

**Caribbean Development Bank
Government of Anguilla
Country Poverty Assessment: Anguilla
Draft Final Report
Volume 1 of 2: Main Report**

Halcrow Group Limited

In association with

Decision Economics (Canada)

Willms and Shier (Canada)

DPU, University College London (UK)

AND

The National Assessment Team of Anguilla

December 2002

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Acronyms

ACE	Adult Continuing Education
ADB	Anguilla Development Board
ADB	Asian Development Bank
AG	Attorney General
BMC	Borrowing Member Country (within the Caribbean Development Bank)
BNI	Basic Needs Index
CERD	United Nations Convention on the Elimination of all forms of Discrimination
CDB	Caribbean Development Bank
CEDAW	Convention on the Elimination of All Forms of Discrimination against Women
CFNI	Caribbean Food and Nutritional Institute (CFNI)
CIDA	Canadian International Development Agency
CPA	Country Poverty Assessment/s
CRC	International Convention on Civil and Political Rights
CXC	Caribbean Examination Council
DfID	Department for International Development United Kingdom
DG	Deputy Governor
DR	Dominican Republic
EC\$	Eastern Caribbean Dollars (there are approximately EC\$2.65 to US\$1.00)
ECCB	Eastern Caribbean Commercial Bank
ESL	English as a Second Language
EU	European Union
FLSO	Fair Labour Standards Ordinance
GDP	Gross Domestic Product
HDI	Human Development Index
HH	Households
HIL	Household Indigence Line
HIV/AIDS	Human Immuno-deficiency Virus/ Auto Immune Deficiency Syndrome
HPL	Household Poverty Line
ICCPR	International Covenant on Civil and Political Rights

ICESCR	International Covenant on Economic, Social and Cultural Rights
MFB	Minimum Daily Cost Food Basket
NAT	National Assessment Team – Anguilla
NGO	Non-Government Organisation/s
NHE	National Health Expenditure
PA	Public Assistance
PAH	Princess Alexandria Hospital
PAHO	Pan America Health Organisation
PHCD	Primary Health Care Department
PPAs	Participatory Poverty Assessments
SDD	Social Development Department
SEDU	Small Enterprise Development Unit
SLC	Survey of Living Conditions
TEFL	Teaching English as a Foreign Language
TOC	Team of Consultants
TVEC	Technical and Vocational Educational Courses
UNDP	United Nations Development Programme

1 Introduction

1.1 *Background*

This study of poverty in Anguilla is one of a series of Country Poverty Assessments (CPAs) undertaken throughout the Caribbean since 1995 following the Caribbean Development Bank's decision to target more of the benefits from its development programme in the Borrowing Member Countries (BMCs) to the poor. Financial assistance has also been provided by the Department for International Development (DfID) of the United Kingdom, the Canadian International Development Agency (CIDA) and the United Nations Development Programme (UNDP).

To date, CPAs have been conducted in 10 of the 17 BMCs with 8 of them completed. This CPA is being undertaken in parallel with CPAs in the British Virgin Islands and Dominica.

1.2 *Objectives*

This Country Poverty Assessment (CPA) Report for Anguilla provides an examination of the economic and social conditions of the population of the country in 2002. The study has four primary objectives:

1. To identify the extent, severity, characteristics and causes of poverty in Anguilla.
2. To identify factors such as economic and social policies, unemployment, and socio-cultural-legal characteristics which contribute to the generation, exacerbation or reduction of poverty in Anguilla.
3. To evaluate the effectiveness of current policies and programmes of Government Agencies and Non-Governmental Organisations (NGOs) in terms of their impact on the poor and more disadvantaged groups of the population.
4. In the context of 3 above, to develop a programme of action which sets out strategies, policies and programmes to reduce poverty including some or all of the following: improvements in economic and social policy and programmes,

changes to the institutional and legal frameworks, the identification of investment/ infrastructure projects, and strengthening of NGO activities.

1.3

Study Approach

The CPA for Anguilla has been a joint undertaking of a National Assessment Team (NAT) including members from government agencies (e.g. Ministry of Finance and Planning, Ministry of Education, Ministry of Health) and non-Government organisations (e.g. Anguilla Council of Churches, Anguilla National Council of Women) and a Team of Consultants (TOC) appointed by the Caribbean Development Bank.

The CPA involved four principal components:

1. A review of available reports, statistics (principally the 2001 Census) and other data produced by government agencies and others
2. A Survey of Living Conditions (SLC) carried out in 587 randomly-selected households (16% of the total) in July 2002 by the Department of Statistics. The SLC collected information on household expenditure and income, labour force and other characteristics. This data was subsequently merged with selected variables from the 2001 Census relating to demography, education, health, housing and ownership of durable goods to provide a comprehensive database
3. A series of Participatory Poverty Assessments (PPAs) involving case study interviews with representatives from poor and vulnerable sub-groups including the elderly, one parent families and immigrants
4. An Institutional Analysis involving meetings and discussions with a wide range of government and non-government agencies involved in programmes related, directly and indirectly to the reduction of poverty and the provision of assistance to vulnerable groups.

Workshops involving the NAT and the TOC were held in Anguilla in April (Introductions and Study Objectives), May (Study Components, Methodology and Workplan), June (Concepts and Definitions of Poverty, the Measurement of Poverty, Anguilla specific problems and issues), and November (Presentation of

Findings). All aspects of the study with the exception of the preparation of the Final Report were completed between April and December 2002.

1.4

The Definition of Poverty and its Measurement

1.4.1

Definitions of Poverty

Literature on the nature and definition of poverty abounds to the extent that it is not possible for this or any other CPA to review this work in any detail. A realistic starting point can be provided by citing some of the definitions used:

‘The condition of being without adequate food, money, etc.’ – The Collins English Dictionary

‘(Having) an income which, even if adequate for survival, falls radically behind that of the community as a whole’ – J.K. Galbraith, 1962

‘(The) inability to attain a minimum standard of living’ – World Bank, 1990

‘(The) pronounced deprivation of wellbeing’ – World Bank, 2000

‘(The) deprivation of essential assets and opportunities to which every human being is entitled’ – Asian Development Bank, 1998.

At some risk of over-simplification, recent definitions of poverty are more all-embracing in nature, incorporating concepts such as voicelessness, powerlessness, vulnerability, lack of self esteem and lack of opportunity, rather than being confined simply to the inability to satisfy basic consumption requirements. For the purposes of this study, the concept of ‘wellbeing’ is considered to be a useful general term to bracket non-income aspects of poverty such as those described above.

1.4.2

Income and Non-Income Poverty

In general, there will be a high correlation between lack of income and lack of wellbeing – people and households with inadequate income are likely to be suffer from an increased vulnerability to changing economic and social circumstances, reduced income-earning potential, inadequate housing, lack of basic infrastructure (safe water, electricity, reasonable road access), susceptibility to household

disruption due to domestic violence, teenage pregnancy, drug use, HIV/AIDS. The converse will also be true more often than not – not poor households are far less likely to be affected by loss of wellbeing.

However this correlation is far from total. On the one hand, low income communities or cultures (urban and rural) may not consider themselves to be poor ('We are poor but we are not in poverty') if they consider that their basic needs (food, utilities, employment, etc.) are being met and if they see their local community as supportive and non-threatening.

On the other hand, higher income households may experience a serious lack of wellbeing if they are affected by social problems of a general (e.g. endemic crime/violence or racial discrimination) or intra-household (e.g. drug use, domestic violence and abuse as in suburban America or Europe) nature. Another way of looking at this group is that they are sources of potential future poverty if current problems are not attended to, i.e. these problems could result in loss of income thereby causing the household to slip into income poverty.

Either way, any poverty assessment should not confine itself to an assessment based on income criteria alone but should address issues related to loss of wellbeing which are not always directly associated with income poverty. In very poor countries where income poverty is high and a high proportion of basic needs are unmet, a poverty assessment needs to be slanted towards this aspect. On the other hand, in more affluent countries, such as Anguilla, there should be greater emphasis on the non-income aspects.

1.4.3

Absolute and Relative Poverty

The Galbraith definition cited above is notable in that it introduces the notion of 'relative' as opposed to 'absolute' poverty. 'Absolute' poverty implies a standard below which the household could not survive in a healthy or satisfying way. In contrast 'relative' poverty is concerned with the inequality in incomes (or consumption) between different groups with no reference to the level of actual income.

There are advantages and disadvantages of both approaches. Approaches to poverty based on 'absolute' poverty are generally easier to conceptualise – all that is

needed is an accepted definition of what is needed for a healthy and satisfying life. Poverty reduction strategies and programmes can then be targeted at ensuring that all families have the means (financial or otherwise) to achieve this minimum standard. Unfortunately specifying the minimum standard is easier said than done (see below). In addition, in developed nations where absolute poverty is low and most basic needs are met for the great majority of households, issues of equity and inequality become of increasing importance – factors which are not amenable to analysis or countermeasures if absolute criteria are adopted.

In consequence, many countries use relative standards (e.g. incomes below 50 or 60% of the national median) as the primary criterion of poverty. Such definitions provide an easier way of estimating the overall level of poverty. The relative approach also reflects a justified pre-occupation with inequality and an often instinctive reaction to make comparisons whether on a household, national or international level. But relative approaches to poverty assessment also have their problems, e.g.

- ? for instance, doubling everyone's real income will produce no change in the level of poverty if a relative measure is used; and
- ? policies (e.g. highly progressive tax regimes) to bring about a significant redistribution of income (or wealth) do not figure highly on most political agendas.

As with the issue of income/ non-income poverty, poverty assessments need to ensure that key issues are not limited by over-reliance on a particular series or type of indicator.

1.4.4

The Measurement of Poverty

Given the difficulties in defining poverty, it is no surprise that the measurement of poverty is also problematic. Most poverty assessments start with the derivation of a poverty line based on household income/ expenditure. These generally, but not always, involve two elements: food expenditure and non-food expenditure. While the specification and costing of a minimum food basket to provide an adequate diet can be done reasonably objectively, the same cannot be said of non-food expenditures – expenditure for water and other utilities is essential as would be

minimum amounts for health, education and transport but what about television, Christmas celebrations, holidays away from home? The difficulties in defining a minimum 'basket' of non-food expenditures has led to many countries adopting poverty lines based wholly or partly on relative measures which although easier to derive and apply, give rise to the conceptual problems described in the preceding paragraph¹.

The problem of measurement becomes more fraught if one attempts to introduce the more abstract notions related to wellbeing. There are measures of overall poverty such as the Basic Needs Index (BNI) or the Human Development Index (HDI) which give increased importance to non-monetary aspects of poverty, e.g. provision of basic infrastructure, life expectancy, access to education, infant mortality. However these measures also have their shortcomings:

- ? they are of limited use in countries, like Anguilla, where the provision of basic infrastructure is very high along with school enrolment and life expectancy;
- ? the HDI, in particular, is not computable at the household level; and
- ? they do not embrace the more abstract aspects of wellbeing such as vulnerability, powerlessness, lack of self-esteem and lack of opportunities.

Even if one could define and quantify 'wellbeing', there remains the issue of how to combine this measure with the measures of income poverty. These issues have yet to be resolved through research and/ or consensus between the international agencies. Yet the measurement of poverty is critical if poverty reduction strategies, programmes and policies are to be designed, implemented and monitored.

In consequence, the World Bank, the Caribbean Development Bank and other agencies continue to rely on country-specific income/ expenditure-based poverty lines as the starting-point for country poverty assessments with wellbeing seen as a characteristic of poverty rather than as part of its definition.

¹ Interestingly, these issues may lead to a revision of the poverty line used in Great Britain from one based on relative criteria to one based on absolute criteria.

In this context, the need for comparability is paramount and the methodology for deriving the poverty lines for this study is the same as for previous CPAs with much of the ensuing analysis examining how socio-economic variables vary between poor and not-poor households defined on the basis of this poverty line. In contrast, the non-quantifiable aspects of poverty (i.e. those related to wellbeing) are addressed primarily through the qualitative research (i.e. the PPAs).

1.5

Report Structure

Chapter 2 of this Report provides a general overview of the historical, economic and social context of Anguilla as it affects current and potential future levels of poverty in the country. Chapter 3, drawing primarily on the findings of the SLC and the PPAs, provides information on the extent and characteristics of poverty in Anguilla; the final section (3.7) of this chapter contains an overview of poverty in Anguilla and an assessment of its main causes.

The results of the Institutional Analysis are presented in Chapter 4 with emphasis on existing government and non-government programmes which affect the poor and the vulnerable. Chapter 5 describes the results of our investigation into the legal and human rights aspects of poverty in Anguilla. Finally Chapter 6 presents the first steps towards defining a poverty reduction strategy with associated policies and programmes for the country.

Volume 2 of this Report contains supporting material including additional tabulations, a description of the methodologies used to estimate the minimum food basket and to conduct the SLC as well as an annotated review of the laws and statutes having a bearing on the poor.

2 Social and Economic Context

2.1 *Geography*

Anguilla is the most northerly of the Leeward Islands. The island is flat with a few hills, the highest point being 215 ft. above sea level. It consists mostly of limestone and coral, with small outcrops of volcanic rock. There are no streams or rivers on the island, but several ponds, some of which were once used for the production of salt.

The island is long and narrow, 16 miles long and three miles broad at its widest point, with an area of 35 square miles. Anguilla has 40 miles of coastline, much of it lined with white sandy beaches and ringed with coral reefs.

In terms of climate, Anguilla has tropical temperatures cooled by north-easterly trade winds throughout the year. Rainfall is low, with an average of 35 inches annually.

Much of the natural vegetation is scrub. Birdlife is rich with sea birds (frigate birds, brown boobies, pelicans and assorted gulls), pond birds (egrets, herons, stilts and ducks) and a variety of garden birds.

2.2 *Historical Setting*

The first Amerindians settled on Anguilla about 3500 years ago. Archaeological finds indicate that the island was a regional center for the Arawak Indians, who had sizable villages at Sandy Ground, Meads Bay, Rendezvous Bay and Island Harbour. The Carib Indians, who eventually overpowered the Arawaks, called the island Malliouhana. Early Spanish explorers named the island Anguilla, which means 'eel,' apparently because of its elongated shape.

The British established the first permanent European colony on Anguilla in 1650, and despite a few invasion attempts by the French, it has remained a Crown Colony ever since. While arid conditions thwarted the development of large plantations, the

island did become an exporter of tobacco, cotton and salt. In the early 1800s Anguilla's population began to taper off from a peak of 10,500, and the island slid into a slow decline.

The Emancipation Act of 1833 resulted in the end of slavery in Anguilla in 1838. Most of the white plantation owners returned to England and sold their land to former slaves. Anguilla developed into a society of independent peasants who settled all over the island to use any available fertile land. Living conditions were hard and over the next 70 years many Anguillians emigrated in order to find work in the sugar cane fields of surrounding islands (including the Dominican Republic). They refused, despite their poverty, to leave the island en masse and as a result Anguilla evolved as a separate and distinct society.

Anguilla's vital trade links to the rest of the Caribbean were maintained by boat; Anguillians became very skilful boat-builders and have a particular design style recognised throughout the Caribbean. Boat-building is present today on both a recreational and commercial basis.

In 1967, Britain sought to loosen its colonial ties by tying Anguilla into an alignment with the islands of St Kitts and Nevis, the nearest British dependencies. The intent was for the three islands to form a new Caribbean nation, the Associated State of St Kitts-Nevis-Anguilla.

Anguillians clearly wanted no part of this arrangement. Within a few months, Anguillians had armed themselves and forced the St Kitts police off the island. The British, concerned by the potential for bloodshed, stationed Royal Marines in the waters off Anguilla. After two years attempting to negotiate a solution, British forces staged a peaceful (and welcomed) invasion. Britain agreed to drop the idea of an Anguillian union with St Kitts and agreed to continue to administer the island under a modified colonial status that granted Anguilla a heightened degree of home rule. On 19th December 1980 Anguilla became a separate British Dependent Territory.

2.3

2.3.1

Social Setting

Governance

Anguilla has a modified Westminster-style system of government: a Governor, an Executive Council and a House of Assembly. The constitution provides for the Governor to exercise, on behalf of Her Majesty, the executive authority of Anguilla. He is required to consult with the Executive Council in the formulation of policy for consideration by the House of Assembly, the island's law-making body. The Chief Minister is the leader of government business in the Assembly.

For the purpose of electing members to the House of Assembly, Anguilla is divided into seven electoral districts each of which elects one member. All 'belongers' 18 years and over have the right to vote.

As regards the judiciary, Anguilla is a member of the Eastern Caribbean Supreme Court. Its law is the English common law supplemented by locally enacted legislation.

2.3.2

Population

In 2001, the population of Anguilla was 11,561 compared with 8,960 in 1992, 6,680 in 1984 and 5,810 in 1960 (see Table 2.1). Between 1960 and 1984, the population increased by less than 1,000 people. In contrast, since 1984, the population at an average annual rate of 3.2%, which is very high by Caribbean standards. The rate of natural increase (around 1% per annum) is however fairly typical.

Between 1984 and 1992, almost two thirds of the population increase was due to immigration, primarily from other Caribbean islands (e.g. St Kitts and Nevis, Dominican Republic, Jamaica and Guyana). Since 1992 however, the majority of the increase has been due to the natural increase of the Anguillian population and returning residents. Currently, just over a quarter of the population is non-Anguillian.

Table 2.1 Population Change in Anguilla, 1960-2001

ITEM	1960	1974	1984	1992	2001
Population	5810	6519	6680	8960	11561
Anguillian	na	na	6067	6884	8301
Non-Anguillian	na	na	613	2076	3260
% Anguillian			91%	77%	72%
Growth Rates		1960-74	1974-84	1984-1992	1992-2001
Overall		0.8%	0.2%	3.7%	2.9%
Anguillian				1.6%	2.1%
Non-Anguillian				16.5%	5.1%
Increase in Anguillian Population				817	1417
Natural Increase				na	990
Returners*				na	427
Increase in Non-Anguillian Population				1463	1184
Total increase				2280	2601
% Anguillian				36%	54%
Vital Rates **				1991-95	1996-2001
Crude Birth Rate				17.7	15.8
Crude Death Rate				6.4	6.0
Rate of Natural Increase				11.3	9.8

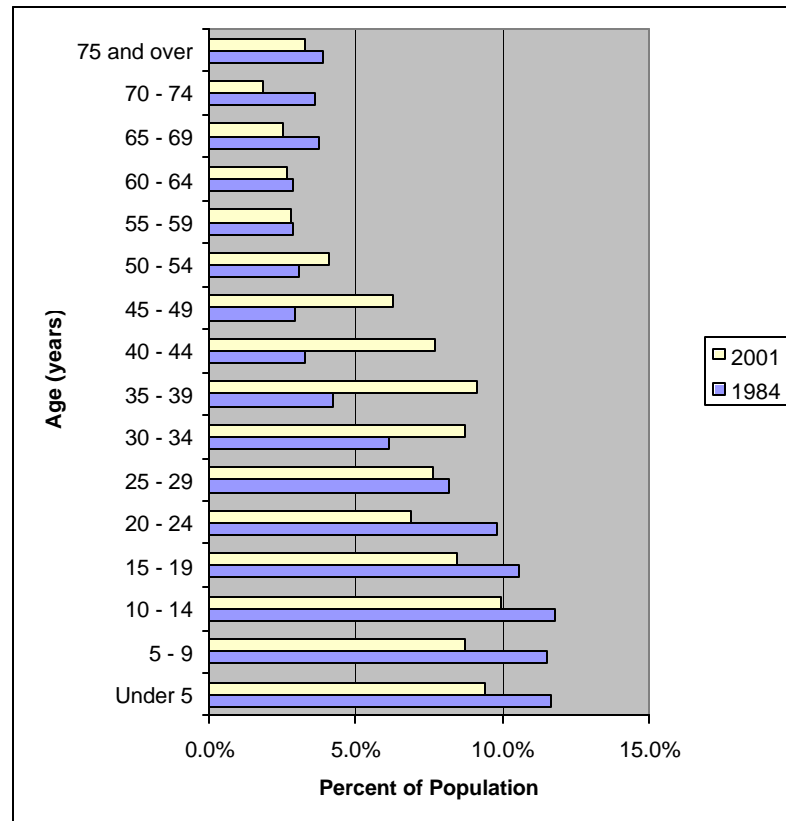
* Estimated by subtraction

** Per 1,000 population.

Source: National Censuses, Registry of Births and Death, and Consultants' Analysis

Figure 2.1 shows how the age structure of the population has changed since 1984. The most dramatic is in the proportion of those aged 30 to 44 years which has almost doubled from 14 to 26 %. As a corollary, the proportions in the younger age groups have decreased. These changes are characteristic of the switch from an emigrant to an immigrant population. The current age structure with its 'hump' in the middle age groups is typical of a country experiencing in-migration of persons of working age.

Figure 2.1. Age Structure of Population, 1984 and 2001



Source: National Censuses, 1984 and 2001.

The number of households has more than doubled since 1984 from 1,840 to 3,787. Average household size has decreased from 3.6 in 1984 to 3.4 in 1992 and 3.1 in 2001. As a consequence, the rate of household growth has exceeded 5% annually, far in excess of the population growth rate. The most dramatic increase has been in 1 and 2 person households which have increased from 505 in 1992 to 1,801 in 2001 (Table 2.2, Figure 2.2). These households now constitute 48% of all households. In contrast, households with 5 or more persons now comprise only 21% of the total compared with over 50% in 1992.

Table 2.2. Changes in Household Size, 1992-2001

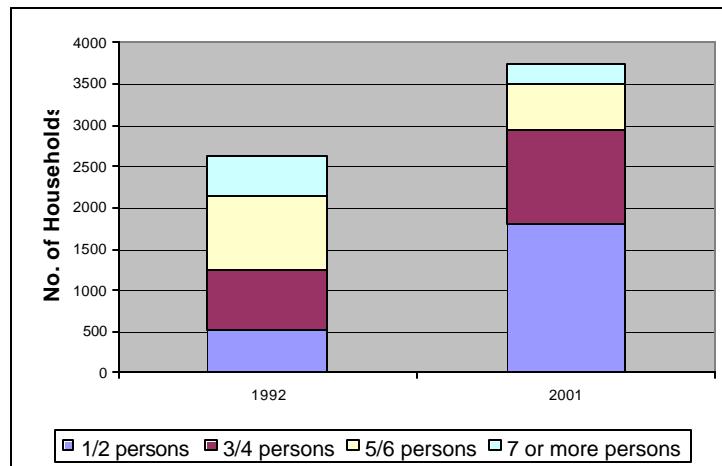
Size	1992	2001	Change	
1/2 persons	505	1801	1296	257%
3/4 persons	750	1144	394	53%
5/6 persons	898	564	-334	-37%
7+ persons	466	221	-245	-53%
TOTAL	2619	3730*	1111	42%

Percentages			
1/2 persons	19%	48%	+29%
3/4 persons	29%	31%	+ 2%
5/6 persons	34%	15%	-19%
7+ persons	18%	6%	-12%
TOTAL	100%	100%	

* Excludes 57 non-enumerated households

Source: National Censuses

Figure 2.2 Household Size, 1992 and 2001



In 2001, 38% of households consisted of single persons or couples without children, 24% were nuclear families (parents and children), 12% were single parent households and the remainder (26%) a mixture of extended/ multi-generational households and unrelated adults. Just under 20% of households contained an elderly person (65+ years); almost 30% of these households were single person households.

