0.23
▪ Forestry	0.10	0.08	0.07	0.06	0.05	0.04	0.03	0.04	0.03	0.03	0.03	0.03	0.04
Fishing	4.06	1.25	1.01	1.11	0.93	1.14	0.96	0.99	0.84	1.04	0.99	0.97	1.20
Manufacturing	2.72	3.52	2.94	2.23	2.04	2.14	2.19	2.36	2.38	2.24	2.22	2.00	2.24
Hotels & Restaurants	15.42	18.81	18.95	18.84	16.46	14.86	13.13	15.00	14.79	13.97	14.08	14.56	6.55
Wholesale & Retail	19.46	18.62	17.33	17.11	17.04	16.71	16.16	14.30	13.75	13.33	12.18	11.85	12.45
Public Administration, Defence & Compulsory Social Security	10.60	10.49	9.00	8.48	8.30	9.20	7.89	8.18	8.29	8.26	8.19	8.30	10.17
Education	3.67	3.68	3.17	3.04	2.96	3.44	4.83	5.70	5.88	5.64	5.28	5.33	6.55
Health and Social Work	4.93	4.91	4.22	4.01	3.82	3.48	2.70	3.09	3.15	3.13	2.98	3.01	3.58
Other Community, Social & Personal Services	1.92	2.03	1.78	1.79	2.75	3.29	2.20	2.76	2.47	2.38	2.53	2.35	2.68
Overall GDP	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Source: Eastern Caribbean Central Bank

Table A8.2a: Barbados Growth Rate of Gross Domestic Product by Economic Activity in Constant Prices (%) - 1976-2020

Description	Period/Year												
	1980	1985	1990	1995	2000	2005	2010	2015	2016	2017	2018	2019	2020
Agriculture, Livestock and Forestry	5.46	-0.53	7.17	-0.37	3.73	8.03	-6.98	-3.03	1.31	3.63	13.65	-4.71	
▪ Crops													
○ Banana													
○ Nutmeg													
○ Other Crops													
▪ Livestock													
▪ Forestry													
Fishing													
Manufacturing													
Hotels & Restaurants													
Wholesale & Retail													
Public Administration, Defence & Compulsory Social Security													
Education													
Health and Social Work													
Other Community, Social & Personal Services													
Overall GDP	4.4	1.1	-3.3	2.0	4.5	14.9	-2.3	2.4	1.5	0.5	-0.6	-0.1	-11.6

Table A8.2b: Barbados Selected Contribution to Gross Domestic Product by Economic Activity in Constant Prices (%) - 1976-2020

DESCRIPTION	Period/Year												
	1980	1985	1990	1995	2000	2006	2010	2015	2016	2017	2018	2019	2020
Agriculture, Livestock and Forestry	7.47	4.86	3.44	3.20	1.99	1.27	1.30	1.22	1.18	1.13	1.31		
▪ Crops													
○ Banana													
○ Nutmeg													
○ Other Crops													
▪ Livestock													
▪ Forestry													
Fishing													
Manufacturing	9.01	8.18	10.41	7.99	7.74	7.47	5.83	5.44	5.24	5.30	5.36		
Hotels & Restaurants						13.14	12.28	12.67	13.57	14.13	14.81		
Wholesale & Retail						10.52	9.14	8.78	8.49	8.12	7.87		
Public Administration, Defence & Compulsory Social Security						4.81	6.17	5.40	5.22	5.17	5.08		
Education						2.61	3.05	3.06	2.95	2.96	2.96		
Health and Social Work						1.06	1.26	1.10	1.06	1.07	1.06		
Other Community, Social & Personal Services						3,72	4.20	3.93	3.75	3.71	3.74		
Overall GDP						100	100	100	100	100	100		

Table 8.3a: Dominica Growth Rate of Gross Domestic Product by Economic Activity in Constant Prices (%) - 1976-2020