2.3.3

Health

Key health indicators for Anguilla are set out in Tables 2.3.

Table 2.3 Health Indicators

Indices	94	95	96	97	98	99	00	01
Birth Rate	17.1	17.0	15.8	16.2	14.4	15.9	17.5	15.9
Annual Live Births ¹	163	167	161	169	155	176	199	184
Incidence of LBW (% of Live Births) ²	11.7	4.9	9.3	9.5	3.9	5.1	7	9.9
Live Births by Mothers under 19 years old ³	23	18	23	24	27	29	37	31
Perinatal Mortality (/1000 Live Births)	6.1	6.1	6.2	29.6	6.5	5.7	15.1	16.5
Neonatal Mortality (/1000 Live Births)	-	6.1	6.2	29.6	6.5	0.0	5.0	0.0
Infant Mortality (/1000 Live Births)	-	17.9	6.2	5.9	0.0	5.7	5.0	0.0
Mortality Rate (/1000 Persons)	5.4	5.5	8.2	5.4	5.8	5.2	6.1	5.7
Annual Deaths ¹	52	55	83	56	62	58	69	66
Beds - Princess Alexandria Hospital (PAH)	40	40	40	36	36	36	36	36
Doctors – PAH	4	4	5	5	5	6	8	9
Nurses – PAH	20	20	20	27	25	26	26	26

Source: Princess Alexandria Hospital (the only hospital in Anguilla) and Statistics Department

1. Source: Registry of Births and Deaths

2. Low Birth Weight (Under 5lbs 8oz)

3. Recorded at PAH

NB. Due to population size and cost effectiveness not all medical treatments are provided within the country. Those with medical insurance may seek medical treatment abroad. Certain major trauma and emergency medical treatments are also treated abroad. Information compiled in Anguilla cannot therefore represent all health and medical conditions/treatments for all Anguillians.

Between 1995 to 2001, the leading cause of death was disease of the circulatory system (such as hypertensive disease, ischemic heart disease and cerebrovascular

disease) varying between 40 to 60% of all deaths followed by neoplasms. Death due to infectious and parasitic disease is very low - between 0 to 10% of all deaths between 1995 and 2001. This was corroborated in interviews with health officials who considered that the major health problems facing Anguilla were hypertension (18% of the population), diabetes (14% of the population) and obesity. Obesity and to some extent diabetes are related to the lack of physical activity and over-consumption of processed or refined foods - most of the food eaten in Anguilla is imported. Although mortality trends are hard to ascertain due to the small number of occurrences, there is no evidence of a poor or deteriorating health situation. Table 2.4 provides a summary of other key health data for Anguilla. A comparison with other countries is provided. This table indicates that Anguilla has a high life expectancy and provision of health facilities (physicians, hospital beds) comparable to other countries in the region.

Table 2.4 Health Statistics – Selected Countries

Health Statistic	Anguilla	BVI	Dominica	Barbados	Jamaica	USA
Life Expectancy	74.3	72.8	77.3	76.5	74.7	76.8
Rural pop w/access to safe water %	c. 97	97.8	91	100	69	n.a
Rural pop w/access to excreta dis. %	c. 97	96	80	100	92	99
National Health Expend* p.c. \$US	312	n.a	198	421	76	3,858
NHE as % of GNP	4.2	3.9	6.6	6.6	5.4	13.1
Physicians per 10,000 pop.	17.5	11.5	4.93	12.8	13.6	26.5
Hospital beds per 10,000 pop.	30.6	n.a	35.9	74.1	21	5.2

Source: Pan American Whole Health Alliance, Pan American Health Organisation, World Health Organisation, 1996 – 1998.

For the first time the 2001 Census contained questions on disabilities, illnesses, medical services and insurance coverage. No comparative data therefore exists. A review the information from the 2001 Census reveals the following:

- ? 5.3% of the population responded that they have a disability or a long-term illness. Nearly a quarter of those with disabilities are 65 or over. With regard to assistance for their disability, 77% of those who responded received no assistance;

- ? 13% of respondents who used a medical facility during the past year used a hospital overseas and 4% used the hospital or clinic in St Martin. Most people used a private doctor in Anguilla (29%) or either the hospital or Public Health Centre (25% each). [This implies that health statistics compiled in Anguilla may not give a complete picture of health conditions in the country]; and
- ? with regard to life and health insurance coverage, 57% of respondents indicated that they had either one or the other or both with coverage higher for the working age population. 90% of Government employees indicated they had insurance coverage but it was much lower among the self employed (between 40 and 60%).

In summary health indicators reveal that Anguilla has a health status comparable to that experienced in other westernised countries with next to no instances of the diseases or conditions traditionally associated with poverty. The increasing rate of disabilities among the elderly related to conditions which could become chronic (e.g. diabetes), is likely to increase pressure in the future on primary and secondary health care services in Anguilla. Because health insurance coverage is not widely held or compulsory, those developing chronic illnesses in Anguilla may become dependent on support once medical expenses become excessive.

2.3.4

Education

Ministerial responsibility for education is conferred on the Minister of Social Development and Lands. The Chief Education Officer, assisted by six Education Officers within the Education Department, is responsible for the management and delivery of the system.

Under the Education Act of Anguilla education is compulsory from the age of 5 to 17. The government policy of “education for all” has enabled free education to be provided at primary and secondary levels up to Form 6. Secondary education follows the comprehensive model. All children reaching 12 years old are automatically transferred to the secondary level whether or not the children have completed the primary school programme although this practice is now being discouraged. There is no tertiary institution on Anguilla although tertiary level training is provided through:

- ? the In-service Teacher Training Programme (Primary);
- ? the In-service Teacher Training Programme (Secondary);
- ? the Upgrading of Trained Teachers; and
- ? the Challenge Programme, a University of West Indies Distance Education facility which began in 1991.

An Adult Education programme is also operating and according to the 2001 Census 52 people attend courses within this programme – all but one on a part-time basis.

Pre-primary school education is neither compulsory nor free, however a grant system operates with the government offering EC\$550 per child per year and EC\$200 per teacher per month to each of the 11 privately run pre-schools. At present, around 1/3rd of children under 5 years of age attend pre-schools.

Table 2.5 presents key statistics for primary and secondary schools in Anguilla.

Table 2.5. Education Indicators 2000 and 2001

Year	School		Students			Teachers			Student/ Teacher Ratio (all)
	Type	No.	Boys	Girls	Total	Trained	Untrained	Total	
2000	Govt Prim	6	703	675	1378	55	23	78	1:18
2000	Priv Prim	1	68	43	111	8	0	8	1:14
2000	Govt HS	1	531	589	1120	78	8	86	1:13
2001	Govt Prim	6	673	647	1320	56	20	76	1:18
2001	Priv Prim	1	60	47	107	7	1	8	1:13
2001	Govt HS	1	561	586	1147	78	8	86	1:13

Source: Chief Education Officer, 2002; Anguilla Census Office, 2002

CXC general exam pass rates are generally high although the low pass rate in mathematics is striking (Table 2.6).

Table 2.6 CXC General Pass Ratio (%)

Subject Area	1999	2000	2001
Languages including English	88*	84	86
Mathematics	16	41	31
Science	57	73	67
All Other Subjects	65	67	80
Overall Pass Rate	60	68	74

Source: Education Department and Consultants' Estimates

* % Pass rate as % of those taking the exam. Passes refer to grades 1, 2 & 3 in accordance with the current six-point grading scheme.

Other key information on education is provided by the 2001 Census:

- ? Enrolment levels approach 100% for children aged 6 to 16 years. In the recent Survey of Living Conditions, only 1% of households contained children over 5 years of age who were not attending school. Most of those not attending were aged between 14 and 16 years;
- ? 98% of the population aged 15 years and over had at least 1 to 3 years of primary education and 97% had at least 4 to 7 years;
- ? fewer males (46%) had completed high school than females (54%);
- ? the younger population had higher levels of education than the elderly with 89% of those 65 and over having 4 to 7 years of primary education compared to 98% for the 25 to 44 age group and almost 100% for the 20 to 24 years age group. For the 20 to 24 years age group 78% completed high school compared to 18% for those 65 and older and 46% for the 40 to 44 years age group;
- ? females have a higher level of education at tertiary level with 18% of females having at least a college level education compared to 15% of males. Differences were more apparent in the prime working age groups (25 to 44 years) with 23% of females having a college education compared to 17% of males;

- ? Anguillians' education levels were marginally lower than that of immigrants from Caribbean countries and significantly lower than residents with citizenship outside the Caribbean – e.g. in the prime working age group 35 to 44 years, 43 % of Anguillians had completed high school compared to 50% from other Caribbean countries and 89% for residents with citizenship outside the Caribbean.

Almost all Anguillian children between the ages of 5 and 16 years are attending school which represents a considerable improvement from previous decades.

2.4

2.4.1

The Economy

Current State of the Economy and Outlook

The economy of Anguilla today is the result of the development of tourism since the early 1980s. The tourism product is very up-market and caters mainly to visitors from the United States. In 1982, there were 17,000 visitors to the island – by 2000, this had increased to 112,000.

Anguilla is a service economy, with approximately 80% of GDP originating in the tertiary sector and 18% originating in the secondary sector (mostly construction and utilities).

Much of the economy revolves around tourism – not only hotels and restaurants but also most construction activity, fishing (especially lobster) and transportation. There is also the start of an offshore banking and international corporation registration business.

GDP per capita has evolved as follows over the last 10 years.

GDP/capita*	1991	1996	2000
US\$	5,408	6,407	7,564
EC\$	14,602	17,300	20,423

* Current prices

Source: Anguilla Statistical Unit / ECCB, Table 25

Table 2.7 presents GDP estimates, in current prices, for the period 1986 – 2000. These data indicate steady growth over the period with exceptions in 1991, 1995 (not shown) and 2000 due to (minor) downturns in the construction or tourism (hotels and restaurants) sectors. GDP has grown 400% over the 14 year period.

Table 2.7 GDP at Factor Cost in Current Prices (EC\$ million)

Sector	1986	1991	1996	1997	1998	1999	2000
Agriculture	4.02	5.13	7.06	7.37	7.94	7.03	6.52
<i>Crops</i>	0.09	0.24	0.28	0.35	0.50	0.39	0.59
<i>Livestock</i>	1.42	1.22	2.07	2.17	2.30	2.01	1.77
<i>Fishing</i>	2.51	3.67	4.71	4.85	5.14	4.63	4.16
Mining & Quarrying	0.77	1.16	1.78	1.96	2.12	2.35	2.50
Manufacturing	0.54	1.07	1.58	1.64	1.88	3.15	3.26
Electricity & Water	1.53	2.52	5.61	7.17	8.14	9.73	7.70
Construction	9.27	21.68	26.70	28.61	30.98	39.47	35.98
Wholesale & Retail	4.79	8.62	14.02	15.05	16.58	17.76	19.53
Hotels & Restaurants	15.16	41.49	54.26	62.49	66.34	70.75	66.24
Transport	4.09	8.55	11.24	12.87	13.88	14.47	15.05
<i>Road Transport</i>	2.36	4.48	5.43	5.77	6.28	6.58	6.56
<i>Sea Transport</i>	1.48	3.07	3.99	4.83	5.24	5.45	5.93
<i>Air Transport</i>	0.25	1.00	1.82	2.27	2.36	2.44	2.56
Communications	4.09	8.67	14.12	18.05	18.51	19.82	21.55
Banks & Insurance	3.45	13.72	25.46	23.63	24.87	28.02	35.93
Real Estate & Housing	2.98	5.85	6.84	7.04	7.43	7.54	7.69
Government Services	8.40	18.79	25.62	27.70	29.08	34.85	37.73
Other Services	0.94	2.29	3.03	3.48	3.74	4.07	4.68
Less Imputed Service Charge	3.20	12.44	21.57	22.88	22.26	26.06	31.91
TOTAL	56.83	127.10	175.75	194.18	209.23	232.95	232.45
GROWTH RATE		17.5%	6.6%	10.5%	7.7%	11.3%	-0.2%

Source: Anguilla Statistical Unit / ECCB

GDP growth is more clearly seen in Table 2.8, which shows GDP in constant prices thereby removing the effects of inflation. Over the entire period, real GDP has grown at around 5.6% annually which represents a substantial achievement. Real GDP per capita increased by 2.1% annually over the same period.

Table 2.8 GDP Factor Cost in Constant 1990 Prices (EC\$ Million)

Sector	1986	1991	1996	1997	1998	1999	2000
Agriculture	5.01	4.85	5.83	6.13	6.57	5.82	5.37
<i>Crops</i>	0.14	0.20	0.23	0.32	0.41	0.32	0.46
<i>Livestock</i>	1.54	1.19	1.75	1.84	1.95	1.71	1.50
<i>Fishing</i>	3.33	3.46	3.85	3.97	4.21	3.79	3.41
Mining & Quarrying	1.09	0.96	1.33	1.46	1.62	1.77	1.88
Manufacturing	0.60	1.03	1.30	1.34	1.47	2.35	2.43
Electricity & Water	1.18	2.51	3.12	3.91	4.29	5.16	5.59
Construction	12.13	18.17	21.97	22.85	24.68	29.92	27.27
Wholesale & Retail	6.07	8.24	11.59	12.37	13.30	13.97	14.43
Hotels & Restaurants	27.56	40.55	47.37	54.55	55.42	59.10	55.33
Transport	5.86	7.80	8.18	9.29	9.82	9.93	9.71
<i>Road Transport</i>	3.19	4.30	4.52	4.72	5.14	5.25	4.85
<i>Sea Transport</i>	2.36	2.72	2.71	3.52	3.69	3.68	3.85
<i>Air Transport</i>	0.31	0.78	0.95	1.05	0.99	1.00	1.01
Communications	4.15	10.15	14.51	18.58	18.86	22.52	24.57
Banks & Insurance	6.73	13.20	21.88	20.03	21.22	23.98	30.15
Real Estate & Housing	4.01	5.29	5.83	6.00	6.18	6.24	6.34
Government Services	13.84	18.51	22.54	23.43	24.19	24.86	25.84
Other Services	1.09	2.19	2.52	2.88	3.02	3.21	3.47
Less Imputed Service Charge	4.51	12.05	19.55	20.74	20.18	23.62	28.39
TOTAL	84.81	121.40	148.42	162.08	170.46	185.21	183.99
GROWTH RATE		7.3%	4.1%	9.2%	5.2%	8.7%	-0.7%

Source: Anguilla Statistical Unit / ECCB

Table 2.9 shows the sectoral breakdown of GDP at market prices for the period 1986 – 2000. The following changes are noteworthy:

- ? while agricultural output has increased over the 14 year period (from EC\$3.35m to EC\$6.52m, measured in GDP terms), its share of the economy has slipped from 8.9% to 2.8%;
- ? the banking and insurance sector has more than doubled its share of the economy, from 7.4% to 15.5%, with GDP rising from EC\$2.77m to EC\$35.93m; this reflects, in large measure, the development of commercial banking on Anguilla rather than offshore banking activities;

- ? the tourism sector comprises hotel and restaurants plus large shares of the construction, transport and communications sectors. Even excluding the latter sectors and taking only the hotels and restaurant sector, tourism represents about 30% of GDP and is by far the largest sector. This sector also provides the largest number of jobs –almost 40% (see table 2.10); and
- ? the share of government services in the economy has remained relatively constant in the 14 – 16% range.

Table 2.9 Percentage Origin of GDP by Sector (in current prices)

	1986	1991	1996	1997	1998	1999	2000
Agriculture	7.1	4.0	4.0	3.8	3.8	3.0	2.8
<i>Crops</i>	0.2	0.2	0.2	0.2	0.2	0.2	0.3
<i>Livestock</i>	2.5	1.0	1.2	1.1	1.1	0.9	0.8
<i>Fishing</i>	4.4	2.9	2.7	2.5	2.5	2.0	1.8
Mining & Quarrying	1.4	0.9	1.0	1.0	1.0	1.0	1.1
Manufacturing	1.0	0.8	0.9	0.8	0.9	1.4	1.4
Electricity & Water	2.7	2.0	3.2	3.7	3.9	4.2	3.3
Construction	16.3	17.1	15.2	14.7	14.8	16.9	15.5
Wholesale & Retail	8.4	6.8	8.0	7.8	7.9	7.6	8.4
Hotels & Restaurants	26.7	32.6	30.9	32.2	31.7	30.4	28.5
Transport	7.2	6.7	6.4	6.6	6.6	6.2	6.5
<i>Road Transport</i>	4.2	3.5	3.1	3.0	3.0	2.8	2.8
<i>Sea Transport</i>	2.6	2.4	2.3	2.5	2.5	2.3	2.6
<i>Air Transport</i>	0.4	0.8	1.0	1.2	1.1	1.0	1.1
Communications	7.2	6.8	8.0	9.3	8.8	8.5	9.3
Banks & Insurance	6.1	10.8	14.5	12.2	11.9	12.0	15.5
Real Estate & Housing	5.2	4.6	3.9	3.6	3.6	3.2	3.3
Government Services	14.8	14.8	14.6	14.3	13.9	15.0	16.2
Other Services	1.7	1.8	1.7	1.8	1.8	1.7	2.0
Less Imputed service charge	5.6	9.8	12.3	11.8	10.6	11.2	13.7
TOTAL	100	100	100	100	100	100	100

Source: Anguilla Statistical Unit / ECCB

Given Anguilla's reliance on tourism, it is vulnerable to natural and man-made influences. For example, in 2000, tourism output was down as a result of hotel

closures caused by Hurricane Lenny. Similarly, tourism in the 2001/2002 winter season was severely affected by September 11 and its effect on American travel. Stay-over visitors are the primary contributor to value added in the hotel and restaurant sector and reached 48,000 visitors in 2001; the US accounted for 63% of stay-over visitors in 2001.

The size of most businesses is small, with 67% having less than 4 employees, 17% 5 to 9 employees and 16% having 10 or more employees. This preponderance of small businesses offers some degree of overall security, rather than dependence on a handful of major employers.

2.4.2

External Trade

Anguilla maintains a small but positive balance of payments surplus based on tourism sector earnings and foreign direct investment in the tourism industry. These inflows are offset by imports of all manufactured goods, especially construction materials, motor vehicles and fuel.

In 2001, Anguilla's merchandise imports totalled EC\$210m, an 18% reduction from 2000; this reduction appears attributable to the September 11 events and following decline in tourism arrivals.

Merchandise imports are mostly from the United States, which accounts for approximately 60% of trade; Caricom countries account for 7% and the EU accounts for 5%. In contrast, merchandise exports totalled EC\$8.6m in 2001. Rum and building blocks are the main merchandise exports.

2.4.3

Employment and Labour

Table 2.10 shows how the distribution of employment by industrial sector and occupational status has changed over the 1992 – 2001 period. In terms of industrial sectors, the Table re-emphasizes the importance of the tourism sector (much of the construction and transportation sector employment is also directly tourism-related). The trade, hotels and restaurant sector accounts for almost 40% of employment, while Government accounts for 25%.

The occupation breakdown indicates a sharp increase in the proportion of the employed labour force in the professional/technical and administrative/managerial

categories: from 16% in 1992 to 27% in 2001. This was accompanied by a decrease in the proportion of clerical/sales employment from 21% to 15% of the employed labour force.

Table 2.10 Anguilla : Employment Characteristics

Employment By Industry	Number			Distribution	
	1992	2001	%Increase	1992	2001
Agriculture, Fishing, Forestry	174	163	-6%	4%	3%
Mining and Manufacturing	138	155	12%	3%	3%
<i>of which mining</i>	<i>n.a</i>	<i>20</i>	<i>n.a</i>	<i>n.a</i>	<i>n.a</i>
<i>Of which manufacturing</i>	<i>n.a.</i>	<i>135</i>	<i>n.a</i>	<i>n.a</i>	<i>n.a</i>
Utilities	86	81	-6%	2%	1%
Construction	754	830	10%	18%	15%
Trade, Hotels, Restaurants	1,440	2,143	49%	35%	39%
Transportation & Communications	326	379	16%	8%	7%
Government, Community and Social Services	969	1,373	42%	24%	25%
<i>of which Public Administration</i>	<i>n.a</i>	<i>662</i>	<i>n.a</i>	<i>n.a</i>	<i>n.a</i>
<i>of which Education, Health, Social</i>	<i>n.a</i>	<i>383</i>	<i>n.a</i>	<i>n.a</i>	<i>n.a</i>
<i>of which Other Community Serv.</i>	<i>n.a</i>	<i>164</i>	<i>n.a</i>	<i>n.a</i>	<i>n.a</i>
<i>of which Private households</i>	<i>n.a</i>	<i>164</i>	<i>n.a</i>	<i>n.a</i>	<i>n.a</i>
Finance, Real Estate, Business	214	433	102%	5%	8%
Total Stated	4,101	5,557	36%	100%	100%
Employment By Occupation	1992	2001	%Increase	1992	2001
Professional / Technical	517	1,120	117%	13%	20%
Administration / Management	123	369	200%	3%	7%
Clerical / Sales	850	842	-1%	21%	15%
Services	1,036	1,313	27%	25%	24%
Agriculture	231	270	17%	6%	5%
Production, Construction and Transportation	1,330	1,640	23%	33%	30%
Total Stated	4,087	5,554	36%	100%	100%
Not Stated	34	90			
GRAND TOTAL	4,121	5,644	37%		

Source: Department of Statistics, 1992 and 2001 Censuses

The employed labour force grew by 37% to 5,644 over the 10 year period to 2001. Of this increase of 1,523 persons, Anguillians made up 42% and non-Anguillians 58%. Anguillians now comprise 65% of the employed labour force, compared to 74% 10 years ago. Non-Anguillians are found across all occupation categories in generally similar proportions to Anguillians (Table 2.11) – this includes both the highly skilled professional/ technical and the less skilled service workers.

Table 2.11 Occupational Status by Citizenship

Occupational Category	Anguillian (%)	Non-Anguillian (%)	Ratio *
Professional / Technical	20%	20%	1.9
Administration / Management	7%	7%	1.8
Clerical / Sales	17%	12%	2.5
Services	23%	25%	1.7
Agriculture	5%	5%	2.0
Production, Construction and Transportation	29%	31%	1.8
Total	100%	100%	1.9

* Ratio= Anguillian to Non-Anguillian workers.

Source: 2001 Census

Anecdotal evidence has suggested that a significant proportion of those employed have more than one job. However, the Survey of Living Conditions carried out as part of this project found that only 6.5% of workers have more than one job. On the other hand, the Census indicated that 13% (one in eight) workers worked more than 50 hours a week in 2001 which could indicate double employment.

Information also received indicated that due to the seasonality of the tourism industry – the main winter season lasts only four months – lay-offs are common in that industry. Both the Census and the labour force component of the Survey of Living Conditions found that around 15% of the work force worked less than 8 months in the previous year and that 7 % worked for 4 months or less indicating that seasonality does have a significant impact on the pattern of employment.

The great majority of those employed are, to all intents and purposes, fully-employed (i.e. they work 30 or more hours per week). Around 12% of workers may be classified as part-time as they work less than 30 hours per week.

Monthly wage levels are shown, for selected sectors, in Table 2.12.

Table 2.12 Monthly Wage Levels in Selected Sectors

Sector	% of Employees earning more than EC\$2,000 per month
Highest Earning Sectors	
Utilities	68%
Education, Health and Social Work	63%
Construction *	62%
Public Administration, Social Security	60%
Lowest Earning Sectors	
Hotels and Restaurants *	31%
Domestic workers *	27%
Trade	24%

* Employment in these sectors is less likely to be all-year round

Source: Labour Force Survey, 1999

Unemployment data from the 1999 Labour Force Survey indicated an unemployment rate of 8.3%. As noted in that report:

“The unemployment rate was highest among younger members (15-24 years) of the labour force and lowest among those in the 35-44 age group. Unemployment rates varied among industries, with the highest being in the ‘Other Community, Social and Personal Service Activities’ sector and the lowest being in the ‘Utilities, Financial Intermediation and Transportation, Storage and Communications’ sectors.”

The unemployment rate in May, 2001 was reported by the 2001 Census to have dropped to 6.7%. However, the rate has increased to 7.8% in July of this year (2002) according to the Survey of Living Conditions. The increase over the last year is attributed both to the month in which the survey was undertaken (in July school leavers are looking for work and employment levels drop as the tourist season slows) and the general slowdown in the Anguillian economy.

The 1999 Labour Force Survey indicated that approximately 70% of the unemployed had secondary education or better. This corresponds with anecdotal evidence that young people are graduating high school with few job prospects and the higher level of unemployment amongst the 15-24 years age group. If this is true and is a long term trend, there may be an increase in emigration in order to find satisfactory employment if Anguilla cannot offer it.

On the positive side, the duration of unemployment appears to be relatively short. The 1999 Labour Force Survey indicated that approximately 50% of the unemployed have been so for less than three months.

2.4.4

Government

Government financial statistics (see Table 2.13) show a three year decrease in the current account balance, reaching a deficit position in 2001. Reduced revenues from import duties (due to decreases in construction activity) combined with increased Government spending on goods and services appear to be the main drivers in this trend.

Because of Anguilla's relatively high income, foreign assistance including subventions from the U.K. Government, are expected to decline, leaving the Anguillian Government to make do with its own tax revenues.

Around 17% (one in six) of jobs in Anguilla are provided by the Government sector.

Table 2.13. Anguilla: Selected Government Fiscal Statistics (EC \$ millions)

	1997	1998	1999	2000	2001
Total Current Revenue	55.1	72.3	66.1	71.7	72.7
Tax Revenue	44.7	60.6	53.8	59.0	58.3
of which:					
<i>Taxes on Property</i>	<i>0.3</i>	<i>0.2</i>	<i>0.3</i>	<i>0.4</i>	<i>0.6</i>
<i>Accommodation Tax</i>	<i>5.7</i>	<i>6.3</i>	<i>6.6</i>	<i>4.7</i>	<i>7.8</i>
<i>Bank Deposit Levy</i>	<i>1.4</i>	<i>1.5</i>	<i>1.3</i>	<i>2.0</i>	<i>2.4</i>
<i>Import Duty</i>	<i>25.5</i>	<i>39.8</i>	<i>33.4</i>	<i>36.0</i>	<i>30.1</i>
<i>Foreign Exchange Tax</i>	<i>1.0</i>	<i>0.7</i>	<i>0.8</i>	<i>2.0</i>	<i>2.4</i>
<i>Embarkation Tax</i>	<i>1.7</i>	<i>1.7</i>	<i>1.8</i>	<i>1.0</i>	<i>1.1</i>
Non-Tax Revenue	10.4	11.7	12.3	13.1	14.3
Total Current Expenditure:	52.5	59.2	60.4	71.6	78.2
Personal Emoluments	28.9	29.7	33.9	36.8	39.6
Goods and Services	21.4	27.2	23.4	31.6	34.1
Interest Payments – Domestic	0.1	0.3	0.3	0.3	1.4
Interest Payments – Foreign	0.0	0.3	0.2	0.2	0.4
Transfers and Subsidies	2.1	1.7	2.6	2.7	2.6
Current Account Balance:	2.6	13.1	5.6	0.1	-5.5
Capital Grants	5.2	3.7	2.5	9.8	6.2
Capital Expenditure	10.3	16.0	12.8	15.3	12.4
Capital Balance:	-5.1	-12.3	-10.3	-5.5	-6.2
Overall balance:	-2.4	0.8	-4.7	-5.4	-11.7

Source: ECCB Annual Report 2002

2.4.5

Productive Sectors

(a) Tourism

As noted above, tourism is the underpinning of Anguilla's economy and relatively high standard of living. As shown in Table 2.14, tourist visitors in 2001 reached 44,050 stay-over vacationers plus 57,000 excursionist vacationers.

Table 2.14 Visitors to Anguilla by Purpose

Year	Vacation	Business	Excursion	All Visitors
1988	23,080	5,127	41,275	69,482
1989	26,201	2,560	43,044	71,805
1990	29,212	1,969	59,325	90,506
1991	29,078	1,924	59,542	90,544
1992	30,062	2,014	61,104	93,180
1993	36,237	1,421	73,692	111,350
1994	42,352	1,353	82,075	125,780
1995	36,280	2,251	68,555	107,086
1996	35,413	2,085	48,741	86,239
1997	40,506	2,675	70,684	113,865
1998	41,092	2,782	69,922	113,796
1999	43,726	3,056	59,947	106,729
2000	40,642	3,147	68,680	112,469
2001	44,051	3,914	57,009	104,974

Source: Statistical Review of Tourism 2001, Statistical Dept., 2002

Tourist expenditure (see Table 2.15) reached US\$61m in 2001, despite a drop off in the last quarter due to the fall-out from the events of September 11. Stay-over tourists provide 95% of the expenditure despite the high number of excursionists

(mainly day-trippers from St. Martin). Winter tourists spend, on average, US\$220/day while summer tourists spend an average of US\$160/day.

Table 2.15 Visitor Expenditures (in US\$ million)

CATEGORY	1993	1994	1995	1996	1997	1998	1999	2000	2001
Tourist (Winter)	29.5	34.2	27.7	31	37.6	36.9	35.2	33.5	37.0
Tourist	14.6	16.2	17.9	14.9	16.5	18	18.5	18.6	21.3
Excursionists	3.0	3.5	2.9	2.1	3.1	3.2	2.8	3.1	2.70
TOTAL	47.1	53.9	48.5	48.0	57.2	58.1	56.5	55.2	61.0

Source: Statistical Review of Tourism 2001, Statistical Dept., 2002

The industry offers 1,069 rooms (see Table 2.16); of these over 600 are in the 13 to 14 hotels on the island. At the time of writing, a new development has been announced to remodel the Sonesta property and turn it into a golf course / fractional ownership development.

Table 2.16 Tourist Accommodation by Rooms Available, 1995 - 2001

TYPE OF ROOM	1995	1996	1997	1998	1999	2000	2001
Hotels	538	489	539	588	678	617	611
Inns & Guesthouses	116	81	77	108	37	34	99
Apartments, Villas & Condos	255	247	246	296	313	325	260
Villa Agencies	42	49	53	53	92	91	99
TOTAL	951	866	915	1,045	1,120	1,067	1,069

Source: Statistical Review of Tourism 2001, Statistics Dept., 2002

The tourism industry on Anguilla is very seasonal (a four-five month high season) and caters to high end travellers, 60% of whom are from the United States. The staff to guest ratio is high, at 3.0 to 3.5 to one. As a result of the seasonality, staff lay-offs and hotel/restaurant closures are common. Some hotels, however, are known to close for only two months and to pay staff 80% of their regular wages during the closed period.

The following issues were raised during the interview programme:

- ? due to seasonality of employment in the industry, workers may not qualify for social security benefits;
- ? there is no mandatory minimum wage and most workers receive the bulk of their remuneration through the sharing of the service charge applied to hotel and restaurant bills (owners are permitted to deduct 5% of the service charge for administration);
- ? housekeepers and restaurant workers earn US\$110-120 per week;
- ? because the hotels tend to be in the west of the island and most workers live in the centre, and because there is no public transport, most people need a motor vehicle which substantially raises the cost of living and often entails taking out a bank loan;
- ? lack of human resource development; and
- ? airport capacity may be a factor limiting expansion of the industry.

(b) Agriculture and Fishing

Because of the high cost of imported food, the potential to expand the agricultural and fishing sectors of the economy appears to be substantial. For example, CuisinArt Hotel produces all of its own vegetables and sells excess amounts.

The constraints to increased agricultural production are low rainfall, the high cost of water and thin soils. In response, the United Nations Development Program is undertaking a hydroponics project on Anguilla that is targeting youth and women and includes programmes for drip irrigation and the use of containers on a household basis. The UNDP is also providing assistance to help organize marketing.

There are 400 acres of land that could be developed for agriculture. Evidence indicates that three acres are sufficient to produce enough net income to satisfy a family's needs. This infers a potential for about 135 farm operations. In 2001, farmers produced EC\$630,000 worth of field crops, including lettuce, sweet peppers, corn, egg plant and tomatoes.

On the fishing side, lobster trapping for the tourist market is a large money earner. There is presently one small scale processing plant (scaling and gutting). Fishing is mostly near shore; a long line trawler fishing project that ended in 2000 proved unsuccessful. Most fishermen (perhaps 300) are reported to fish part-time (and most of these persons are thought to be elderly); there are no more than about 50 full time fishermen.

The continuance of fishing is important not only directly as a livelihood but also in terms of the demand for locally built fishing boats. Anguilla has a long history of building fishing as well as sailing vessels.

2.4.6

Banking and Credit

Commercial Bank interest rates in Anguilla are within the range of countries that are part of the ECCB area (see Table 2.17). Discussions with bank managers in Anguilla indicate the following range of rates:

- ? Mortgages: 9.0 – 10.5%
- ? Car Loans: 14.0 - 18.0%
- ? Credit Cards: 18.0%

Table 2.18 presents data on the sectoral distribution of commercial bank loans in Anguilla. These figures indicate a growing demand for loans from the construction and government services sectors as well as non-durable, non-property personal loans. There has been a decrease in loans to the manufacturing, tourism and public utility sectors.

Table 2.17. Commercial Bank Interest Rates as of July, 2001

Geographic Area/ Country	Lending Rates	
	Min	Max
ECCB Average	9.00	27.60
Anguilla	10.00	19.50
Antigua & Barbuda	10.00	22.00
Dominica	9.50	20.78
Grenada	9.50	16.00
Montserrat	9.50	27.60
St. Kitts & Nevis	9.50	19.92
St. Lucia	9.50	23.00
St. Vincent & the Grenadines	9.00	16.50

Table 2.18 Loans by Sector

Loans by Sector (%)	June 1999	June 2000	June 2001
Total Loans and Advances	EC\$321,401,000	EC\$401,794,000	EC\$468,897,000
Agriculture	0.5%	0.4%	0.4%
Manufacturing	2.6%	1.9%	1.7%
Distributive Trades	7.6%	7.5%	7.9%
Tourism	22.4%	21.1%	19.5%
Transport	2.6%	2.5%	2.7%
Public Utilities	4.2%	3.7%	2.4%
Construction	2.9%	3.4%	4.3%
Government Services	0.1%	0.2%	2.7%
Professional Services	5.7%	8.0%	7.0%
Financial Institutions	0.1%	1.3%	0.4%
Personal	49.9%	49.4%	49.4%
Acquisition of property	29.6%	26.3%	26.6%
Durable Consumer Goods	7.9%	7.5%	6.9%
Other personal Loans	12.4%	15.6%	15.8%
% of loans long term	60.2%	59.0%	67.7%

Sources (both tables): ECCB, Economic and Financial Review, Dec. 2002,

Commercial Banking Statistics, www.eccb-centralbank.org, 8/02

2.4.7

Challenges and Opportunities

The short and medium term outlook for Anguilla's economy is based on the strength of the tourism sector, which is underlain by the strength of the American economy. At present, a major new resort / golf course project is underway, which will provide for an increase in construction activity as well as anticipated airport upgrades. The U.S. economy is slow at this time and it is difficult to predict how this will affect tourist arrivals and expenditures this winter.

In the longer term, Anguilla has established itself as a high-end destination for Americans and has the hotel and restaurant facilities in place. There is no reason to think that the Anguillian economy should not return to a pattern of steady growth over the last five years.

Challenges for the economy seem to revolve around the lack of appropriate employment opportunities for young people graduating from secondary school. If suitable opportunities do not develop, this could lead to emigration of the country's best educated youth or to a deteriorating social situation.

Opportunities for economic growth appear to be in the following areas:

- ? agricultural production geared to import substitution and provision of fruits and vegetables to the tourist sector; this includes backyard hydroponics;
- ? fisheries production geared to import substitution and provision of fish and shellfish to the tourist sector; however, in-shore stocks are under pressure. The Government believes that off-shore fishing offers greater potential and that its commercial viability was proven by a recently completed feasibility study;
- ? provision of services to households including gardening, lawn-mowing, fix-it services and so on;
- ? financial services has considerable potential, although it is not growing as quickly as hoped; the Government believes that regulations must be strengthened to international standards; and

- ? development of attractions, crafts and entertainment products aimed at the tourist industry. Some tie-in with agriculture may also be promising. Skills training courses are needed to develop this sector.

3 Poverty in Anguilla

3.1

General

This Chapter describes the incidence and characteristics of poverty in Anguilla. The information cited is derived, almost entirely, from the Survey of Living Conditions (SLC) and the Participatory Poverty Assessments (PPAs) conducted for this project in July and August 2002. Data from the SLC has been merged with selected variables from the 2001 Population and Housing Census which permitted a greater number of variables to be included in the analysis and a streamlining of the SLC questionnaire.

The analysis of the SLC provides most of the analysis of the variation in socio-economic characteristics between poor and not-poor households. In contrast, the non-quantifiable aspects of poverty, i.e. those related primarily to wellbeing, are addressed mainly through the PPAs.

Sections 3.2-4 describe the poverty line established for Anguilla and the overall incidence of poverty on the island. Section 3.5 compares the socio-economic characteristics of poor and not poor households using the SLC results. Section 3.6 examines the characteristics of the most important sub-groups of the poor population based primarily on the PPAs. Finally section 3.7 contains an overview of poverty and its causes in Anguilla.

Unless otherwise stated:

- ? all monetary information is given in East Caribbean (EC) dollars; and
- ? all data presented in the following tables has been derived from the merged database of SLC and 2001 Census data.

3.2

Household Consumption² in Anguilla

Table 3.1 summarises information on the distribution of household expenditure by quintiles³ based on household per capita expenditure. As one would expect, the proportion of expenditure devoted to food decreases across the quintiles from 35% for Q1 to only 12% for the richest quintile. Average spending per household is around EC\$55,000 per annum; the median value (\$47,000) is however more representative as it excludes the disproportionate effect of a few very rich households. Median per capita income is around \$14,000 per annum.

Table 3.1 Per Capita Household Expenditure by Quintile

Per Capita Household Expenditure	Q1	Q2	Q3	Q4	Q5	ALL
Upper limit of Quintile (EC\$)	7,030	11,770	17,210	33,170	Over 33,170	
Households in sample	117	118	117	118	117	587
Average household size	3.8	3.7	3.5	2.7	1.9	3.1
Average household spending (EC\$)	17,900	33,700	48,200	64,500	108,900	54,700 47,000*
Average spending per capita (EC\$)	4,700	9,100	14,000	23,900	58,500	17,600 13,900 *
Food Expenditure (% of total)	35%	27%	23%	20%	12%	19%
% total spending	6.5%	12.4%	17.7%	23.7%	39.7%	100.0%
% spending – cumulative	6.5%	18.9%	36.6%	60.3%	100.0%	

* Median

Source: SLC, July 2002.

² Consumption = household expenditure + gifts in kind + consumption of home produced goods. In practice, in Anguilla, there is next to no home production. Consumption is conventionally used as the primary indicator of poverty in preference to income which is harder to assess, subject to greater fluctuations and cannot be disaggregated into food and non-food components. In this report, the terms 'expenditure', 'consumption' and 'spending' are treated synonymously.

³ Quintiles are obtained by first sorting the households by per capita income and then dividing them into 5 equal groups derived by dividing the households into 5 equal groups. The first quintile (Q1) represents the 20% of households with the lowest per capita expenditures through to Q5 which represents the 20% with the highest spending.

3.3

Estimation of Poverty Lines

3.3.1

The Minimum Cost Food Basket

The basis of poverty line estimation is the specification of a Minimum Cost Daily Food Basket (MFB) for an adult to achieve a diet of 2,400 calories per day taking into account local dietary preferences and the need for a balanced diet. The MFB used in this study⁴ has been prepared by the government nutritionist based on food baskets used for previous CPAs and knowledge of local dietary characteristics. Prices were derived using the current Consumer Price Index and visits to local supermarkets, where the great majority of food on the island is purchased. The computations were made using proprietary Caribbean Food and Nutritional Institute (CFNI) software.

The total cost of this basket is EC\$8.40 per day or \$3,066 per annum for an adult.

3.3.2

The Indigence Line

The indigence line is defined as the cost of the MFB. Adults with total expenditure below this amount, i.e. EC\$3,066 per annum, are classified as indigent, or extremely poor. Essentially they are unable to satisfy their basic food needs.

In determining whether or not a household is indigent, account is taken of the number and age of children⁵ in the household as well as the number of adults (18 years and over). Using this data, a household indigence line (HIL) is established for each household. Households with total expenditures below the HIL are categorised as indigent.

The HIL for a 'model' family of 2 adults and 2 children under 13 years would be around \$7,700 which is almost 40% lower than if no adjustment for household composition was made. The concept of a model household is however problematic as only 1 in 6 households have 4 persons, only some of which will have 2 adults with 2 small children. As noted in the previous paragraph, the HIL for each

⁴ The Minimum Food Basket is presented in detail in Volume 2.

⁵ Children aged under 18 years are assumed to require less food than an adult. The factors are 0.2, 0.3 and 0.5 for children aged under 8 years, 8-12 years and 13-17 years respectively.

household was calculated individually rather than using this “model family” estimate.

3.3.3

The Poverty Line

The poverty line includes a component for non-food expenditure in addition to the MFB used in estimating the indigence line. In line with previous CPAs, the non-food element of the poverty line is calculated as the average per capita expenditure of the 40% of households with the lowest per capita total expenditure. It should be noted that this approach introduces an element of relative poverty into the poverty calculations as it is not based on an assessment of the minimum non-food expenditure needed for a ‘healthy’ life, as was the food component.

From the SLC, average per capita non-food expenditure of the 40% of households with the lowest per capita incomes is EC\$4,864 per annum. The adult poverty line is therefore $\$3,066 + \$4,864 = \$7,930$.

The household poverty line (HPL) is obtained by adding the non-food component (\$4,864) multiplied by the household size to the household indigence line (HIL). Households with total expenditure below this amount are categorised as poor. The HPL for a family of 2 adults and 2 children under 13 years would be around \$27,000.

3.3.4

Comparative Indigence and Poverty Lines

Table 3.2 summarises the adult indigence and poverty lines in Anguilla and makes comparison to other Caribbean countries. Comparisons are not straightforward as the surveys were not undertaken at the same time and the purchasing power of the EC\$⁶ varies between countries. In consequence, the best indicator is the proportion of the poverty line expenditure that is required for food. This proportion tends to decrease with affluence. Anguilla, with under 40% of the poverty expenditure spent on food, is therefore on a similar footing to Turks and Caicos but lower than British Virgin Islands. It is in a very different situation to St. Kitts, Nevis, St. Lucia and Dominica.

⁶ In other words, for example, EC\$100 will purchase a different amount of goods in Anguilla than Dominica.

Table 3.2. Caribbean Poverty Lines

Country	Year	Expenditure (ECS)			Food #
		Food*	Non-food	Poverty Line***	
Anguilla	2002	3066	4864	7930	39%
Dominica	2002	2011	1389	3400	60%
BVI **	2002	4500	12200	16700	27%
Turks and Caicos**	1999	2332	4092	6424	36%
St Kitts	1999/2000	2136	1225	3361	64%
Nevis	1999/2000	2448	1493	3941	62%
Grenada	1998	1431	1831	3262	44%
St. Lucia	1995	1003	874	1876	53%

* Equivalent to the Indigence line.

** Converted from US\$ at US\$1=EC\$2.65

*** For an adult.

Food expenditure as % of poverty line.

Source: Anguilla SLC and previous Country Poverty Assessments, Kairi Associates/ Caribbean Development Bank.

3.4

3.4.1

The Incidence of Poverty in Anguilla

The Headcount Ratio

When the poverty and indigence lines are related to household expenditures in Anguilla obtained from the SLC, the results shown in Table 3.3 are obtained.

The level of indigence or severe poverty is very low (c. 2% of households) indicating that almost all Anguillians can satisfy their basic food needs. In terms of overall poverty, around 20% of households in Anguilla are poor; the proportion of the population that is poor is slightly higher at 23% as poor households tend to be larger.

Given that food expenditure makes up only around 40% of the poverty line, the major determinant of the overall poverty line is non-food expenditure. According to the methodology being used, this is based on the non-food expenditure of the lowest 40% of households. If a more restrictive assumption were used, e.g. the

average non-food expenditure of indigent households (c.\$1,300), the proportion of poor households would be much lower, around 4%.

Table 3.3 The Incidence of Poverty in Anguilla

Category	Households	%	Population	%
Indigent/ Very Poor	83 (13)*	2%	255 (40)	2%
Poor	667 (105)	18%	2445 (385)	21%
ALL POOR	750 (118)	20%	2700 (425)	23%
NOT POOR	2980 (469)	80%	8860 (1405)	77%
TOTAL	3730 (587)	100%	11560 (1830)	100%

* Figures in () denote SLC Sample. Unless otherwise stated, percentages in the following tables are based on the sample totals shown in this Table.

3.4.2

Other Poverty Indicators

Table 3.4 tabulates other poverty indicators that are used internationally and compares these to those found in other countries. The indicators used are:

The poverty gap: this is a measure of the extent to which the incomes of poor households fall below the poverty line. More specifically it is the sum of the differences, for all poor households, between their expenditure and the poverty line averaged across all households.

The poverty gap squared: similar to the poverty gap but giving much greater emphasis to the poorest households.