Description	Period/Year												
	1976-80	1981-85	1986-90	1991-95	1996-2000	2001-05	2006-10	2011-15	2016	2017	2018	2019	2020
Agriculture, Livestock and Forestry	-8.11	0.39	0.49	-2.69	-1.80	-1.22	-0.46	1.61	9.87	-18.90	-28.83	15.49	6.55
▪ **Crops**	-8.86	0.06	0.39	-3.10	-2.11	-1.28	-0.55	1.80	10.70	-19.04	-30.11	17.30	7.08
○ **Banana**	-8.85	0.07	0,39	-3.10	-2.11	-4.50	-9.66	-16.68	13.99	-29.25	-80.00	580.00	20.00
○ **Nutmeg**													
○ **Other Crops**	-8.86	0.06	0.39	-3.10	-2.11	-0.41	1.24	2.63	10.52	-18.47	-27.69	9.74	6.00
▪ **Livestock**	9.91	5.91	1.77	1.39	1.12	-0.11	1.00	0.124	3.68	-14.16	-14.64	2.00	2.00
▪ **Forestry**	4.66	1.46	1.69	2.47	0.88	-6.13	-2.39	0.20	**0.76**	-29.17	-29.17	2.00	2.00
Fishing	8.70	2.79	-4.88	4.95	2.00	-10.26	-1.74	6.94	-2.34	-22.55	8.60	5.00	5.00
Manufacturing	9.99	4.46	4.97	0.20	1.24	2.58	-4.17	-1.66	-20.55	-18.85	-11.62	8.00	8.00
Hotels & Restaurants	-6.03	5.02	12.87	5.74	1.18	1.89	-0.40	1.48	-10.97	-12.37	-22.79	57.65	-55.02
Wholesale & Retail	5.42	1.58	6.48	3.67	2.00	0.46	7.76	-2.93	-0.88	-13.52	34.32	0.70	-36.20
Public Administration, Defence & Compulsory Social Security	5.76	1.80	1.97	0.29	2.59	-2.22	1.40	3.41	0.75	21.68	-14.78	-0.67	5.31
Education	3.34	1.97	2.58	3.08	2.10	1.72	1.72	1.53	4.20	-6.84	-58.90	12.99	2.98
Health and Social Work	5.12	1.84	2.13	1.04	2.45	-0.71	2.87	1.67	4.97	-2.74	1.50	-0.19	4.72
Other Community, Social & Personal Services	**1.33**	**2.14**	**3.13**	**5.25**	**1.76**	**0.78**	**1.84**	**-0.45**	2.36	5.75	-16.44	-0.10	-2.71
Overall GDP Growth	**5.74**	**2.45**	**3.82**	**1.44**	**1.72**	**1.40**	**2.54**	**-0.14**	**2.56**	**-6.80**	**2.30**	**3.56**	**-15.40**

Source: Eastern Caribbean Central Bank

Table A8.3b: Dominica Contribution to Gross Domestic Product by Economic Activity in Constant Prices (%) - 1976-2020

Description	Period/Year												
	1976-80	1981-85	1986-90	1991-95	1996-2000	2001-05	2006-10	2011-15	2016	2017	2018	2019	2020
Agriculture, Livestock and Forestry	28.49	24.35	23.66	19.74	15.93	12.93	11.21	12.18	13.01	11.34	8.44	9.25	11.50
▪ Crops	27.35	22.65	21.94	18.08	14.32	11.42	9.78	10.85	11.70	10.18	7.45	8.28	10.35
○ Banana	7.74	6.40	6.21	5.12	4.05	2.36	1.34	0.98	0.62	0.47	0.10	0.64	0.89
○ Other Crops	19.61	16.21	15.73	12.96	10.27	9.06	8.44	9.87	11.08	9.71	7.35	7.65	9.46
▪ Livestock	0.75	1.20	1.27	1.21	1.17	1.10	1.09	1.02	1.00	0.92	0.83	0.80	0.95
▪ Forestry	0.38	0.53	0.45	0.45	0.44	0.41	0.33	0.31	0.30	0.23	0.17	0.17	0.20
Fishing	0.61	0.77	0.72	0.56	0.61	0.50	0.46	0.44	0.55	0.46	0.52	0.52	0.64
Manufacturing	3.78	5.11	5.44	5.60	5.46	4.78	4.09	3.39	2.37	2.07	1.92	1.96	2.47
Hotels & Restaurants	1.02	0.82	1,03	1,69	1.64	1.98	1.92	2.04	1.77	1.67	1.35	2.02	1.06
Wholesale & Retail	8.53	9.18	10.49	11.57	12.48	12.19	13.19	13’79	12.45	11.57	16.27	15.54	11.57
Public Administration, Defence & Compulsory Social Security	11.62	11.82	10.63	9.88	9.54	9.62	8.26	9.34	10.14	13.25	11.82	11.13	13.69
Education	9.94	9.94	9.14	9.10	9.66	12.04	11.69	10.83	11.67	11.68	5.02	5.38	6.47
Health and Social Work	4.73	4.78	4.33	4.09	4.06	3.95	3.51	3.85	4.07	4.25	4.52	4.28	5.23
Other Community, Social & Personal Services	1.09	1.07	1.01	1.06	1.20	1.17	1.10	1.03	1.03	1.17	1.02	0.97	1.10
Overall GDP	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Table A8.4a: Grenada Growth Rate of Gross Domestic Product by Economic Activity in Constant Prices (%) - 1976-2020