The Gini coefficient: a measure of the overall distribution of household incomes where 0 would denote a completely equal distribution and 1 would denote a completely unequal one. Although quite widely used, the relationship between the Gini coefficient and other poverty/ income variables is not consistent, e.g. Australia, Algeria and Bangladesh all have very similar Gini coefficients.

Table 3.4 Comparative Poverty Indicators

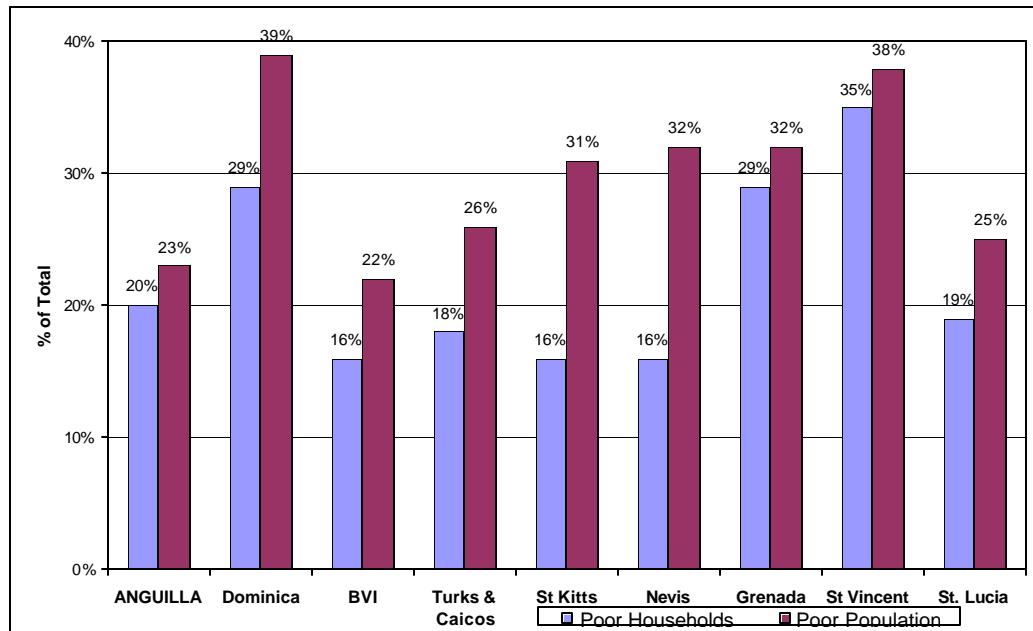
Country	Survey Year	Headcount		Poverty Gap	Poverty Gap Squared	Gini
		Households	Population			
Anguilla	2002	20%	23%	6.9	3.2	.31
Dominica	2002	29%	39%	10.2	4.8	.35
BVI	2002	16%	22%	4.1	1.7	.23
Turks and Caicos	1999	18%	26%	5.7	2.6	.37
St Kitts	1999/2000	16%	31%	2.5	8.9	.40
Nevis	1999/2000	16%	32%	2.8	10.0	.37
Grenada	1998	29%	32%	15.3	9.9	.45
St Vincent	1995	Na	38%	12.6	6.9	.56
St. Lucia	1995	Na	25%	8.6	4.4	.5

Source: As for Table 3.2.

In terms of population, the incidence of poverty in Anguilla is the lowest of all the above countries apart from BVI (see Figure 3.1). The incidence of household poverty, the more relevant concept, is however higher than in BVI, Turks and Caicos, St Kitts and Nevis. The difference in ranking represents the variation in household size between poor and not poor households (it is extremely high in St Kitts and Nevis). It should also be mentioned that the non-food component of the poverty line is much higher in Anguilla than in St Kitts and Nevis; in consequence, poor households in Anguilla are likely to have a higher standard of living than poor households in St Kitts and Nevis.

In terms of the other indicators, Anguilla fares well – both the poverty gap measures and the Gini coefficient are lower than those in most of the other countries in the table – implying both that the severity of poverty is lower in Anguilla and that the distribution of expenditure is more even.

Figure 3.1 Comparative Poverty



3.5

Characteristics of Poverty in Anguilla

In this sub-section, we examine the characteristics of the poor population in Anguilla as a whole. The majority of tabulations presented below are for the poor and the not poor populations. Tabulations by expenditure quintile are contained in Volume 2.

3.5.1

Demographic Characteristics

(a) Age and Sex

Table 3.5 summarises how the age and sex of the population varies between poor and not poor households.

Table 3.5 Variations in Age and Sex between Poor and Not-Poor Households

Age of Population (years)	Poor *	Not Poor	Total
Under 15	34%	27%	29%
15 – 24	18%	15%	16%
25 – 44	25%	35%	32%
45 – 64	13%	17%	16%
65+	11%	6%	7%
Elderly Households	Poor	Not Poor	Total
Single elderly (65+)	10%	3%	5%
Two person elderly (65+ & 60+)	6%	4%	4%
Other elderly (65+)	16%	7%	9%
Other (No one 65+)	68%	86%	82%
Sex of Population	Poor	Not Poor	Total
Male	53%	49%	50%
Female	47%	51%	50%
Sex of Head of Household **	Poor	Not Poor	Total
Male	58%	67%	65%
Female	42%	33%	35%
Households with no adult men (20+ years)	Poor	Not Poor	Total
	25%	20%	21%
Sample sizes	Poor	Not Poor	Total
Households	118	469	587
Population	425	1407	1832

* Poor includes indigent

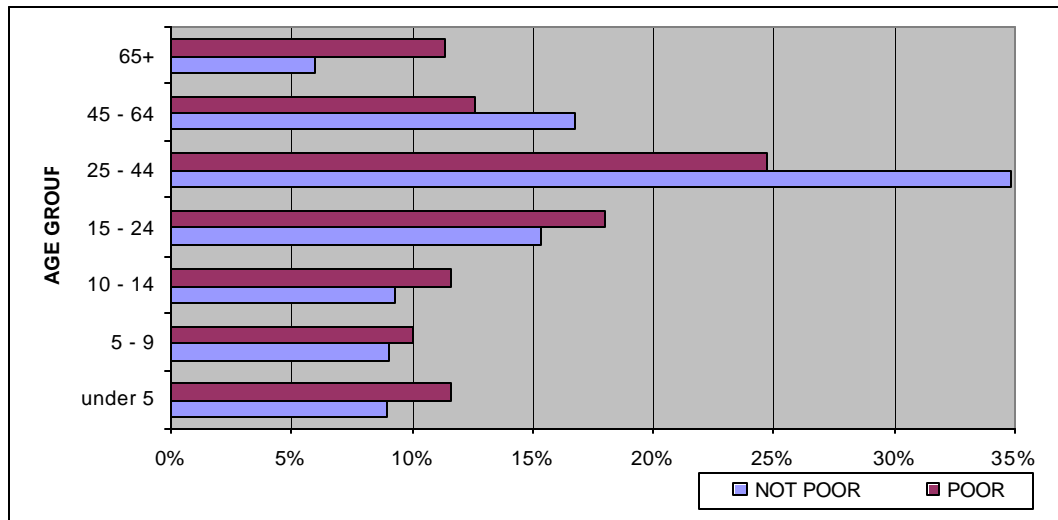
** Definition of head of household is not always clear.

The main findings are:

- ? In terms of age, poor households contain proportionately more children and old people than not-poor households with the difference being more marked for the elderly. As a corollary, poor households contain proportionately fewer people in the working age groups than not poor households. This results in higher dependency ratios. In consequence, the proportion of the population of working age is lower in poor households. (Figure 3.2)

- ? Over 30% of poor households contain elderly (over 64 years) members compared with under 15% for not-poor households. The disparity is most marked for single elderly households and the generally larger, multi-generational households. Nevertheless, over 60% of households with elderly people are not poor.
- ? Higher proportions of men live in poor households although the difference is not large. In contrast, the proportion of female heads of household is higher for poor households - 42% as against 33% in not-poor households - while the proportion of poor households with no adult men is also higher – 25% as against 20% in not-poor households. These data provide only slight evidence that poverty affects women to a significantly greater extent than men.

Figure 3.2 Age Distribution of Poor and Not Poor Populations



(b) Households

Table 3.6 presents salient characteristics of poor and not poor households. The principal finding is that poor households are significantly larger than not poor households – 3.6 persons as against 3 persons on average reflecting the simple fact that larger households tend to have more non-working dependants than smaller

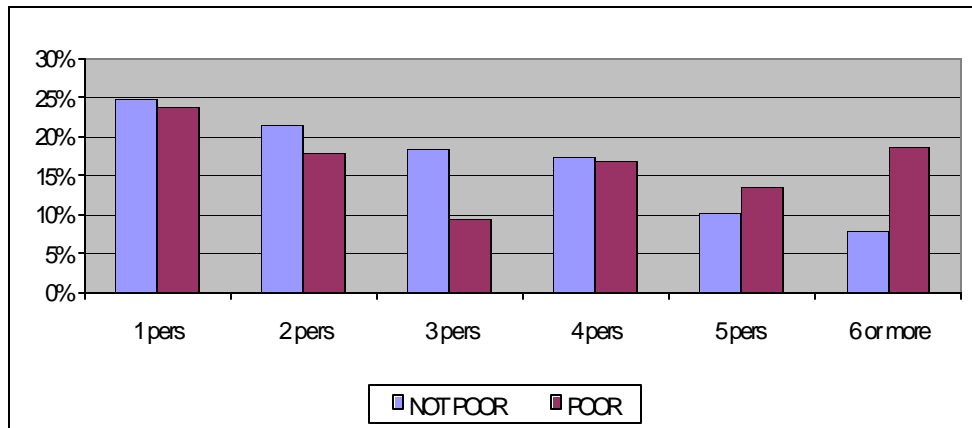
ones. Nonetheless, almost a quarter of poor households have only one person (Figure 3.3).

Table 3.6. Households Characteristics of the Poor and Not Poor

Household Size (persons)	Poor	Not Poor	Total
1	24%	25%	25%
2	18%	22%	21%
3	9%	18%	17%
4	17%	17%	17%
5	14%	10%	11%
6 and over	19%	8%	10%
Total	100%	100%	100%
Average Household size	3.6	3.0	3.1
Household Composition	Poor	Not Poor	Total
Single person	25%	24%	24%
Couples without Children	8%	13%	12%
Two parents with children	18%	30%	28%
Single parent household	16%	12%	13%
Multigenerational household	15%	7%	9%
Other households	18%	13%	14%

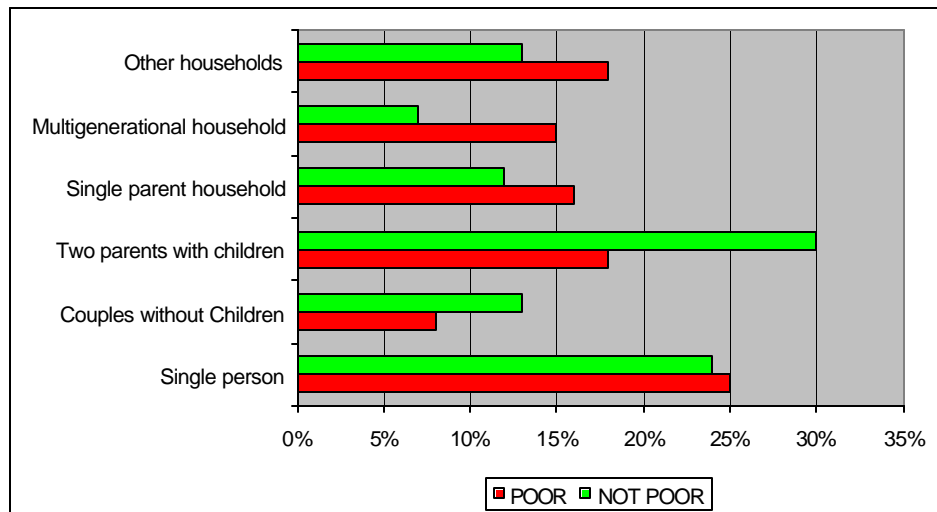
* Poor includes indigent ** Definition of head of household is not always clear.

Figure 3.3. Household Size : Poor and Not Poor



Poor households are more likely to be single parent households, multi-generational households (i.e. with members of three generations) or extended family households (including in-laws and/or brothers and sisters). Both the latter categories tend to be large, which is consistent with the larger average size of poor households. As a corollary, poor households are much less likely to consist of simple nuclear families or couples without children (Figure 3.4).

Figure 3.4. Household Type in Poor and Not Poor Households



3.5.2

Nationality

Table 3.7 tabulates the nationality of poor and not poor households. Poverty is more heavily represented amongst Anguillian rather than non-Anguillian households. This is to be expected given that migrants require work permits to reside in Anguilla and that these are conditional on having a job.

Table 3.7 Nationality and Poverty Status

Nationality *	Poor	Not Poor	Total
Anguillian	90%	76%	79%
Other (Anglophone) Caribbean	8%	16%	14%
Dominican Republic	2%	3%	3%
Other (mostly US/ European)	0%	5%	4%
Total	100%	100%	100%

* defined as the stated nationality of the household head.

3.5.3

Employment/ Economic Activity

Table 3.8 tabulates indicators related to employment and economic activity by the poverty status of the household. The Table shows marked differences between poor and not poor households. The proportion of households with no one working is almost 2.5 times greater in poor households. Furthermore, dependency is much higher – over 40% of poor households contain at least 3 persons per worker compared with less than 20% of not poor households.

The population-based indicators tell the same tale. The unemployment rate (17%) in poor households is almost three times that in not poor households. Similarly, dependency rates are almost 50% higher and labour force participation is lower reflecting the higher proportions of the elderly and the young in poor households.

Nevertheless almost three quarters of poor households have at least one person working.

Table 3.8 Employment Indicators by Poverty Status

No. of Employed Persons in Household	Poor	Not Poor	Total
0	27%	11%	14%
1	42%	42%	42%
2 or more	31%	47%	44%
Total	100%	100%	100%
Households with 3 or more persons per worker*			
	44%	18%	22%
Labour Market Indicators **			
Unemployment Rate	17%	6%	8%
Participation Rate#	58%	76%	72%
Dependency Ratio***	2.0	1.4	1.5

* Percentages exclude households with no workers. ** Population based

Labour force (employed + unemployed) as % of total population.

*** Population per worker.

Occupations and industrial sectors also vary between poor and not poor households (Tables 3.9 and 3.10, Figures 3.5/6). Workers in poor households are more likely to be employed in the trade sector and less likely to be found in the government or business service sectors. In terms of occupation over half the poor employed are to be found in the skilled and unskilled manual sectors. Neither of these findings is unexpected but the differences between poor and not poor households are clearly demarcated.

Table 3.9. Employment Characteristics – Industrial Sector

Industrial Sector	Poor	Not Poor	Total
Agriculture, fishing, mining, manufacturing, utilities	7%	8%	7%
Construction	19%	17%	17%
Trade, hotels & restaurants	45%	34%	36%
Transport & communications	9%	6%	7%
Government, Community and Social Services	18%	28%	27%
Finance, real estate & business services	1%	8%	6%
Total	100%	100%	100%

Figure 3.5. Employment Characteristics – Industrial Sector

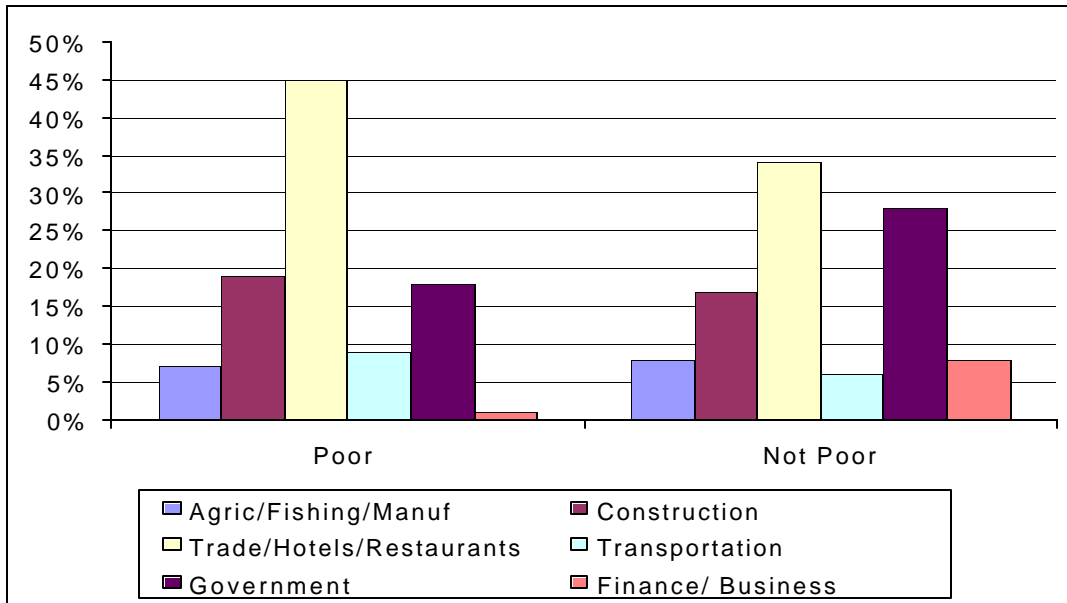
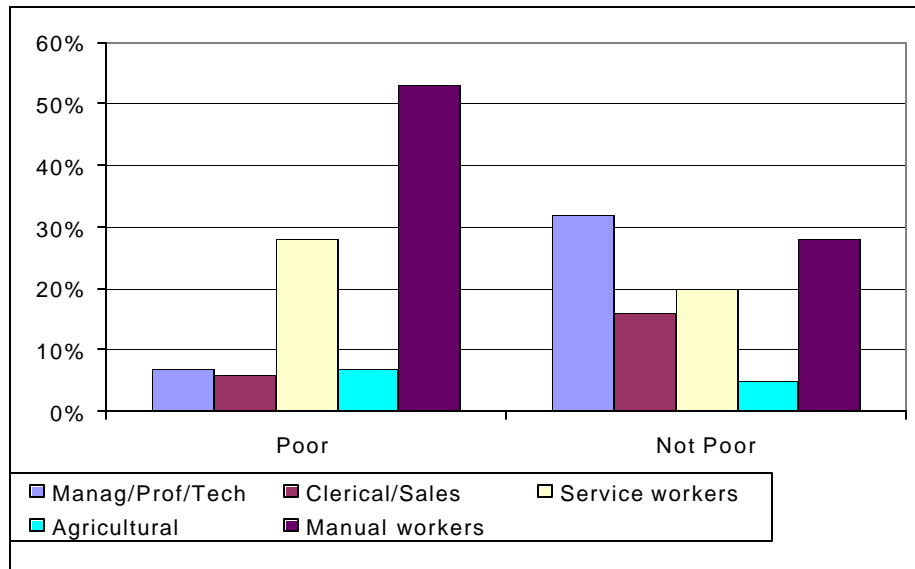


Table 3.10 Employment Characteristics – Occupation

Occupational Status	Poor	Not Poor	Total
Professional and technical	7%	32%	28%
Clerical and Sales	6%	16%	14%
Service	28%	20%	21%
Agricultural	7%	5%	6%
Manual – skilled/ unskilled	53%	28%	32%
Total	100%	100%	100%

Figure 3.6. Employment Characteristics – Occupation



3.5.4

Disability and Health

Table 3.11 tabulates key health indicators for poor and not poor households. Poor households are far more likely to include a fully or partially disabled person amongst them. Conversely, there is little variation in the already low occurrence of long term sickness in poor versus not-poor households. The data on diabetes and hypertension are noteworthy in that the incidence of these is greater in poor households, previously these conditions have been seen as relating to more rather than less affluence.

It should also be noted that, in Anguilla, the incidence of health conditions (e.g. infectious or waterborne diseases, low birth weights, infant diarrhoea) is almost non-existent.

Although not strictly a health issue, the Table also shows the higher incidence of recent (in the last 15 years) teenage pregnancies amongst poor households.

Table 3.11 Health Indicators by Poverty Status

Households with Disabled persons	Poor *	Not Poor	Total
Disabled and person not working due to disability	6%	4%	4%
Disabled and able to work or too young to work	14%	6%	7%
No disabled present	80%	90%	88%
Total	100%	100%	100%
Households with long term sick **			
YES	5%	4%	5%
NO	95%	96%	95%
Total	100%	100%	100%
Households with diabetic or hypertensive individuals			
With person diabetic	15%	9%	11%
With person hypertensive	27%	14%	17%
Households with Teenage Pregnancies in last 15 years#			
	25%	14%	16%

* Poor includes indigent

** Excluding those unable to work due to disability.

As % of households with females

3.5.5

Education

Education is almost universal in all households irrespective of their poverty status. (Table 3.12). Variations in educational attainment are however marked. Looking first at those households with young adults aged 15-24 years (i.e. those who have just passed through the education system), almost half the not poor households have a young adult who has 5 or more CXC's compared with only 20% in poor households. Heads of not poor households are also almost twice as likely to have completed high school or gone into further education compared to the heads of poor households. These differences are reflected when all persons over 19 years are considered – in this case the greatest disparities occur for those with only primary education on the one hand or tertiary education on the other.

Table 3.12 Education Indicators by Poverty Status

Households with Children aged 6-16 years not Attending School	Poor *	Not Poor	Total
YES	3%	1%	1%
NO	97%	99%	99%
Total	100%	100%	100%
Households with Low Educational Attainment *			
No CXC's	54%	29%	34%
1-4 CXC's	27%	25%	25%
5 CXC's or higher	20%	46%	41%
Total	100%	100%	100%
Years of Education of Household Heads			
Up to 7 (primary only**)	43%	21%	26%
8 – 10 (Junior secondary)	26%	16%	18%
11 – 13 (high school)	26%	38%	35%
14 & over (tertiary)	6%	25%	21%
Total	100%	100%	100%
Years of Education of Population aged 20 years and over			
4 years or less	7%	2%	3%
5-7 years (primary only **)	31%	19%	22%
8 – 10 (Junior/middle secondary)	24%	17%	18%
11 – 13 (high school)	33%	42%	40%
14 & over (tertiary)	4%	20%	17%
Total	100%	100%	100%

* Households with persons aged 15-24 years only, i.e. those who have most recently passed through the education system. ** Indicative

3.5.6

Housing

The majority of households own their houses (Table 3.13); around 30% of households rent their accommodation. Renters are mostly immigrants as most Anguillians have family land. Because poor households are more likely to be Anguillian, the incidence of renting amongst poor households (24%) is lower than among not-poor households.

Housing in Anguilla is generally good as is the provision of basic infrastructure. Inadequate sewage disposal, often a very serious issue in the Caribbean, only affects 13% of poor households, and most of these households have pit latrines. Nevertheless the absence of proper toilets can, as well as being insanitary, lead to social stigma – one mother reported that, because of the absence of toilet facilities, her children felt too ashamed to invite their friends home. Other indicators of poor housing, as listed in Table 3.13, affect much lower proportions of poor households. Nonetheless, the frequency of one or more of these defects is twice as likely in poor households as amongst the not poor. The level of overcrowding (over 2 persons per room) is also low – 7% overall and only 10% for poor households.

Table 3.13 Housing Indicators by Poverty Status

Housing Tenure	Poor *	Not Poor	Total
Owned	76%	68%	70%
Rented	24%	32%	30%
Total	100%	100%	100%
Overcrowding			
Up to 1 person / room	55%	61%	59%
Between 1 and 2 persons/room	35%	33%	34%
Over 2 persons/ room	10%	6%	7%
'Defective' Housing			
House with wooden walls	3%	3%	3%
Water from public standpipe/ well	5%	5%	5%
No flush toilet	13%	4%	6%
No in house bathing facilities	7%	4%	5%
No electricity	7%	2%	3%
No kitchen facilities in house	3%	3%	3%
Total	100%	100%	100%
Composite Indicator*	18%	9%	12%

*Households exhibiting ANY of the above characteristics.

3.5.7

Ownership of Assets/ Durables

Table 3.14 and Figure 3.7 presents ownership rates for a variety of assets in poor and not poor households. With the exception of boats, ownership rates are all

higher in not poor households than in poor ones. Differentials are most marked for 'luxury' goods such as water pumps and heaters, cell phones, computers and air conditioners. On the other hand, the great majority of poor households have TV, stereos and, more importantly, fridges, washing machines and telephones.

Vehicle ownership amongst the poor is relatively high – 45% of poor households own a vehicle and 11% own 2 or more. Nevertheless, given the absence of public transportation in Anguilla and the high cost of taxi fares, lack of a vehicle can influence access to employment, health services and schools. Those particularly susceptible are the elderly visiting health centres, women working late shifts in hotels and school children, 5% of whom hitch a ride to school. The latter two groups, due to their reliance on unofficial private transportation, are considered to be 'at risk' although there is no evidence that significant problems have arisen in this regard – the island is small which reduces the likelihood of complete strangers exploiting the vulnerability of these groups.

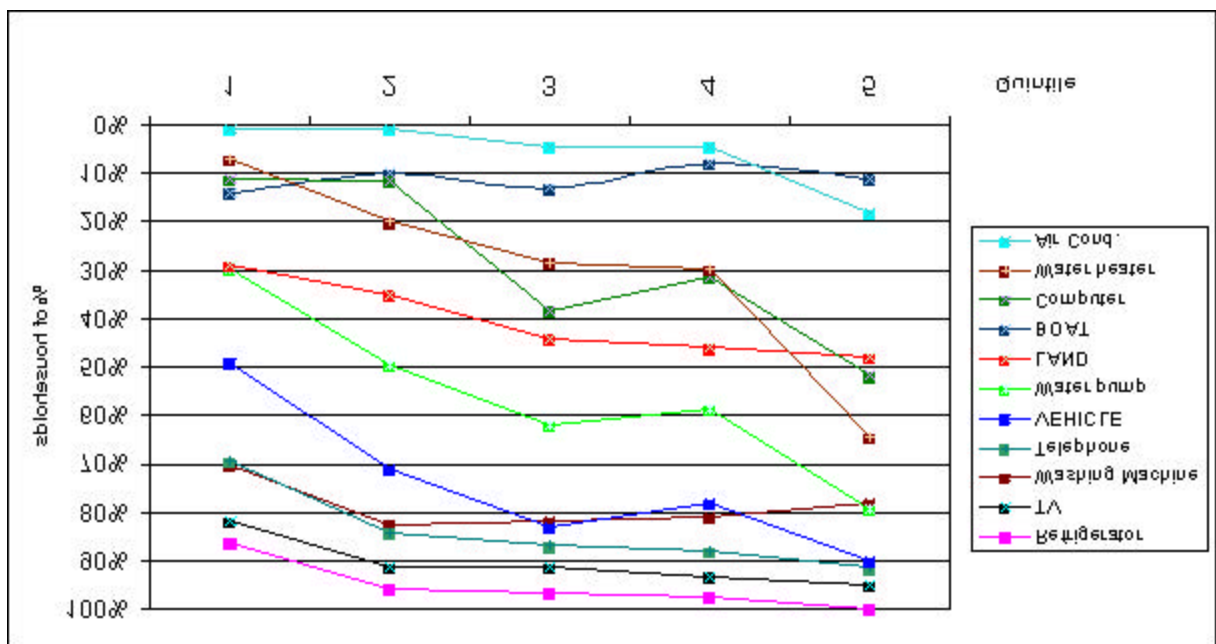
Table 3.14 Ownership of Assets and Durables

Asset/ durable	Poor	Not Poor	Total	Poor as ratio of not poor
Refrigerator Freezer	86%	97%	95%	.89
Television	80%	93%	90%	.86
Washing Machines	70%	81%	79%	.86
Cable TV	69%	85%	82%	.81
Regular Telephone	69%	88%	84%	.79
Vehicles	45%	79%	74%	.57
Water Pumps	31%	62%	56%	.50
Land not yet developed*	29%	48%	43%	.60
Boats	14%	9%	10%	1.56
Cellular Phones	14%	39%	34%	.36
Water Heaters	10%	35%	30%	.27
Computer	9%	34%	29%	.28
Air Conditioning	1%	7%	6%	.12

* Anguillian households only.

It is also noteworthy that one third of poor Anguillian families own land which they consider to be potentially developable. Although this proportion is lower than that for not poor households (48%), it nevertheless indicates a substantial potential asset and gives credence to the view that poor families can be 'asset rich but cash poor'.

Figure 3.7. Ownership of Assets and Durables (by Quintile)



3.6

3.6.1

Who are the Poor?

Disaggregation of the Poor Population

The preceding analysis indicates that the poor in Anguilla do not make up a single homogeneous group but comprise distinct sub-groups. Table 3.15 presents a disaggregation of poor households which takes into account the following variables: nationality of head of household, presence of the elderly and the young (under 17 years), household type (inter-relationships of household members), number of persons employed, disability and household size. The grouping shown is the one that is considered to be most appropriate for a more detailed examination

of the characteristics of the poor in Anguilla and also for future policy-making in that it highlights both household and employment characteristics.

It should be noted that not all groups are mutually exclusive, e.g. one parent families may or may not have somebody working, they could also have 5 or more family members.

Table 3.15 Categorisation of Poor Households in Anguilla

Category of Poor Household	No. in Sample	Estimated No. in Anguilla	%	Comment
Households(HH)s with No One Working consisting of:	34	216	29%	
Elderly living on their own (i.e. with no younger persons)	17	108	14%	2/3rds are living in 1 person HHs; almost half have someone with a disability
1 parent/single adult HH with children aged under 18 years	4	25	3%	Excludes HHs with single parents and grown-up children
Other HH with no employed persons	13	83	11%	Essentially HHs with unemployed persons. Very few had disabilities. Almost all are Anguillian
HHs with at least 1 person in employment consisting of:	84	534	71%	The great majority of poor HHs have somebody who is working
1 parent/single adult HH with children aged under 18 years	18	114	15%	Most poor 1 parent HHs have some employment. Incl. HHs with 1 parent and 1 g'parent
Other large (5+ persons) HH	25	159	21%	Excl. large HHs in preceding category
Other nuclear HH *	13	83	11%	The implication is that workers in these HHs are low paid. Will include some single person HHs, some of which are persons aged over 55 years.
Other HH with no children (under 18 yrs)	24	153	20%	
Remaining poor HH	4	25	3%	
ALL POOR HOUSEHOLDS	118	750	100%	
<i>Non-Anguillian HHs</i>	<i>14</i>	<i>90</i>	<i>12%</i>	<i>All such households irrespective of their other characteristics which are very varied</i>

* i.e. Both parents and children but no other relatives.

Source: SLC, Consultants'

Estimates

The Table clearly indicates the heterogeneity of the poor population as no single group constitutes more than a fifth of all poor households: 1 parent/ single adult households make up 18%, the elderly living on their own another 14% while large (5+ persons) households with someone working account for 21%. Around 1/3rd of all poor households consist of households of under 5 persons and with at least one employed person, several of which will be 1 person households and several will be nuclear families. Finally, a fifth of poor households have someone working yet no dependent children.

In order to extend the analysis, it is therefore necessary to examine the characteristics of the most important of these sub-groups. Further analysis of the SLC is largely precluded because of the low samples obtained for each category of the poor (inevitable given that none of them constitute more than 4% of the total population). The majority of the information presented in the remainder of this section therefore comes from the Participatory Poverty Assessments (PPAs) which were designed for just this purpose.

3.6.2

The Indigent

Indigent households merit special attention as they are the poorest households in Anguilla. Table 3.16 identifies those characteristics of these households that are markedly different from those of other poor households although too much should not be inferred as the Table is based on a very small sample (13 households).

Table 3.16 Characteristics of Indigent Households

Indicator	Indigent	Relatively Poor
Elderly living on their own	30%	15%
Dependency Ratio	2.9	2.0
HHs with Disabled person	53%	16%
% of population over 20 years with no secondary education	74%	34%
Owning vehicles	16%	48%
Owning washing machines	46%	73%
Owning telephone	54%	71%

Indigent households have a higher incidence of:

- ? elderly people living on their own
- ? persons with disability/ long term sickness
- ? persons with low educational attainment with only a minority of adults having attended secondary school.

Indigent households also have much lower ownership rates for modern day 'essentials' such as washing machines, telephones and vehicles (but similar rates for refrigerators and TVs) and higher dependency ratios.

In contrast, the proportion of indigent households with someone working differs little from that in other poor households. There are also no non-Anguillian households amongst the indigent.

3.6.3

The Elderly

Demographic trends in Anguilla indicate that, although the proportion of the population aged 65 years and over has remained constant at approximately 8% since 1960, their numbers have increased seven-fold during that period and life expectancy at birth has moved from 61.5 to 78 years. In addition, increasing longevity has expanded the proportion of 'old elderly' who are more likely to be physically infirm and, therefore, house-bound and in need of care.

Elderly Anguillians suffer disproportionately from poverty – over 30% of poor households contain an elderly person compared with 14% of not poor households. Furthermore, over 1/3rd of all households with elderly persons are poor; this proportion increases to just under 50% for the elderly who are living on their own. One in 7 poor households involves the elderly on their own and this group makes up around 1/3rd of the indigent households.

The status of the elderly has been much improved since 1982 with the introduction of the Social Security scheme from which pensioners are beginning to benefit. Many are also entitled to welfare benefits but are reluctant to apply as they feel that the application process includes personal and sensitive questions that affect their sense of pride and independence. This situation has recently been ameliorated by

the introduction of a non-contributory pension for all individuals 68 years and over (see Chapter 4). It is set at EC\$200.00 per month, the same level as public assistance which it replaces for those receiving PA for those receiving this benefit.

Family responsibility for elderly relatives is common and many (around 40%) continue to live with family members. A significant proportion also receive support from their family⁷ even if they are not living with them (see Case Study 1). Those most vulnerable to poverty among the elderly are those living alone and without family support. This may be due to the migration of adult children and other relatives as well as their offspring moving away to construct their own houses elsewhere on the island.

Land ownership is an important indicator of well-being among Anguillians. For the elderly in particular, it signifies residential security and also their sense of obligation to provide an inheritance for their children. Most elderly own the land on which their house is situated, either individually or jointly in the case of family land. This, however, makes them *'resource rich but income poor'*⁸, in that while they have security, their daily disposable income to provide a comfortable standard of living is often minimal. Many are therefore dependent on the government and/or their families.

Land sales that have occurred among the elderly and poor in Anguilla, therefore, often provide evidence of a last resort survival strategy. Furthermore, the rapid development and construction boom in Anguilla in recent years has raised the value of land, and there are cases, albeit very few, in which unscrupulous relatives have possessed and sold land belonging to their ageing parents and grandparents, leaving them in insecurity and financial difficulty. Mention was also made of situations in which land was passed on to the next generation so that elderly parents could be declared destitute and qualify for Public Assistance, though whether this process was initiated by the elderly themselves or their children was not clear.

⁷ 1/3rd of poor households receive non-monetary support (mainly food or clothing) from family or friends.

⁸ The SLC indicates that over 40% of Anguillian households own land that they consider to be capable of development. The proportion for poor households is lower but at 30% it is still significant.

Case Study 1 – Elderly Person living on their own

Mrs G is an 82 year old Anguillian who has never left her native land. She is widowed and the mother of three grown children, all of whom have left home and are raising their own families. She lives alone in a house belonging to her son who has migrated. However, she has no property of her own, this having already been distributed among her children.

The house is sparsely furnished though clean. The furniture is old and worn and the door in need of repair. The bath and toilet are not functional and there is no cistern in the yard.

She is frail and feeble, though still sufficiently mobile to move slowly about the house and yard. She has been diagnosed with hypertension and diabetes and requires regular medical attention. However, both her Public Assistance grant and her exemption from payment for medical attention have been withdrawn by government for reasons she does not know. (*Note: It is possible that she did not reapply when required to do so*)

On occasions, her children, friends or neighbours 'give me some change', but she is unable to afford to visit a doctor or access health care. She attends church occasionally and receives some assistance occasionally. Other than this, she is totally dependent financially on her children.

Mrs G identifies loneliness as her major problem, though her children visit daily. She depends on her radio for company and firmly believes that her God protects her each night. She wishes that government would construct a facility other than a 'poor house' for the elderly. She is however resigned to her position. She prays regularly and is waiting for the Lord to come take her home so that she would have 'no more hard times'.

Many among the elderly also suffer from poor health. Chronic and disabling diseases such as diabetes, hypertension and arthritis are widespread. From the SLC, it is estimated that around 2/3rds of the poor elderly households suffered from one or more of these conditions.

The major cause of poverty among the elderly is low disposable income for daily living expenses, though most own their homes and land or live rent free on family

property. Many receive the Public Assistance benefits or the new non-contributory pension, but the level is inadequate given the high cost of living conditions in Anguilla⁹. The elderly who live alone and have no family support, either in cash or kind, are particularly vulnerable to poverty. Ill health and poor physical mobility, due primarily to chronic diseases such as diabetes and hypertension, are contributory causes. These problems of poverty may be compounded by social exclusion and loneliness that can assume a psychological dimension and lead many to adopt an attitude of fatalism and helplessness. The existing trends of increasing longevity and of adult children living apart from their parents are likely to exacerbate this problem in the future even if additional income is provided as increasing numbers of the elderly become eligible for social security pensions. These issues are not unique to Anguilla or even the Caribbean; there is increasing concern in countries as diverse as the UK and China as to how the elderly will be cared for during the 21st century.

The current situation is not however extreme: around 2/3rds of the elderly in Anguilla are not suffering from poverty whether they are living on their own or with their families.

3.6.4

Vulnerable women (adolescent mothers, single parents, victims of domestic violence)

Although, there is no clear correlation between women and poverty, there is ample evidence from Anguilla and elsewhere in the Caribbean to link single-parenting, teenage motherhood, and domestic violence with poverty.

(a) Teenage Pregnancy and Single Parenthood

Around 13 percent of households in Anguilla are single parent homes. Many of these households are headed by women who raise several children with little or no income support and have been identified as a particularly vulnerable and impoverished group. Furthermore, even if these households have incomes above the poverty line (as most of them do), there are frequently problems of extracting

⁹ Both are set at \$200 per month. Even allowing for the reduced needs of the elderly, this amount is unlikely to be sufficient given the cost of the minimum food basket (EC\$250 per month) unless they have they have income from other sources.

child support from absent fathers¹⁰, difficulties of combining employment (often low paid) with home duties. They may also have been subject to past or continuing spousal violence.

Many of these women begin child-bearing in their teenage years¹¹. The option of abortion in a neighbouring island is generally beyond the means of the poor. Furthermore, although Anguilla has actively encouraged the re-entry of adolescent mothers into school to complete their education, many find they are not willing to face the negative atmosphere and reactions of their school mates and teachers, and/or cannot cope with the burden of school work and child care. The general pattern, therefore, is for teenage mothers to drop out of school, thereby reducing their employment and income generation opportunities in later years. Anecdotal evidence suggests that these young mothers proceed from one partner to the next, bearing several children. They unsuccessfully use children as gatekeepers to male income. However this strategy of bearing children from additional men to seek relationship stability and financial support is often unsuccessful leading to a downward cycle of poverty among the women and children concerned.

Though some young mothers are supported by their own mothers and extended family networks, in subsequent years they tend to become household heads, primarily or solely responsible for child rearing and economic maintenance.

The two case studies that follow have been selected to indicate different life cycle stages in single mothering: the adolescent with one child who leaves school early but resides with and receives family support (Case Study 2), and the woman who heads her household and supports several children with little paternal or family support.

¹⁰ The Social Development Department currently 'brokers' and supervises child support arrangements for around 250 households.

¹¹ Over a third of female parents had their first child when they were teenagers. Currently around 1 in 6 pregnancies are to women aged under 19 years compared with 1 in 8 in 1994. Although some of this difference is due to an increasing number of women in this age group, the overall trend appears to be upwards – a conclusion partly corroborated by the low reported contraceptive use amongst sexually active teenagers (under 50%). (Adolescent Health Survey, 2002)

Case Study 2 – Teenage Mother living with her family

K is a 15 year old mother with a one year old daughter. They live with her mother and younger brother in a two-bedroom house that her mother has recently built.

The discovery of K's pregnancy was traumatic. She was enjoying secondary school, doing well academically and had many friends. When she was 14 years old she found that she was 5 months pregnant. She reports that her friends suspected the pregnancy, teased her about it and informed the teacher who took her to the clinic. After the confirmation of pregnancy she was taken to the police station and her mother was called. K reports she *'felt worried'* and that her mother's reaction was initially very negative – *'she cursed me'* – as was that of her father and grandmother. They have subsequently become very supportive, however.

During her 6th month of pregnancy, K left school because she felt *'bad'* about being there. Her friends *'stopped speaking'* to her when they learnt about the pregnancy and this made *'things very difficult'* for her. However, she returned to school after childbirth, repeated third form and intends to continue with her education.

K feels ambiguous about her status as a mother. She states that she feels *'a little bit good'*, but remarked that motherhood helps *'a lot'*. When not at school, she no longer socialises with her friends and spends her time cleaning, doing housework and playing with her daughter. She *'feels badly'* about this and reports being lonely at times, although she spends time with her brother and a younger sister who lives elsewhere.

K has no contact with the father of her child, though he is legally mandated to pay child support through the Department of Social Development. Her mother provides the major source of support, providing for most material needs. Previously, her grandmother took care of the baby during the day, but since K moved to live with her mother, she has found another woman whom her mother pays for child care.

K feels that her pregnancy while at school was *'not good, I had to come out of school'*, but that she is *'getting through life OK'*. She has a positive and very supportive relationship with her mother, but would like to look for a job with her mother after graduating from school and provide for her daughter with her own money. She thinks about being married in the future and wants her daughter to *'have a good life - when she go big she go look for a job'*.

Case Study 3 – Middle-aged single mother with large family

F is a 44 year old single mother of ten children (7 boys and 3 girls) ranging in age from 9 to 23 years. She lives with 8 of her children and a male partner who has recently moved in. Her four room house is built on land given to her by her father. There is no running water, no bathroom and no cistern. To alleviate overcrowding, F subdivided one bedroom with a wooden partition. One of her sons sleeps on a couch in the living area.

F married when she was 18 years old, having already given birth to one child which was being raised by her mother. After 12 years of marriage her husband suddenly went abroad, leaving her with eight children to raise. There has been no further contact and no economic support. She subsequently became involved with another man with whom she had two more children. He was abusive and, after an incident during which he stabbed and beat her with a broken bottle, he was deported.

After that F struggled hard to raise her children alone. She *'never had what to give them'* and *'had to look for bread for them to eat'*. Her work in a restaurant kitchen enabled her to take home food, but this was deducted from her pay at the end of the week, so that no money was left. When her son became sick, she was forced to leave the job and depended on doing favours or chores for friends in exchange for which she would *'get food, or a piece of clothes or a twenty dollars. What I went through I wouldn't wish on a dog. I didn't have current (electricity), didn't have nothing. We would be in darkness. When I got a little money I would buy some kerosene oil'*. At present, she also receives EC\$600.00 from Public Assistance most of which is spent on food, though she also manages to pay her phone and electricity bill.

Other than this F receives little help and depends on charity. Her relationship with her mother, who took care of the children while she worked, has deteriorated badly. There is little contact between them. Her present partner is chronically ill and unable to work, though he helps with chores. Her two eldest boys have left school early, are unemployed and can neither read nor write. She worries about their future but feels helpless to intervene claiming she grew tired of struggling to pay for books, uniforms and lunches and that *'if they want to come out and fight for themselves, I can't stop them'*. Her two eldest daughters are also unemployed. One has four children, the other three.

F's health is poor. She has arthritis, high blood pressure and has been experiencing back pains. The doctor attributes this to kidney problems, but she has not followed through on tests because she cannot afford these and does *'not want to know'*. The knowledge would *'make me sicker and probably kill me'*. She already has an outstanding bill of EC \$400.00 for her son's medical treatment and hospitalisation.

F is depressed and often feels suicidal - *'I don't have a drop of water, nothing. I does cry a lot'*. Asked about the future, she replied *'I want to go home and rest my tired body. I want to dead. I don't want to be here'*.

The unaffordability of daycare among the poor and the need, therefore, to find and pay someone to care for children are contributing factors. One informant, for example, admitted to locking her children in the house while she went to work. She gave them *'strict instructions not to let anyone in and to act as if they were not at home. I worked every day from 8 to 5 while the children grew up on their own. I thank God that they remained safe during those years'*.

(b) Domestic Violence

Spousal violence against women in particular, was identified in the workshops as a problem in Anguilla. Accurate data is inevitably limited as many cases will not be reported and current crime statistics do not distinguish reported cases of domestic violence. The Social Development Department's caseload for 1995 to 1997 included an average of 130 domestic disputes (as opposed to family/ marital problems) each year (see Table 4.1). The recent Adolescent Health Survey¹² also reported that around 15% of students considered that their parent(s) had problems with drugs, alcohol, violence or mental instability and that around 8% of students considered that they had been physically or sexually abused, mostly by other household members. Domestic violence, whilst not confined to the poor, constitutes both a cause and a consequence of poverty.

Case Study 4 is illustrative of the cycle of domestic violence and abuse in which women are victims. Poor women with children to support and no alternative source of income other than that of an abusive partner are particularly vulnerable. Poverty, therefore, may trap women within abusive relationships. Domestic violence, in turn, is also a cause of poverty that may persist from one generation to the next. Women and children who are the victims are stigmatised and often have low self-esteem - *'children cannot perform at school, or mothers at their work'*. Their powerlessness was recognised - *'the situation is not easy for women to leave. Often the women are afraid of the men, that they will kill them, and the island is so small that there is nowhere to hide'*.