Description	Period/Year												
	1976-80	1981-85	1986-90	1991-95	1996-2000	2001-05	2006-10	2011-15	2016	2017	2018	2019	2020
Agriculture, Livestock and Forestry	-1.01	-3.63	1.87	-1.80	1.14	-14.49	3.57	18.98	-13.90	-19.53	3.09	-7.25	-8.87
▪ **Crops**	-1.28	-3.93	1.72	-2.11	0.91	-18.96	3.50	18.98	-15.86	-21.37	2.68	-8.95	-10.49
○ **Banana**	-1.50	-3.96	1.44	-2.24	0.87	-34.02	-5.59	11.01	11.20	5.12	-24.19	-24.87	-35.00
○ **Nutmeg**	-1.28	-3.93	1.72	-2.11	0.92	-39.87	0.22	3.44	-16.67	17.20	-8.43	-2.21	-8.00
○ **Other Crops**	-1.28	-3.93	1.72	-2.11	0.91	-14.59	3.74	23.74	-16.45	-23.60	4.44	-8.80	-10.00
▪ **Livestock**	5.05	0.85	3.90	1.27	2.42	2.79	4.55	1.46	5.83	-7.58	5.99	4.23	0.00
▪ **Forestry**	2.45	2.78	3.63	1.60	4.16	2.05	1.76	2.18	2.00	1.64	5.09	1.00	0.00
Fishing	3.75	2.24	3.58	1.40	0.26	-1.71	2.22	5.42	6.38	1.40	2.50	3.20	-20.00
Manufacturing	7.70	13.03	10.30	2.48	6.58	1.09	-0.98	7.15	4.55	2.70	9.44	6.87	-17.00
Hotels & Restaurants	0.81	7.43	6.63	7.36	3.08	-9.29	-3.01	7.93	10.70	4.99	9.46	0.57	-61.02
Wholesale & Retail	4.00	3.05	5.80	1.85	3.75	2.43	-4.38	3.49	-3.34	9.26	7.51	1.59	-5.00
Public Administration, Defence & Compulsory Social Security	**8.70**	**9.51**	**1.68**	**-3.52**	**1.31**	**4.48**	**4.50**	**0.33**	-0.78	-1.01	-1.70	1.30	1.08
Education	6.34	7.56	1.64	-2.47	14.11	4.94	4.50	2.73	3.11	4.63	-5.12	4.24	-1.60
Health and Social Work	8.41	9.28	1.67	-3.40	3.11	0.31	7.93	-1.26	-0.29	0.94	0.43	1.28	0.21
Other Community, Social & Personal Services	1.82	2.45	1.51	0.62	32.98	3.42	0.17	1.56	5.45	1.44	1.21	1.84	-1.97
Overall GDP Growth	**2.56**	**3.44**	**3.93**	**0.19**	**5.64**	**4.97**	**-0.09**	**2.94**	**3.74**	**4.44**	**4.14**	**1.91**	**-12.59**

Source: Eastern Caribbean Central Bank-

Table 8.4b: Grenada Contribution to Gross Domestic Product by Economic Activity in Constant Prices (%) - 1976-2020