¹² Undertaken by the Public Health Care Department in all schools in Anguilla in 2002. Over 80% of enrolled students aged 10 years or over completed self-administered questionnaires covering a wide range of topics including domestic violence, drug use, sexual activity, nutrition and use of health services. The survey was the latest in a series of PAHO sponsored surveys carried out throughout the Caribbean.

Case Study 4 – Spousal Violence

M is a 32 year old Anguillian woman with 7 children from multiple partners. The father of her last two children with whom she has a visiting relationship also has 8 additional children. She identifies him as a supportive father, spending time with his two children with her and providing financially to the extent that she is able to stretch this to help with her other children. She is heavily dependent on his contribution since the only other income she has is EC \$100.00 from her two-day cleaning job.

It is this dependence that she identifies as the reason she put up with his abuse in the past. She describes him as *'jealous and very possessive'*. In her words: *'Where women like me have such a poor life, then for the children to get food, you have to take blows. You have to be slap and bite. An abused person cannot leave so easily when you have a bundle of hungry mouths looking up to you'*.

She also spoke of emotional abuse in that he threatened to take away his two children from her and of verbal abuse. *'I think the worst abuse a man can give a woman is the names she is often called. The names stays with you, you hear them ringing in your head over and over gain'*.

M also referred to the stigma and blame identified with victims of domestic violence claiming that *'the Anguillian public sees an abused woman as if it is her fault...Or they make you feel it is for your own good. They do not care about women such as me. Because of my children, they feel I have a right to get beat'*. There is little outside assistance since *'abused women and children have nowhere to go, nobody want to take them in their homes, so you have to stick with the abuse'*.

Only when her partner forced her and the children into the street did she find the courage to go to the Welfare Department. She now lives with her children and receives maintenance through the courts from three of the children's fathers. Her concluding comment: *'every woman who is in an abusive relationship should get out. It never stop, it only get worse and you are just as much poorer off. Abuse is poverty in itself'*.

Several informants referred to the absence of outside assistance that could break this cycle of violence¹³. Victims are blamed, family and friends do not want to get involved, there is no safe hostel or alternative accommodation, and reporting incidents of abuse to the police only enrages the perpetrator and worsens the situation. Recommendations were made for government intervention programmes, both to *'help abused people know their rights'* and to *'assist people in these situations'*.

¹³ Awareness of this problem is however increasing through discussion groups and media attention.

3.6.5

Children 'at risk'

Anguilla has a commendable social-policy record, much of which has been child centred. Provisions have been made for the education, health and welfare of children and adolescents. However, access by children to these services can be limited by parental and family poverty. The high cost of living means that a large proportion of household income is spent on food and shelter, leaving little to cover medical or educational expenses. School non-attendance is however low and no more than 5% of students admitted to skipping school 3 or more times (Adolescent Health Survey, PHCD, 2002). Furthermore, around 45% of children aged under 5 years attend pre-school and other day care facilities although there will be those among the poor who are unable to afford these services.

Hunger is not uncommon among poor families; around 8% of students reported that they often went hungry while over a third said that they sometimes did (PHCD, *ibid*). Reports of hungry pupils have also been received from teachers, although hunger can keep the children from school. One informant described as the problem as follows: *'I don't have enough always for the children to eat. We run out of food very, very often. We do without it all the time. We have been sleep many times hungry'*. The strategy they have adopted is to *'drink water before going to bed, and you wake up in the morning feeling good, feeling full'*.

There is also cause for concern in terms of nutrition and physical fitness. Only 40% of students had eaten vegetables and a quarter fruit on the previous day whereas over 2/3rds had consumed candy, soft drinks, cakes and pies and 40% chips or pretzels. Under 1 in 5 are taking the recommended amount of exercise needed to maintain overall fitness (PHCD, *ibid*). These findings corroborate the view that obesity amongst the young is one of the major health issues facing the country.

Children in poor families are also particularly vulnerable to poor socialisation, due in turn to the effects of family instability, parental unemployment, ill health and depression, and domestic violence. Child abuse, physical and sexual also occurs: 8% of students reported physical abuse mostly by household members, and 6% sexual abuse mostly by non-household members¹⁴. There have also been incidents

¹⁴ These are however lower rates than those found in across the region as a whole

in which young children are left alone and 'at risk' at home despite the efforts of Social Development Department and church/ community groups.

Some adolescents in Anguilla are also at risk. Although over 90% of 15/16 year olds attend school, those not completing secondary education (especially boys) with sufficient literacy and numeracy skills is a cause for concern, as is the level of unemployment (around 19 percent) among those aged 17-19 years –over 20% of all unemployed residents were from this group¹⁵. Teenage pregnancy remains unacceptably high and invariably causes the young mothers to leave school or perform poorly (see 3.6.3 above). Small proportions of adolescent boys are also involved in anti-social behaviour: around 15% have been involved in petty crime (shop-lifting, damaging property and fighting with weapons) although; in all cases, the proportion of frequent (3 or more times) offenders was much lower (around 3%). Use of tobacco, alcohol and marijuana also affects around 10% of students although this proportion would almost double if one assumes that use by those under 13 was negligible. Use of hard drugs is however negligible.

The problems affecting children described above are not particular to Anguilla. They have been found throughout the Caribbean and are of equal concern in many developed countries. Indeed, the available evidence is that Anguilla's children report a lower than average incidence of these problems. In general, only a small minority, under 10%, of children are experiencing any of the above problems and the overall situation is good; the recent Adolescent Health Survey concludes that *'In general, the youth of Anguilla are physically, socially and mentally healthy'*. The above characteristics therefore represent a cause for concern rather than a major existing problem. Together educational under-performance of males and teenage pregnancies for females will reduce the ability of these adolescents to support themselves or their dependants in the future.

¹⁵ One should not be too alarmist: unemployment rates are much lower if a year, and not a week, is taken as the reference period and unemployment is much lower in the 20-24 year age group.

3.6.6

Victims of drug/alcohol abuse

Statistical evidence on this topic is limited – reported crimes involving drugs represent under 1% of households while under 10% of adolescents could be construed as regular users of drugs (soft not hard) and alcohol. Nevertheless, some informants see the level of alcohol consumption as a significant problem. Those involved in alcohol and drug abuse are mostly males, of varying ages. Those who are family breadwinners reduce household income and contribute to the poverty among women and children whilst young male school-leavers, many of whom have dropped out early, become increasingly unemployable. Homelessness has not, however, emerged as an attendant problem, as it has in some countries – only one young man was identified as having been rejected and evicted by his father.

Even if the problem is not serious at present (there is a world of difference between casual drinking and hard drug use), Case Study 5 shows the impact that prolonged drug use can have on a household situation. It is likely that the man's family will also be struggling with inadequate income as a result of the loss of the breadwinner. Fortunately, this is an extreme example in the present Anguilla context where hard drug use is virtually non-existent.

Case Study 5 – Drug Abuser

E is 38 years old and is separated from his wife and four children primarily because of his drug-related problem which, in turn, is the cause of mental illness. Before his drug problem and mental illness developed, he was working as a carpenter, but now he is unemployed. He expresses the desire to work, but has been turned down on numerous occasions because his health problem is known.

He lives in a house consisting of two bedrooms, a kitchen and outdoor bathroom. He has electricity, but the water supply was disconnected because he could no longer afford it. Though the house is small, dilapidated and leaks badly, he seems unconcerned, claiming that *'it is my dwelling place and I cannot afford another'*.

E depends on public assistance, receiving EC\$200.00 a month. He receives medication at the hospital and, depending on who is on duty at the time, may be given a meal there. His mother who lives abroad also sends money, though irregularly, and visits occasionally. He feels that his life would be improved if he lived abroad with his mother, but this is not possible.

He talks constantly about his children, about their accomplishments and his desire to help them. But, at present, he is not even sure where his next meal is coming from and often goes to sleep hungry. As he puts it *'I am living every day like I've never seen a day before, but hoping that every day I'll have something to eat'*.

3.6.7

The Working Poor

Statistically speaking, the working poor constitute the largest sub-group of the poor in Anguilla – around 70% of poor households in Anguilla have at least one person working and 30% have 2 or more workers.

(a) Employment Characteristics

Employment characteristics of the working poor were presented in Tables 3.10 and 3.11. These showed greater concentrations of the working poor in the tourism sectors and in manual and service occupations. These jobs tend to be amongst the lowest paid (Table 3.17): in the hotel and restaurant sector, wages are 70% of the overall median; for domestic workers, the wages are lower still, at 55% of the median level.

Table 3.17. Additional Characteristics of the Working Poor

Employment Income	Median income	% of overall median (EC\$2010)	
Hotel and restaurant workers	EC\$1,402	70%	
Domestic workers	EC\$1086	55%	
Other indicators	Poor HHs	Not Poor HHs	ALL
% workers working less than 30 hours per week	19%	11%	12%
% workers less than 8 months per year	26%	13%	21%
% HHs with all workers in tourism sector	26%	15%	17%

Source: Income data from 2001 Census (Report on Economic Activity, Tables 16/17); other data from SLC.

Table 3.17 also indicates that poor households are more likely to be wholly dependent on the tourism sector, and have workers who either work part-time during the week and/or are not employed continuously throughout the year¹⁶.

Low and inadequate income from a primary job results in the survival strategy of **multiple occupations**¹⁷ as the poor seek to identify several simultaneous sources of income. Men, for example, may supplement income from construction with fishing or gardening. Poor women¹⁸ who bear the triple burden of child care, housework and income generation, will earn small sums by engaging in menial work, for example, preparing or growing and selling food on the road-side, braiding hair, baby sitting or breaking stones for house construction. Mention was made of the negative effect that the absence from home of parents who are working double shifts has on family life.

(b) The High Cost of Living

The situation of the low paid is exacerbated by the high cost of living. All food is imported and subject to import duties; as a proportion of income, this type of taxation falls heaviest on the poor. The quality of the land and the high cost of water make it virtually impossible to supplement diets with home-grown produce, as occurs in many other countries. Part-time fishing does provide an important source of additional protein (or income if marketed) but it is also seasonal.

Utility costs (water and electricity) are high and recent increases in water rates will have a greater negative impact on the poor, while the cost of electricity prevents the poorest families from accessing this basic necessity of modern life. Housing costs are significant for those renting – the median monthly rent for a 2-bedroom house is EC\$536 although several dilapidated houses rent for less.

¹⁶ Several hotels and restaurants on the island close for several months during the off-season.

¹⁷ The incidence of multiple jobs is however not easy to ascertain. The SLC found that only 6.5% of workers have more than one job. On the other hand, the Census indicated that 13% (one in eight) workers worked more than 50 hours a week in 2001; this could indicate double employment. The actual proportion is likely to lie within this range.

¹⁸ The plight of poor women breadwinners is exacerbated by a marked differential (around 30%) in male and female wage levels for comparable occupations.

Basic health costs are heavily subsidised. The problems arise with sudden medical emergencies that can involve a major expense if the household does not have health insurance and the patient needs to be treated off-island. Only 14% of poor and 41% of not poor households have health insurance. Unpaid medical bills were mentioned by some poor informants.

These factors combine to increase the vulnerability of the low paid to periods of unemployment or shortened working hours resulting in both a struggle to maintain current living standards and the depletion of savings to reduce the impact of catastrophic events such as hurricanes or medical emergencies.

(c) Discriminatory Labour Practices

Some informants reported, particularly those with experience in the tourism sector, instances of unfair practices by employers – summary dismissal, refusal to provide severance pay – against which they felt that they had no redress (see also Chapter 5).

(d) Debt

There is a perception that Anguillian households are burdened by a high degree of debt. Caught up in the changing value system, the easy availability of loans, and the attraction of modern status symbols such as homes, vehicles and material goods, some upwardly mobile young adults and families have over-stretched themselves financially and are living beyond their means.

SLC data on loans is presented in Table 3.18. The most frequent type of loan is for vehicles (28% of households) followed by ‘other’ and home-related. The incidence of loans is around 3 times greater for not poor as opposed to poor households; in consequence, over 80% of loans are to not poor households.

Table 3.18 Loans

Type of Loan	Poor	Not Poor	Total
Home (e.g. mortgage)	7%	21%	18%
Vehicle	11%	33%	28%
Other	7%	26%	22%

Overall, just over 1/3rd of households make some loan repayments. Of these households, just under half have repayments equivalent to less than 20% of their total spending while around 15% have loan repayments making up 40% or more of total spending. There is thus little evidence that a significant proportion of the population is overburdened by debt; this corroborates the view of the commercial banks interviewed during the study who did not consider that the debt situation on the island was serious. It was also pointed out that credit cards are an invaluable resource for the purchase of consumer goods and clothes from overseas. Card users therefore tend to make sure that they keep up the necessary payments so as to avoid losing their credit cards.

Anecdotal evidence however suggests that some of those with major loan commitments may take on second jobs, particularly in the tourism sector as waiters, gardeners, security officers, in order to keep up their repayments, which can have a detrimental impact on family life.

(e) Vulnerability

Almost any group in any population is vulnerable to substantial changes in economic circumstances. This is particularly the case in Anguilla where there is a high dependence on a single sector, tourism. The most vulnerable will be those households partly or entirely dependent on employment in the tourism sector (i.e. hotels and restaurants) and, to a lesser extent, those working in construction. These 2 sectors account for over 40% of employment with over one-third of all households being wholly or partly dependent on tourism.. Over 25% of poor households are wholly dependent on tourism, compared to one-sixth of all households.

However, the dependence of Anguilla's economy on tourism is so great that virtually every household would eventually be affected if this sector experienced a sustained downturn: construction would dry up and government revenues would fall leading to a reduction in government spending, including wages and benefits. While the same phenomenon of vulnerability occurs in towns in developed countries dependent on a single major employer whose future suddenly disappears (e.g. mining in UK, the rust belts in the US and China). The key difference is that in larger nations, there are much greater resources to provide the necessary safety nets, retraining and regeneration programmes.

3.6.8

Non-Anguillian Households

(a) General

As a result of its rapid economic growth, Anguilla has attracted migrants from neighbouring Caribbean countries and especially those facing economic problems, such as the Dominican Republic, Jamaica and Guyana. A special group of immigrants also arrived from Montserrat, displaced by the volcanic eruptions, though many of them have since returned. There is also a small minority of Americans and Europeans, most of whom are affluent and many of whom are retirees. In local parlance, migrants are referred to as 'non-belongers', a term which has acquired pejorative connotations.

Non-Anguillian households now comprise around a fifth of all households. However the incidence of poverty, at 10 %, is much lower than amongst Anguillian households (23%); there are also no indigent non-Anguillian households. This is not surprising as migrants require work permits to remain in Anguilla and these are conditional upon a job offer. Migrant households are also less likely to have young or elderly dependents and are thus smaller – 2.5 persons as opposed to 3.3 persons in Anguillian households. There are however specific circumstances that affect migrants' sense of wellbeing and make them vulnerable to poverty.

(b) Employment

The great majority of the adult migrants are employed. Many have found jobs in the tourist industry or are self-employed as semi-skilled artisans whilst others are involved in teaching and other professional/ managerial occupations (see Table 2.11). Most do not cite lack of income *per se* as a major issue. Instead their major concerns are with what they perceive as wage discrimination against them and with their exclusion from public sector employment, which they feel is reserved for Anguillians. This, they argue, excludes some of them from jobs, which provide higher and more regular (weekly or monthly) remuneration. They also feel that they have no redress against sharp practices by employers¹⁹.

¹⁹ It should be noted that similar complaints were voiced by Anguillian informants

The Spanish-speaking Dominicans also correlate the inaccessibility of employment with language difficulties. Those who have not mastered English at school do poorly in terms of academic qualifications and subsequently in the job market.

(c) Housing and Transportation

Over 80% of 'non-belongers' rent accommodation and they occupy over 56% of all rented properties. Renting can put a strain on scarce financial resources. High rental costs²⁰ and pressure on available housing also mean that lower paid migrant households end up in housing which is over-crowded -almost a quarter of immigrant households are overcrowded which is almost double the proportion of overcrowded (over 2 persons per room) Anguillian households. Migrants from the DR appear to be the worst affected by residential overcrowding and they also mentioned the poor quality of available residences, referring specifically to the lack of running water, the absence of bathing facilities, pit latrines and occasions when they had to '*use the bush*'.

While vehicle ownership among immigrants is similar to that among Anguillians, the absence of public transportation makes life difficult for those not owning vehicles. This is not however a problem specific to immigrants.

(d) Health and Education

In terms of health services, migrants from the DR expressed concern at discrimination in fees, arguing that they pay higher rates than Anguillians, with the result that they often felt the need '*live with it*' (the health problem) or to return to the DR for medical treatment.

There are no formal restrictions to access to education for migrants. Although the Spanish-speaking children of migrants from the DR start at a disadvantage, remedial English classes are provided although not always by people trained in teaching English as a second language. However, younger migrants also voiced the

²⁰ On average rent constitutes around 20% of total household expenditure for migrants from the Caribbean. In 17% of cases however, rents exceed 30% of their spending. The proportions for Anguillian renters are slightly lower.

opinion that there was no point in attending and doing well at school since jobs were not available to them.

(e) Immigrant status, social exclusion and community

Immigration problems and uncertain residential status were cited as major causes for concern. Several migrants spoke of what they perceived to be the tightening of restrictions, the shortened time given for their stay in Anguilla and the cost of work permits. Their own lack of knowledge of immigration policy combined with what they perceived to be changes in the regulations exacerbates confusion and uncertainty.

Migrants from the DR, in particular, claimed entitlement to Anguillian status through family members, including grandparents, who had originally migrated from Anguilla to the DR. They were acutely resentful of their 'non-belonger' status and consequent stigmatisation and social exclusion. Informants report that they are resented by locals who ask the rhetorical question '*Spanish, what you doing here?*' In response, members of the DR focus group claimed: '*We are not here to take over the island and we should have equal rights as any citizen living in Anguilla*'. This is linked to the problems mentioned above relating to language, employment and housing.

Migrants from Montserrat also felt isolated, claiming that they did not choose to come to Anguilla, and that, as forced migrants from volcanic disaster, they should be made to feel more welcome (see Case Study 6).

On the other hand, 'non-belonger' groups tend to be close knit and mutually supportive. This is particular apparent among those from the DR who generally live in the same geographical areas and provide accommodation, information and other supports for each other, new comers in particular, either informally or through the Dominican association. In this context, it should also be noted that the Social Development Department receives few requests for assistance from non-Anguillian households.

Case Study 6 – A Poor Non-Anguillian Household

Ms. L is a 72 year old Montserratian. She migrated to Anguilla in 1995 after the volcano erupted and she lost all her property. She is a widow and lives with her son. They rent a two room house in which she feels she lacks sufficient privacy '*as a woman*'. She indicates, however, that she can afford no better and is '*making do*'.

The rental is EC \$300.00 per month. The house has a bath, but no running water. There is a cistern in the yard which is refilled with water every two months at a cost of EC\$ 80.00. Electricity which is fed into the house with a drop cord costs EC\$ 80.00 per month. The relocation grant that she received from the British Government of EC \$250.00 a month came to an end in March 2002. Without this sum, she finds her basic living costs very difficult to manage and reports that she is enduring '*much hard times in Anguilla*'.

Making matters worse, her son is out of work due to a down turn in the construction industry. There is also the need to '*go to the shop for everything*' and the high cost of food and other essentials. She finds that '*no matter how hard I try the minimum I spend each week is 200 dollars*'. In Montserrat, by contrast, she was able to grow much of her own food and keep livestock and poultry in her back yard.

In addition, old age, declining health and her difficulty walking any distance, along with the absence of public transportation, require her to hire taxis, a costly undertaking.

Health care constitutes another source of high expenditure. She suffers with diabetes and hypertension and has to visit the clinic weekly for tests. As a non-Anguillian, the cost of medical attention and hospitalisation is considerably higher than she previously paid in Montserrat. She complains bitterly that, as a national of an Overseas Territory, she should not be discriminated against in terms of medical fees.

While Ms. L's troubles are mainly financial, she is also troubled by the loss of family and friends since her migration from home. She, however, indicates that some persons in her neighbourhood do try to make her feel at home and she has no plans to return to Montserrat.

(f) Summary

There are particular circumstances that make some non-belongers susceptible to poverty, social exclusion and a consequent loss of wellbeing even if the level of income poverty is lower than for Anguillian households. First and foremost, their disposable income for daily living expenses is reduced by desires/obligations to send remittances to family members in their home countries even if these costs are

mitigated by the fact that they generally have fewer dependent relatives to support on the island. Secondly, because they cannot own property, they face high rents for their accommodation. In consequence, a significant proportion live in overcrowded conditions in low standard accommodation with poor sanitation. The absence of affordable (public) transportation and their inability to supplement food supplies by subsistence cultivation as many would have done at home, exacerbates their economic circumstances, as it does for all poor Anguillians. They also do not benefit from subsidised health care. Allied to these economic circumstances, non-belonger households feel that they are not made welcome on the island and suffer from discriminatory practices in the workplace to which they have no redress even if there is no legal or regulatory barrier that precludes them from doing so. This is particularly true of migrants from the Dominican Republic who feel more isolated from mainstream Anguillian society.

3.6.9

Support Systems for the Poor

In addition to the strategies of second jobs and small-scale income generating activities mentioned above, a significant proportion of poor and not poor households receive financial or 'in kind' assistance from official and family sources. Table 3.19 shows the coverage of various safety nets bringing additional income to poor and not poor households. In addition to those shown, around 70 persons currently receive total or partial exemptions from their medical expenses due to insufficient income.

Some informants mentioned that the public assistance application process was personal and intrusive and that they were reluctant to accept it as it resulted in a loss of personal pride to be dependent on welfare and charity. As previously mentioned, the current grant (EC\$200 per month) is also lower than the cost of the minimum food basket needed to sustain a healthy life for an adult.

Accessing **family support**, both in cash and in kind in terms of food, other essential goods and services, constitutes a critical survival strategy among the poor. An indication of the extent of this support is shown in Table 3.20; support from church groups and NGOs is also included. Over a third of poor households receive assistance from other family members in the form of gifts of food and clothing; almost double the proportion of not poor households. For around 10% of poor

households, this support is equivalent to at least half their cash expenditure on food and clothing.

Table 3.19 Safety Nets

Source	Poor	Not Poor	Total	Sample HH	Total HH
Child Support	16%	8%	10%	58	370
Social Security***	7%	11%	10%	60	380
Public Assistance	11%*	2%	4%	23	150
Pension	14%	10%	11%	63	400
TOTAL **	47%	32%	35%	204	1300

* Just under half the indigent households receive public assistance.

** These safety nets rarely occur in the same household therefore the total is close to the total % of households receiving ANY safety net.

*** The operation of, and recent changes to, the social security system are described in Chapter 4.

Table 3.20 Non-Monetary Gifts of Clothes and Food

Type of Gift	Poor	Not Poor	Total
None	66%	86%	82%
Food or clothing	8%	4%	5%
Both	25%	10%	13%
Total	100%	100%	100%
Approximate value of gifts as % of cash spending			
Food Gifts			
Under half of spending	13%	6%	7%
Over half of spending	11%	3%	4%
Households receiving some contribution	24%	8%	11%
Clothing Gifts			
Under half of spending	14%	8%	9%
Over half of spending	11%	3%	5%
Households receiving some contribution	25%	11%	14%

However, not all poor families benefit from this support. Many of the elderly, for example, experience poverty and social isolation where this is absent. This is often due to the migration of their adult children and other family members. Others may experience being scorned and shunned by family members. As one single mother reported, she is overlooked by more prosperous relatives who tell her children *'don't come to me, go look for your father. But they don't have a father'*.

3.7

The Nature and Causes of Poverty

3.7.1

Overview of Poverty in Anguilla

The first thing to be said about poverty in Anguilla is that it has decreased substantially over the last two decades. Almost certainly, if this study had been carried out 10 years ago, the level of absolute poverty would have been far higher than it is now. The conditions of the poor would also have been far worse in almost every respect: housing, education, health, access to water and electricity, unemployment.

Currently, the level of poverty in Anguilla is low by Caribbean standards, around 20% of households and 23% of the population. Indigence or severe poverty is also very low at around 2% of households. This speaks well of the industry and social cohesiveness of the Anguillian people and of the Government and non-government support systems that have developed along with the economy.

In general, the poor in Anguilla do not exhibit several of the characteristics that are traditionally associated with poverty. Their housing, and basic facilities such as water and electricity, school attendance and health levels are little different from those of not poor households. Many poor households also own assets which, in many places, would be considered to be symbols of affluence: vehicles, telephones, washing machines, cable TV, refrigerators and stereos; ownership levels of several of these are similar to those of not poor households. Almost 30% of poor households also own some land which they consider to be developable; even though this ownership rate is substantially lower than that of not poor households (48%), it indicates that many poor households have an asset which could provide an additional source of funds.

70% of poor households have at least one person working; 30% have 2 or more. Unemployment, although significantly higher than amongst not poor households, is

not particularly high at around 17%. This is unsurprising given the low level of unemployment on the island. Dependency ratios are however significantly higher in poor households, meaning that those working have to support more non-working household members. The great majority of workers (80%) from poor households work as service or manual workers whereas the comparable proportion for not poor households is under 50%.

Educational levels of adults in poor households are lower than those of not poor households: twice as many poor households have no adult with secondary or tertiary education. Young adults from poor households who have passed through the educational system in the last few years are also more likely to have fewer CXC's than those in not poor households.

Poor households also have higher proportions of disabled or elderly persons and a higher incidence of teenage pregnancies in the last 15 years.

The poor in Anguilla do not constitute a homogeneous group. The largest group (34%) consists of small households (up to 4 persons) with at least one person working; many of these households do not have children. Single parent households make up 18% of poor households (the majority of these have some employment income) while 14% consist of the elderly living on their own many of whom are afflicted by disability or long-term health problems; just over 20% of poor households are large (5+ persons). Most of the remainder have no one working. Given the overall low incidence of poverty in Anguilla, this heterogeneity means that, irrespective of the indicator used (e.g. employment, household type, household size, educational attainment), the majority of households in any category will not be poor.

The working poor have a much higher dependency on the tourism sector (over a quarter of poor households are wholly dependent on employment in this sector) and are more likely to be involved in lower paid and less secure occupations, both of which increase their vulnerability to any economic downturn. This vulnerability is exacerbated by the high cost of living which means that any reduction in income can have a serious impact on household finances, especially given that almost all food is imported and is subject to import duties. A substantial proportion of these households will have little or no education beyond primary level. For about half

these households, the absence of adult men or a high number of dependents will be a major contributory factor to their poverty.

There is little correlation between gender and income poverty. Women are however at risk from poverty in a number of ways. In the first place, their earning potential is lower due to substantial wage differentials across all occupations categories. Secondly, despite increasing labour force participation and equal education opportunities, prevailing traditional views concerning their roles mean that they still have primary responsibility for child rearing and domestic work even as they are increasingly contributing to household incomes. This 'juggling act', allied to the difficulty of finding affordable childcare will, among the poor especially, limit them to part-time, menial informal sector employment; it is, not infrequently made all the harder by inadequate support, financial and emotional, from their spouse or partner. For many, the starting-point will have been a teenage pregnancy, which will have curtailed their education and further limited their subsequent income-generating potential. This situation becomes all the more critical when family relationships founder and persistent notions of patriarchal authority and female submission leave them exposed to financial hardship, impoverishment and, for a minority, spousal violence.

The elderly on their own have little income-generating potential and thus depend on support from the government, their families or NGOs (especially church groups). The existence of this support (especially from families) is fairly widespread but is frequently not enough to put them above the poverty line.

Although small in number²¹, the indigent, or very poor are in a substantially worse situation than other poor families. The indigent are more likely to be elderly, disabled, have lower educational levels and have children not attending school. The case studies presented in this report graphically show the problems faced by this group: lack of income, housing in poor condition often without all key utilities, difficulties in paying medical expenses, serious social or family problems, little or no

²¹ The SLC criterion (income inadequate to provide adequate food) results in 2% of households being classed as indigent. In practice, the proportion will be higher as some non-food expenditure is essential for utilities, housing, clothes, etc.

support from government (Public Assistance, pensions) and/or family, pronounced lack of well-being, and few possibilities of achieving sustainable livelihoods in the future.

The assessment has also identified male underachievement at school, which can be linked to petty crime and alcohol abuse, as a potential source of future impoverishment even if it is not directly linked to poverty at the moment.

Based on the above, the principal conclusions are that poverty in Anguilla:

- ? is much lower than it was in the recent past;
- ? is not particularly severe at present – most poor households enjoy a reasonable standard of living, own their property, have good access to education and health services and have at least one person in employment. Additionally, the poverty gap is low as is the Gini index of income inequality. Lack of employment *per se* is thus not an important characteristic of poverty in Anguilla at the moment;
- ? is not homogeneous in that it includes a mix of very different sub-groups, e.g. one parent families, the elderly living on their own, the working poor;
- ? is likely to fluctuate with the fortunes of the tourism sector;
- ? extends into indigence/ severe poverty for only about 2% of households; and
- ? involves social issues such as teenage pregnancy, domestic violence, male teenage dropouts that lead to a pronounced lack of wellbeing and could lead to impoverishment in the future. These are however the issues that are causing increasing concern throughout the Caribbean, the USA and much of Europe.

3.7.2

The Causes of Poverty in Anguilla

(a) Current Poverty

The heterogeneous nature of the poor on the island means that poverty in Anguilla has several causes:

- ? Inadequate wages: in a situation where employment is high, inadequate wages rather than lack of income will be a major cause of poverty. In this context, it

should be noted that neither the poverty gap nor the Gini coefficient indicate an exceptionally unequal distribution of income. Whilst below average education levels amongst the poor are partly the reason for their current manual and service sector occupations, the fact remains that low paid jobs will always be present to some degree or other;

- ? No or little income-earning potential due to age, disability, sickness allied to the absence of either government or family-based safety nets which could raise them above the poverty line. This often results from family fragmentation whereby elderly parents are less likely to remain in the same house as their adult offspring and be cared for by them;
- ? Male absenteeism: in the Anguillian context of unstable conjugal unions and significant male migration, family separation is not uncommon. In the event that male-female partnerships, even marriages, terminate women are often left with the burden of heading households and raising children single-handedly. The resultant family fragmentation is often a major cause of poverty. The laws and court system in Anguilla provide for child support, but this is often either not forthcoming because fathers have migrated and their whereabouts are unknown, or because the amount received is inadequate²². Women in poverty with heavy child rearing and socialisation obligations may find themselves trapped in violent relationships in their efforts to find income support. Victimization by the perpetrator along with the social stigma and blame for the victim and the absence of policy interventions to break the cycle, has a demoralising effect on women's mental health and on the welfare of the children and family life in general; and
- ? Teenage motherhood is often an integral component of single parent families. The evidence is that teenage pregnancy (measured as a proportion of that age group who are mothers) in Anguilla is increasing. Again support from the male concerned is often unavailable and the welfare of the young mother and child depend primarily on family support, in particular from her mother. Even when teenage mothers do return to school, the records show that they seldom

²² The situation is exacerbated by the lack of staff resources with the Social Development Department to administer the child support system. See Chapter 4.

excel. This limits their employment opportunities and could make them dependent on social welfare at an early age.

Throughout this assessment, it has been stressed that poverty is not only due to lack of income but also to lack of wellbeing. In the Anguilla context, the main reasons for lack of wellbeing are not the absence of basic needs (e.g. water, poor housing, access to health and education) but the family-related situations described above. Often lack of wellbeing and income go hand in hand, but not always. Even if households affected by these problems are income-sufficient at present, they are likely to suffer from psychological pressures. Several women, in particular those who have been victims of domestic violence and/ or are solely responsible for raising their children, report feelings of low self-esteem, depression and suicidal tendencies. The poor elderly, especially those living alone and in relative social isolation, also experience loneliness and depression, with several fatalistically '*waiting to die*'.

Lack of wellbeing is also experienced by some migrant households who feel that they are discriminated against in the workplace (as can be lower paid Anguillian workers), the housing market and by the uncertainty of their residential status.

The causes of poverty given above, which are frequently not mutually exclusive, give rise to the following policy implications:

- ? the need to review current safety nets (especially public assistance) which provide for those households with little or no potential for gainful income, e.g. the aged, the infirm and single parents;
- ? the need to tackle the issues which give rise to unstable family patterns: single parenthood, domestic violence, teenage pregnancy, drug abuse. In particular, there is a need to reform existing patriarchal attitudes to women and to increase male responsibility for their offspring;
- ? the need to consider policies which raise the incomes of the lowest paid and/or reduce their costs of living;
- ? the need to examine ways to assist the unemployed to gain employment; and
- ? on humanitarian grounds, never mind the importance of the migrants to the Anguillian economy, steps should be taken to ensure that migrants are not

discriminated against in terms of access to government services, especially those relating to employment protection.

(b) Future Poverty

The principal determinant of future income poverty in Anguilla will be the health of the tourism sector. Without growth in this sector, unemployment will increase and government revenues will decline, making it difficult to sustain current education and health policies and to combat the social issues described above. This is not to say that every attempt should not be made to develop other forms of economic activity but that these are, in the foreseeable future, unlikely to provide more than small contribution to overall economic health.

The other determinant of future poverty in Anguilla will be the trend in the family-related problems described above. There is much evidence that family poverty is cyclical. As the education, health and welfare of children are affected so poverty is passed from one generation to the next – today's dropouts will be the poor of tomorrow. This cycle is not however inevitable as the dramatic reduction in poverty in Western Europe over the last 100 years clearly shows.

These social problems are by no means typical of Anguilla. They are to be found throughout the Caribbean as well as in Europe and the United States, often in more acute form (e.g. drug abuse and teenage dropouts). However perhaps the most dominant trend is family fragmentation (or household fission as it is sometimes called). The trends towards the elderly having to fend for themselves as their children move away and to increasing single parenthood or serial monogamy are probably irreversible. If this is accepted the emphasis needs to be on:

- ? tackling those issues that can be addressed such as teenage pregnancy, domestic violence and drug abuse;
- ? developing and putting in place policies and programmes to ensure that:
 - the elderly on their own do not end their days in penury,
 - single parents and their offspring are not caught in a cycle of poverty.

4 Institutional Framework for Poverty Reduction

4.1

Overview

This Chapter describes the activities of Government and non-government institutions and agencies in Anguilla involved directly or indirectly with poverty reduction and support to vulnerable groups. The institutions and agencies covered included those active in supporting economic development by improving the human and infrastructure capacity of the country as well as those addressing health, education, social issues and the provision of safety nets for the poor.

This Chapter has been prepared on the basis of discussions with representatives of the institutions, activity statements prepared by the agencies themselves and reviews of available reports and statistics.

Section 4.6 contains an overview of these activities in terms of the main sub-groups of the poor identified in the Chapter 3 so as to indicate those areas where improvements could be made in order to strengthen their poverty reduction focus.

4.2

Development Institutions

Poverty reduction over the long term involves the creation of sustainable employment and income earning opportunities (i.e., economic development) for all Anguillians. A number of institutions have instigated programmes to assist in economic development. These are outlined below.

4.2.1

Development Planning Unit, Ministry of Finance, Economic Development, Industry and Commerce

The Development Planning Unit acts as the focal point for the coordination of development assistance and also provides advice and support on planning and policy issues. While the Unit is generally aware of the issues surrounding poverty and its reduction, the limited number of personnel means that there is no direct focus on the goal of poverty reduction. In its submission to this report, the Unit recommended establishing an agency with a mandate to deal with poverty issues.

4.2.2

Anguilla Development Board (ADB)

The ADB is a statutory body established in 1978 to “stimulate and facilitate sustainable national development by providing financial, entrepreneurial and technical assistance and by forging an effective partnership within the community.”

The ADB provides financing for housing and education as well as to businesses in the tourism, fishing and agriculture sectors. These sectors were selected to assist low income nationals achieve and sustain higher living standards.

In 1994, the ADB established its Small Enterprise Development Unit (SEDU) to encourage entrepreneurialism by providing consultancy and management training to existing and potential businesses and self-employed Anguillians. Groups targeted are:

- ? potential entrepreneurs including school leavers, women and the handicapped; and
- ? existing entrepreneurs including craftsmen, mechanics, fishermen, boutique owners, bakers, boat builders, carpenters, poultry and crop farmers, hotel owners and hair dressers.

From January through August of 2002, the ADB approved 9 micro and small enterprise loans totalling EC\$188,500. Of these, five loans went to the fishing and agriculture sectors while the other loans went to the retail sector.

The ADB also manages the Economic Diversification Fund (see below).

4.2.3

Economic Diversification Fund

The Economic Diversification Fund is a new programme operated by the ADB and funded by the Foreign and Commonwealth Office. The fund will extend over three years, with the first year's funding to total EC\$600,000.

Guidelines for the administration of the Fund were discussed with the Ministry of Finance, Economic Development, Industry and Commerce, the ADB and representatives of the Tourist Board, Farmers Association, Department of Fisheries

and Marine Resources, Department of Agriculture, Anguilla Hotel and Tourism Association and the Chamber of Commerce and Industry.

The lending policy is to give priority to non-traditional projects that will:

- ? reduce imports and minimize the outflow of foreign exchange;
- ? increase exports and foreign exchange earnings;
- ? generate employment; and
- ? provide linkages within the economy.

The areas of lending will include fishing, agriculture, arts and crafts and the trades.

Loan applications are to be evaluated by a selection panel that will include a representative of the sector in which the project is to be undertaken (e.g., the Director of Agriculture will sit on the panel evaluating a loan proposal for the agriculture sector).

Interest rates on the loans will be in the range of 4 – 6% (well below commercial rates). Loan amounts will be from EC\$4,000 to \$40,000 with a maximum length of 10 years. Loan applicants are required to provide at least 5% of the value of the loan in terms of collateral.

4.3

4.3.1

Health

Programmes and Policies

There are no specific health programmes for the poor and vulnerable as these groups are incorporated into all primary and secondary health services provided in Anguilla. The Primary Health Care Department (PHCD) comprises several units which offer a range of programmes within Community Nursing, Environmental Health, Dental Health, Health Education, Community Mental Health and Nutritional Services. The PHDC has acknowledged the link between poverty and ill health and has made community services either low cost or free of charge. No fees are charged for Health Education, Nutrition or Community Mental Health programmes. Fees at health centres and the dental clinic are highly subsidized.

A compulsory national health insurance scheme does not operate in Anguilla thus secondary medical treatment (such as services at the Princess Alexandria Hospital)

are not free but are highly subsidised. User fees recoup only about 12% of the total recurrent expenditure for health.

The level of medical services provided in Anguilla is such that it can cope with most but not all health cases. Anguilla is reliant on overseas medical care for some trauma cases and treatment of chronic illnesses and some long term illnesses (such as rare forms of cancer). Trauma cases requiring specialist care must be flown overseas for treatment. Some families without insurance can have their entire savings depleted by one accident. For example the cost of an air ambulance alone is around US\$7000 without the added costs of surgery and hospitalisation. Many routine screening and diagnostic tests are also not available through the Anguillian public health care system (for example mammography, MRI, Cat-Scan, EEG etc) and with a small population the cost of procurement of such equipment is not cost effective. Such patients must therefore go to private clinics or overseas to access these services. Although, according to the SLC, 36% of Anguillians have health insurance, others do not making them liable for medical fees should a chronic illness develop or overseas treatment be required.

Access and affordability have been identified by PHCD and NGOs as the key health care issues for the poor. Those Anguillians who cannot afford medical services can apply for a Medical Exemption Card through the Department of Social Development. Criteria apply and non-residents or non-belongers are not entitled to such an exemption. In many cases, applications are refused given the government's limited resources to finance all requests. The application process also takes time with many families and trauma victims unable to wait for the application to be processed.

It is acknowledged that despite low medical fees and the provision of the Medical Exemption Card, there are still some people who "fall through the cracks". The SLC indicated that poor households are more likely to contain persons who are disabled, diabetic or hypertensive and are thus more vulnerable to illnesses requiring long term or overseas medical treatment; the elderly are especially vulnerable.

There are concerns within the PHCD that low fees are impacting on services able to be provided and any reduction in fees would further compromise "an already

ailing system”. Representatives of immigrant groups consistently raised the fact that services were neither free nor subsidised for non-residents or those with “non-belonger” status. Some medical services cost double for immigrants – for example purchasing of prescription drugs.

Recent surveys particularly the 2001 Census and the National Adolescent Health Survey 2002, indicated a reliance on primary and secondary health services within Anguilla, both private and public. Only a minority use medical services overseas – according to the 2001 Census, 13% had used a private doctor overseas and 6% had visited an overseas hospital or clinic. The role of health care facilities in Anguilla, now and in the future, is therefore crucial to the health and wellbeing of Anguillians.

Other services offered by PHCD which have contributed to poverty reduction are the Expanded Programme for Immunization which offers free immunization for children and the free Dental Programme for School Children. Family Planning services are also free however they are not being highly accessed by women at present. For instance, evidence suggests that only half sexually active teenagers currently use contraception.

4.3.2

Effectiveness of Policies and Programmes

Assistance provided by the United Kingdom to Anguilla is shifting from grant financing of government and infrastructure to capacity building and institutional strengthening. This is recognised in the 2001 budget address which is entitled “paying our own way”. It is consequently more likely that health services will be unable to continue to be subsidised to the extent which they are now. This will have an impact on all health programmes in the short to medium term.

No national health insurance scheme exists although there is some support that such a system would improve problems of access and affordability. The Government of Anguilla has begun investigating the possibility of instigating such a scheme. Whilst a national health insurance would address funding the national health services there would still be a gap for funding overseas medical treatment. Given the costs associated with chronic illness and trauma cases catastrophic health insurance may also need to be investigated.

The budget (2001) indicated continuing support for the Health Sector but with more autonomy than before. New programmes for the health sector include:

- ? conversion of the Secondary Health Care Department at the Princess Alexandria Hospital to a statutory health authority thus enabling the Authority to have more control over budgets and services provided;
- ? expansion of mental health and psychiatric services;
- ? development and refocusing of Environmental Health; and
- ? improvement of coverage and the quality of solid waste disposal services.

The morbidity and mortality information able to be obtained does indicate that Anguilla experiences problems similar to any westernised country. Health concerns relate to diet (high cholesterol/high sugar content) and societal issues (stress, drugs, violence) rather than environmental health problems (poor water supply, contaminated water supply) or lack of food. Past health programmes have been successful in improving the health and life expectancy of Anguillians. Programmes are moving towards preventive measures rather than remedial but funding support for secondary health services will still be required.

4.3.3

Environmental Health

The PHCD also has responsibility for Environmental Health matters. The Environmental Health Unit is responsible for food hygiene, waste management, vector control, water quality control (cisterns), environmental sanitation, beach and roadside cleaning and provision of low-cost sanitation services. The Water Laboratory, also forming part of PHCD, is responsible for treating and testing of groundwater. The two main aquifers supplying the island are located in the Valley and comprise 70% of groundwater resources for Anguilla. There are no rivers on the island hence maintaining groundwater supplies and harvesting of rainwater is of vital importance. Desalination plants also exist and provide additional water supply.

Water quality is good although the cost of installing cisterns and recently, refilling them, has been raised as an issue. The privatisation of the Anguillian Water Authority has led to an increase in costs of potable water supplies and anecdotal evidence has indicated that the poor are experiencing problems in purchasing a

reliable water supply. Standpipes in some areas have been removed and some households now are fetching water some distance away or are reliant on neighbours to assist in providing limited water for household use.

All sewage and wastewater is treated and disposed of on-site as no sewerage system exists on the island. The most common form of sewage treatment is septic tanks (81%) and soakaways /pit latrines (13%). Some package plants exist but are mainly used by hotels and commercial establishments.

Domestic refuse collections occur twice weekly and refuse is disposed off in a landfill site on the island.

No specific environmental health programmes exist for the poor and vulnerable although the Social Development Department are investigating the provision of 1000 gallons of potable water per month free of charge to those receiving public assistance given the concerns about the cost of water supply. Many of the environmental health programmes are preventive and thus have benefits to all Anguillians. The on-going implementation of environmental health programmes is important to ensure water, food and air quality remains high.

4.4

4.4.1

Education

Programmes and Policies

The Department of Education has been systematically implementing the Education Development Plan 1999 – 2004 – the second of its 5-year plans. This Plan encapsulates the Government’s education mission statement which is to “...provide quality education services through highly motivated and competent educators, to produce loyal, knowledgeable and skilled citizens of sound character, empowered to function effectively in a rapidly changing technological society”. The government also reinforces its commitment to education for all and a right to education. The five components of the Education Development Plan are:

- ? Access to education - improving physical access, increasing socio-economic accessibility to education, and opening avenues for accessing Adult and Continuing Education;
- ? Administration and management – refocusing the structure and strengthening administration capabilities within the Ministry and Department, strengthening

management and administrative capabilities within the schools, establishing school boards, monitoring and evaluating performance, and improving school discipline and welfare;

- ? Curriculum Development – curriculum review and renewal, developing new curriculum for pre-school, expanding English as a second language (ESL) programmes, IT for primary schools, reviewing and developing secondary education system, developing special needs education, and improving curriculum evaluation process and testing of standards;
- ? Human Resource Development – administrative and management capacity improvements through experiential learning, improving the quality of teaching, and strengthening initiatives in Adult and Continuing Education; and
- ? Alliances within the Community – strengthening linkages with private and business sectors, strengthening relations with the media, maintaining positive parent/community participation, strengthening relations with private schools, and maintaining international, regional and national relationships with agencies concerned with education.

The 2001 budget address prioritised expenditure on education programmes both within and outside the 5 year Development Plan such as completing Campus B of the Alben Lake-Hodge Comprehensive School as well as instigating the establishment of governing boards and boards of management in secondary and primary schools.