Description	Period/Year												
	1976-80	1981-85	1986-90	1991-95	1996-2000	2001-05	2006-10	2011-15	2016	2017	2018	2019	2020
Agriculture, Livestock and Forestry	17.42	15.38	11.30	9.31	6.98	4.83	3.43	5.01	6.63	5.13	5.11	4.62	4.79
▪ Crops	16.55	14.48	10.49	8.45	6.17	4.15	2.73	4.28	5.87	4.44	4.40	3.91	3.98
○ Banana	0.11	0.09	0.07	0.05	0.04	0.03	0.03	0.15	0.17	0.17	0.12	0.09	0.07
○ Nutmeg	4.56	4.00	2.89	2.33	1.70	1.19	0.14	0.22	0.20	0.23	0.20	0.19	0.20
○ Other Crops	11.89	10.40	7.54	6.01	4.47	2.93	2.55	3.91	5.50	4.04	4.07	3.63	3.71
▪ Livestock	0.67	0.68	0.59	0.62	0.58	0.49	0.54	0.60	0.58	0.51	0.52	0.53	0.61
▪ Forestry	0.21	0.22	0.22	0.24	0.23	0.20	0.17	0.19	0.18	0.18	0.18	0.18	0.20
Fishing	1.71	1.73	1.57	1.70	1.46	1.57	1.44	1.58	1.64	1.60	1.58	1.59	1.45
Manufacturing	1.72	2.40	3.38	4.13	4.57	4.28	3.70	3.55	3.40	3.36	3.55	3.71	3.50
Hotels & Restaurants	2.99	3.01	3.96	6.00	6.16	4.94	4.48	4.99	6.03	6.08	6.43	6.31	2.80
Wholesale & Retail	10.61	7.84	9,00	9.62	9.48	8.19	8.28	7.81	7.52	7.90	8.20	8.13	8.79
Public Administration, Defence & Compulsory Social Security	7.85	10.39	10.64	9.10	7.32	6.26	7.26	8.32	7.34	6.98	6.63	6.56	7.54
Education	7.04	8.59	8.46	7.46	8.42	11.49	15.94	18.55	18.54	18.65	17.09	17.39	19.47
Health and Social Work	2.52	3.30	3.36	2.89	2.42	2.31	2.12	2.35	2.02	1.96	1.90	1.88	2.14
Other Community, Social & Personal Services	0.78	0.78	0.68	0.66	1.36	2.02	2.00	2.03	1.94	1.89	1.85	1.84	2.05
Overall GDP	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Table A8.5a: St. Lucia Selected Growth Rate of Gross Domestic Product by Economic Activity in Constant Prices (%) - 1976-2020

Description	Period/Year												
	1976-80	1981-85	1986-90	1991-95	1996-2000	2001-05	2006-10	2011-15	2016	2017	2018	2019	2020
Agriculture, Livestock and Forestry									2.4	-2.9	1.7	-0.8	-1.4
▪ Crops									-0.9	-6.2	3.7	0.9	-1.7
○ Banana									-1.2	3.2	1.9	-11.4	-5.7
○ Nutmeg													
○ Other Crops									-0.1	-10.4	4.6	7.1	-
▪ Livestock									14.1	-7.1	-1.9	-2.1	-4.1
▪ Forestry									0.9	3.2	0.7	0.6	1.6
Fishing									8.2	12.0	-2.0	-6.1	0.7
Manufacturing									3.2	1.3	6.6	8.6	-13.0
Hotels & Restaurants									-3.1	11.2	6.0	3.9	-72.3
Wholesale & Retail									16.2	1.2	2.3	-5.9	-10.5
Public Administration, Defence & Compulsory Social Security									0.1	0.3	1.6	2.1	0.8
Education									0.7	1.6	0.9	1.6	0.2
Health and Social Work									1.6	3.0	2.7	3.2	-1.2
Other Community, Social & Personal Services									2.6	-1.0	3.6	2.3	-15.0
Overall GDP Growth													

Source: Eastern Caribbean Central Bank

Table 8.5b: St. Lucia Contribution to Gross Domestic Product by Economic Activity in Constant Prices (%) - 1976-2020

Description	Period/Year												
	1976-80	1981-85	1986-90	1991-95	1996-2000	2001-05	2006-10	2011-15	2016	2017	2018	2019	2020
Agriculture, Livestock and Forestry								2.2	2.2	2.1	2.1	2.0	2.6
▪ Crops								1.5	1.5	1.3	1.3	1.3	1.7
○ Banana								0.5	0.4	0.4	0.4	0.4	0.5
○ Nutmeg								-	-	-	-	-	-
○ Other Crops								1.0	1.0	0.9	0.9	0.9	1.2
▪ Livestock								0.3	0.3	0.3	0.3	0.3	0.3
▪ Forestry								0.1	0.1	0.1	0.1	0.1	0.1
Fishing								0.4	0.4	0.4	0.4	0.4	0.5
Manufacturing								3.5	3.6	3.6	3.7	3.9	4.6
Hotels & Restaurants								21.7	21.5	23.1	23.8	24.0	9.0
Wholesale & Retail								12.3	12.1	11.8	11.8	10.8	13.0
Public Administration, Defence & Compulsory Social Security								6.2	6.0	5.8	5.8	5.7	7.8
Education								3.9	3.8	3.7	3.7	3.6	4.9
Health and Social Work								2.4	2.5	2.5	2.5	2.5	3.3
Other Community, Social & Personal Services								1.0	0.9	0.8	0.8	0.8	1.0
Overall GDP	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Source: Eastern Caribbean Central Bank

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