Secondary education follows the comprehensive model. All children reaching 12 years old are automatically transferred to secondary school. This has influenced the types of programmes now offered at secondary school. The only secondary institution – the Alben Lake-Hodge Comprehensive School - has expanded its education programmes from academic and sixth form studies to also include pre-vocational and special education programmes. This reflects the concern that adolescents, especially males, were under-achieving in CXC exams and not completing high school when the focus was on academic subjects.

The Education Department also has responsibilities for other aspects of educational welfare including deviant behaviour, remedial reading, special needs,

school health and educational psychology. The remedial reading (Reader Recovery) programme has been in place for 12 years and has largely reduced the problem of illiteracy except among those with severe or moderate learning difficulties. From discussions, it appears that truancy ranges from 10 to 15 students a year (for primary and secondary schools). This represents less than 1% of the total school population. With regard to other aspects of educational welfare, there are monthly meetings with the Social Development Department. Essentially only a handful of cases are dealt with, often associated with particular families and inter-generational learning difficulties.

Education is open to all those living in Anguilla. According to the Education Department there are perhaps around 50 Dominican Republic children in school – the older of these have a high incidence of reading difficulties due to their speaking Spanish at home. Teachers with TEFL would be able to assist in overcoming these constraints but there is a shortage of such teachers. The Education Development Plan is responding to this need and is establishing an English as a second language programme. Younger children have less problems with language as they are able to pick up English far quicker.

No tertiary education facility exists in Anguilla however access to distant learning facilities is offered through the University of West Indies. Most tertiary education is obtained either in the USA or UK where tuition fees and living expenses are high.

Adult and Continuing Education (ACE) is being promoted by government policy. A recent State Paper on Education Policy outlined the governments' intentions with regard to ACE by stating its commitment to offering education services for those who did not complete formal school training thus providing access to literacy and numeracy programmes, providing opportunities of acquiring skills for life, and providing more opportunities to develop a sense of Anguillian cultural identity and national heritage. In this context ACE officials are currently reviewing and developing curricula across a spectrum of education programmes incorporating vocational, leisure and academic courses to assist in the social, educational and economic development of Anguillians. The range of the programmes being developed addresses skills training (such as IT, auto-mechanics, carpentry and hospitality), personal enrichment (for example parenting skills, managing time and money, music, foreign languages), academic upgrading for pre CXC and CXC

subjects, and citizenship education (for example local history, functions of government).

The SLC has indicated that poor households are more likely to contain adults who did not complete secondary or high school. The new ACE programmes will be of vital importance to such Anguillians and the revised curriculum (moving away from just academic courses) is likely to be more appropriate to their needs; careful monitoring will provide an assessment of their effectiveness. There may also be the possibility of linking with courses offered through the Anguillian Development Board (as outlined above) thereby avoiding duplication.

4.4.2

Effectiveness of Programmes and Policies

All programmes instigated by the Education Department affect those living and studying in Anguilla. Vulnerable groups (for example those with learning difficulties, those with English as a second language, disabled) are assisted by the mainstream programmes and, particularly, by Special Education Needs services. No programmes specifically target the poor (e.g. assistance with school meals or textbooks). The implication is that the level of poverty is not so high as to justify such programmes – a conclusion borne out by the data presented in Chapter 3. However, according to the Department of Education, four programmes have been established within the Anguilla Five Year Education Development Plan which are related but not directly associated with poverty alleviation:

- ? reinforcing assistance given to disadvantaged and vulnerable children under a socio-economic umbrella;
- ? enhancing pastoral care with the aim of improving relationships between the home and the school;
- ? fostering and promoting health within schools; and
- ? focusing on providing on special education needs.

Free and compulsory education for primary and secondary levels has had a major effect on education levels within the working age population. With nearly 100% of the 20 to 24 year age group having attended high school, Anguilla compares well with most developed nations across the world. The outcomes of expanding the secondary school curricula beyond purely academic subjects into pre-vocational

subjects has not as yet had a significant impact on education statistics and thus will require monitoring over time.

The higher levels of education obtained in recent years are likely to impact on the types of employment sought by school leavers and those with tertiary education and those intent on obtaining tertiary qualifications. If there is a mismatch between educated working age populations and types of employment available, better educated Anguillians may emigrate; meanwhile, Anguilla may remain reliant on immigration to fill certain technical and managerial positions (as happens at the moment).

Anecdotal evidence indicates that school leavers are disinclined to take up low wage low skilled employment. Conversely non-belongers have indicated that preference is given to Anguillians for professional posts even if the non-Anguillian is more qualified. The emerging labour market in Anguilla is focusing on the service sector and thus may absorb those with higher academic skills/ achievements but achieving a balance in employment opportunities will be vital to ensure a “brain drain” does not occur.

4.5

4.5.1

Support Services and Safety Nets

Social Services Department (SDD)

(a) General

SDD is the core government agency responsible for strengthening and maintaining strong family relations, supporting the strengthening of community institutions as well as implementing community development programmes. This Department has close links with the Education Department, Primary Health Care Department and other organisations tasked with identifying and alleviating poverty for households, adults and children.

Table 4.1 outlines the types and level of incidence of social welfare issues dealt with by the Department of Social Development. These statistics and discussions with Social Development officers and others identify the main poverty and social development issues as being related to: unemployment, particularly amongst school leavers and young adults, mothers who are head of households, teenage pregnancies, families where there are multiple paternity issues within one family and where child maintenance is difficult to obtain. It was considered that low incomes

related to these social problems have a knock on effect on the lifestyle of these families including lack of variety of food and poor nutrition, greater susceptibility to illness, lack of security, material and social deprivation, reduced access to education, poor housing and lower self esteem.

Table 4.1 Social Welfare Statistics – Reported Cases, 1994-98

TYPE	1994	1995	1996	1997	1998
FAMILY PROBLEMS	215	405	463	642	165
MARITAL PROBLEMS	245	270	327	489	81*
FOSTER CARE	13	21	27	34	5
CHILD SUPPORT	165	170	215	260	111
TRAUNCY	54	58	50	42	13
JUVENILE DELINQUENCY	42	56	60	73	37
CRIME BY YOOUTH (<16YRS)	6	29	38	54	9
CHILD ABUSE	15	18	10	16	23
RAPE AND SEXUAL VIOLENCE	1	2	5	3	-
INFIRMARY ADMISSIONS	9	18	15	19	9
DIVORCE	12	10	15	20	7
MEDICAL TREATMENT OVERSEAS	18	6	15	20	28
SOCIAL ADMISSIONS	6	3	8	10	3
CHILD MOLESTATION (<15YRS)	1	2	4	4	2
ADOPTION	3	3	5	4	3
TEENAGE PREGNANCY	25	24	24	23	29
HOMELESSNESS	5	37	20	20	8
DOMESTIC DISPUTES	49	103	185	115	60*
BURIAL OF DESTITUTE PERSONS	11	13	18	14	17
BURNT OUT FAMILIES	4	2	2	3	-
PSYCHOLOGICAL REFERRALS	19	11	6	11	8
MISCARRIAGES	0	0	0	2	-
MEDICAL EXEMPTIONS	362	352	420	422	446
TOTAL	1280	1613	1932	2300	1064

Source: Social Welfare Department (now Social Development Department)

* Figures do not reflect the true count of cases reported. 1999 data is not presented as much of the data was lost during the flooding caused by Hurricane Lenny

The statistics indicate that family and marital problems, child support and domestic disputes comprise around a half (53%) to two thirds (66%) of the reported cases dealt with by Social Development between 1994 and 1998. The other key significant social welfare matter was medical exemption cases which ranged between 28% to nearly 42% of total cases.

(b) Programmes

The Social Development Department (SDD) administers a range of programmes specifically geared to addressing poverty. Key programmes are as follows:

Public Assistance is administered for all “poor and destitute persons” as defined by the Hospital and Poor Relief Act, 1949. A grant of EC\$200 per month is payable under this programme to persons who are unable to maintain themselves due to “old age, sickness, disease, infancy, bodily infirmity or mental incapacity.” At present, 234 people receive full Public Assistance with 58 of these being children; the remainder are mostly elderly. Applications are processed by the SDD but due lack of resources only a limited investigation of applicants can be undertaken. Applicants for Public Assistance have to submit information about their income and assets (with savings of up to EC\$5000 allowable). In the main those receiving Public Assistance are destitute due to lack of income, savings and family support. Decisions on applications are made by the Poor Law Board which includes representatives from each geographical part of the island. There are no criteria for the selection process other than those specified in the 1949 Act. This has led to charges that the process is rather arbitrary. There has also been criticism in the past that Public Assistance had been a source of political patronage especially at election time. A major vetting exercise of recipients of Public Assistance occurred in 2000/01. The list was reduced from around 550 to 234 due to people either not re-applying or being refused. An objective of SDD is to produce updated criteria/regulations to make the selection process more transparent and efficient but there is no fixed timetable for this to be completed although SDD has indicated that this should be prioritised due to the large number of applications related to the unemployed and child maintenance which fall outside the current law.

Subsidised Water: SDD are currently negotiating with the Anguillian Water Authority to provide free the first 1000 gallons of water to each household currently the recipient of public assistance. The privatisation of water has increased costs such that those receiving public assistance cannot afford to pay full commercial rates.

Medical Exemptions Cards: SDD administers applications for exemptions from medical expenses. Medical Exemption Cards entitle the recipient to either 50% or 100% exemption depending on the circumstances. A similar selection process as for Public Assistance is used with the Poor Law Board ultimately deciding on applications made. A request from the applicant's doctor must support the application. Currently 72 people receive Medical Exemption Cards. Those receiving medical exemptions are also eligible for Public Assistance. .

Child support: SDD also administers the child support system. It receives money from absent parents including those living abroad (generally fathers) and pays this out to the child's mother. Agreements between parents are either voluntary or court-ordered. SDD 'encourages' payments of around EC\$100 per child per week. There are currently around 250 cases dealt with by SDD and this is increasing by around 1 per week. In discussions with SDD officials this task was considered resource-hungry and thought to detract from their primary social work functions.

Other programmes: Other financial and essential items provision is also co-ordinated by SDD. One-off assistance is provided for:

- ? purchasing essential items for persons in need such as foodstuffs, furniture and equipment;
- ? payment of hospital bills for people unable to pay (subject to a social report from a SDD officer outlining the circumstances of the situation);
- ? funeral costs for families with insufficient funds to bury their dead (up to \$5000 EC). SDD had a budget provision to cover burial costs for 10 persons per annum but this has been reduced to 6 persons, due to financial constraints;
- ? medical treatment overseas either planned or on an emergency basis (with limited medical facilities in Anguilla, there is increasing pressure to fund

overseas hospital treatment; this is a drain on the Social Development Dept. budget);

- ? power of attorney for persons who are incapable of being fully responsible for their own finances; and
- ? co-ordinating the activities of benefactors (sponsoring families in need, assisting with education costs etc) which is done, as far as possible, on an anonymous basis.

(c) Assessment

SDD is concerned with the long term effectiveness of its poverty reduction programmes. Firstly, SDD struggles with under-resourcing. There are 6 fieldworkers, 4 of whom have some social work training. Resourcing issues are exacerbated by having to deal with increasing numbers of cases which are not considered to have a strong social welfare basis, e.g. requests for overseas medical treatment and overseeing child maintenance and support. The lack of field staff has also meant that there is no adequate means to collect statistical data. SDD officers therefore do not have a clear understanding of the effectiveness of the assistance programmes and whether these activities are actually reducing poverty.

Concern was also raised that poverty reduction was mostly being dealt with in the form of immediate tangible aid. The short-term “sticking plaster” approach was not considered to have an impact on reducing poverty on a long term basis primarily due to its failure to address the root cause of the situation of the poor and vulnerable. This approach did not facilitate a proper assessment of a person’s needs. Once the immediate problem had been dealt with no monitoring of the outcomes occurred.

The third concern was the politicisation of the provision of public assistance that has generated high expectations by some sections of the general public of having their requests met. Others have become accustomed to seeking personal political intervention to facilitate requests. This makes it difficult for SDD to identify and then target longer-term poverty needs.

SDD indicated that few if any immigrant/ non-belonger families use their programmes because of the lack of dependents in non- belonger families, high rates

of employment and the social/ community support systems which operate within these groups. In discussions with representatives of immigrant groups, different reasons were given which primarily related to an understanding that they were not entitled to SDD programmes. Further, cases were cited where immigrants and those with non-belonger status were turned away from seeking help or were treated diffidently or brashly by government officials. Although SDD has indicated that programmes are available to those with belonger and non-belonger status there is a strong perception within immigrant groups that this is not the case. Information dissemination or round table discussions between government officials and immigrant representatives could assist in overcoming current perceptions.

Some activities suggested by SDD which could to redress the above concerns include:

- ? provision of programmes geared to money management, debt management, household budgeting and living on limited incomes that could offer self help and assistance for people to control their own finances and manage on low incomes and equip people with a life tool to help them help themselves;
- ? a means to identify the most needy and vulnerable households so that actions and programmes could be better targeted to those households and the programmes could be better designed to meet their needs; and
- ? those who receive Public Assistance and other financial assistance should have a designated worker to assess overall needs – health, housing, childcare etc and make appropriate referrals to the other agencies where necessary.

4.5.2

Social Security Authority

Social security was established in Anguilla in 1982 and is co-ordinated by Social Security Authority. Funding of social security is via mandatory contributions for all those employed in the private sector and within government. Contributions from gross salaries are 5% from the employer and 5% from employee up to a maximum of EC\$5,000 per month. Currently those who are self-employed are not compulsorily required to contribute but this will change on 1 January, 2003. Many employers offer pension provisions above that provided by social security; personal pension plans also exist. Information in the 2001 Census indicated that over half

of the population had life and/or health insurance coverage (57%) but this figure was lower (40%) for the self employed (as low as 40%).

Until recently, social security was provided only for those who have made contributions. Benefits are provided for sickness, maternity leave, older age pensions, survivors benefits following the death of the main income earner, funerals (lump sum) and disability (only if the beneficiary has a history of working). Benefits reflect the contributions made; payments are not means tested. A Social Welfare Contributions Fund exists which contains 3.75% of total contributions obtained each year and is used for health, education (such as environmental education camps) and sports projects.

Whilst social security works well for those who have contributed and are entitled to benefits there are gaps for those outside the system. For example there are some current employees and older residents who were unable to contribute to pension funds within the social security system as it did not then exist. Anyone unable to make contributions cannot receive programme benefits; such people are thus reliant on Public Assistance. As of late 2002 however, all Anguillians aged 68 years or over and receiving Public Assistance are eligible for a non-contributory pension of EC\$200 per month (this is the same level as public assistance). Those not on public assistance are expected to receive this benefit in 2003.

Persons working part time and not able to make maximum contributions could be financially vulnerable during illness or upon reaching retirement age. Social Security officers identified potential problems in obtaining contributions from the self-employed given the difficulty in clearly identifying their salary (which may vary depending on work available and seasonality factors). Difficulties in gaining contributions from those working illegally or for "cash in hand" also exist.

In discussions with immigrant groups there is also a perception that benefits, specifically pensions, could not be obtained once the contributor left the country. The Social Security Authority has indicated that this is not the case and that benefits are being paid to some recipients after they have left Anguilla. Again however the perception exists and currently no information is supplied to immigrants/ non-belongers informing them of their rights in this regard. The Social Security Authority is hoping to clarify this situation by signing an agreement

with the government that pension benefits can be received no matter the nationality or location of the beneficiary.

4.5.3

Non-Government Organisations (NGOs)

NGOs are also actively involved in social welfare and development. Primarily focusing efforts on youth and the elderly, church groups such as the Seventh Day Adventists, St Vincent de Paul, the Christian Council (representing a range of church groups and acting as a lobby group) provide financial assistance, home visits and pastoral care to the elderly and organise youth activities and personal development programmes. In discussions with representatives of the various church groups most effort and support was provided to those “who fell outside” of government welfare systems. The elderly were considered particularly vulnerable in this regard with assistance needed for on-going home care, cash for food, household bills and medical treatments as well as social interaction – the provision of a “listening ear”, reading and arranging for social outings and the like. The Seventh Day Adventists and St Vincent de Paul assisted 25 elderly persons (combined) with regular care (day to day to weekly visits) and many more via less regular activities. In most cases the beneficiary was referred to them via a relative or concerned neighbour.

Other non-government institutional support is provided by:

- ? the Optimists Club and Soroptimists which specifically support youth activities and mentoring programmes and the provision of a child care centre;
- ? the National Council of Women who assist women with home employment (dress-making, cooking) and generating an income;
- ? the National Trust which combines environmental improvement programmes with youth and adult education;
- ? immigrant support groups (such as Vincentians, Monserratians, and Assembly Espanol which represents residents from the Dominican Republic) which offer social support networks for fellow nationals, and occasionally offer financial support for emergency situations such as return visits to their native country and financial assistance for overseas medical treatment; and
- ? community based organisations such as Rotary Club, Lions Club, Boy Scouts and Girl Guides which do a range of fund raising and community projects.

The immigrant support group representatives highlighted the social welfare implications of non-belongers, perceived discrimination in being unequally entitled to government welfare, health and education services, the lack of clarity with tenure rights including rental arrangements, and general problems with conditions of employment abuse and not having recourse to the legal system to redress the situation. Again the perception was a lack of access to government services. It was considered that this lack of clarity had added to the financial burden of some immigrant families making them vulnerable to financial hardship.

4.5.4

Inter-Agency Co-ordination

In general there is good co-ordination between SDD, the PHCD and the Education Department. NGOs also indicated that their relationship among themselves and with government departments was generally acceptable. In discussions with officers from all three government departments and NGO representatives it was considered that social problems in Anguilla are generally comparable to those which would be found in any developed country – declining family support for the elderly, drugs, domestic violence and one parent households. No particular problems were seen as particularly Anguillian and no problems were overwhelmingly more pronounced. Two problems which were highlighted were firstly, ‘boredom’ amongst the youth – they need something to do, and secondly, lack of family support for the elderly. All indicated that poverty was thought to reduce expectations and self esteem rather than produce deviant behaviour.

4.6

Implications for Future Poverty Reduction Programmes

With the exception of the work of the Social Development Department, the NGOs and the activities related to Special Educational Needs, programmes of the institutions reviewed in this Chapter do not explicitly target the poor.

The great majority of the programmes described in this Chapter are geared to the Anguillian population as a whole. As a result of these programmes, access to primary and secondary education and to most health services is available to all. Furthermore, several of the achievements of these programmes have occurred in the last 10 or so years – both the SDD and the PHCD have been in existence for less than 10 years.

The primary reason for this situation is that poverty as such has not been perceived as serious enough to merit more pro-active interventions. This is largely borne out by the conclusions of the analysis of the current level and characteristics of poverty on the island:

- ? *the incidence of severe income poverty is very low, and the incidence of social problems revealed by the PPAs only very rarely affect more than one household in 10;*
- ? *the majority of poor families have at least one person working;*
- ? *the poor do not suffer from significantly worse access to health and education services;*
- ? *their housing and utility provision is almost always of a reasonable standard; and*
- ? *many possess durable goods typical of a modern society.*

There are currently programmes that address directly or indirectly, the majority of the problems identified in the preceding Chapter. In particular, mention should be made of the activities of SDD in general and the good level of co-ordination between SDD, the Department of Education, PHCD and the NGOs (who often act as a kind of early warning/ referral system as well as an additional support agency) relating to households in severe poverty or who, in other respects, are deemed to be at risk.

There are, nevertheless, some gaps. Some of these (e.g. the need to increase vocational/ technical skills for both schoolchildren and adults) have already been recognised and new programmes are being developed. Others, which have been identified by relating existing programmes to the problems identified in Chapter 3, are considered to be:

The indigent/very poor: Clearer and publicly available criteria for eligibility for public assistance and medical exemption cards; a revision of the level of public assistance which is currently below the adult, food only, indigence line; extension/introduction of non-financial means of support, e.g. home visits, meals on wheels (the elderly, disabled and infirm), water vouchers; and needs assessments especially for child care and employment potential.

One parent families: improved mechanisms to obtain child maintenance; and financial assistance to establish paternity.

Domestic Violence: introduction and publicisation of policies to build on the growing concern and knowledge about this issue including consciousness raising, safe houses and interagency response for victims and perpetrators.

Life management education: the introduction of 'life management classes' in secondary schools covering aspects such as sex education and contraception, family, societal and financial responsibilities, substance abuse, nutrition. These classes are seen as the primary means by which many of the social problems identified in the PPAs can be avoided in the future.

Major medical problems: introduction of compulsory 'catastrophic' health insurance.

Non-belongers: review of rights to health and welfare services

Drug abusers: introduction of specialist counselling.

Whilst these new or revised programmes are considered to be crucial to future poverty reduction in Anguilla, the contributions made by existing programmes are probably of greater importance as these provide the majority of the population with the means (good education and health) to remain free from poverty. The programmes of the Anguilla Development Board to finance and provide training for small business development also fulfil this role. The introduction of new programmes should not be to the detriment of these existing programmes.

The feasibility and desirability of these programmes will be re-examined in Chapter 6 alongside other proposals for poverty reduction.

5 Governance and Human Rights

5.1

General

This Chapter examines the governance, legal and human rights dimensions of poverty in Anguilla. It has been prepared from:

- ? a review of the Constitution of Anguilla and Anguilla's statutes²³;
- ? discussions with the Office of the Attorney General;
- ? interviews with other agencies of the Government of Anguilla; and
- ? comments received at the workshops in July and November 2002.

The substantive part of this Chapter contains a summary of the results of the review of relevant legal statutes. Volume 2 contains a more detailed review. In undertaking this review, the emphasis was on the following topics which, at the outset of the study, were deemed to have the greatest potential impact on poverty:

- ? the constitution
- ? land occupation and tenure
- ? immigration and labour
- ? public welfare
- ? family law and support mechanisms
- ? protection of children
- ? environment and natural resource management
- ? implementation of UN human rights protocols
- ? relationship between human rights protocols and poverty in Anguilla.

²³ This task was facilitated by the availability of a new consolidation, just published, and made available on CD.

5.2

5.2.1

Governance and Public Safety

Government and Constitution

Anguilla is a British Overseas Territory. The head of the Government is the Queen, represented in Anguilla by an appointed Governor. The Governor has authority over many executive functions of government, and his authority is further broadened by his power of appointment. He is responsible for the appointment of key Ministers including the Chief Minister (from the ranks of the elected members of the legislature), and two nominated members of the legislature.

Executive functions are divided between the Governor and an Executive Council. The Governor has responsibility for the public service, the judicial, legal and financial services, the police, defence, external affairs, internal affairs, passports, nationality, visas and disaster preparedness. There is no requirement for the Governor to consult with Anguilla's elected and appointed representatives on the Executive Council and the Legislature although in practice this always happens. The Executive Council (the cabinet) consists of the Governor, the Chief Minister, the Attorney General (AG), the Deputy Governor (DG), and three other elected members appointed on the advice of the Chief Minister.

The legislature consists of seven elected members, the Speaker, two ex-officio members, the Attorney General and the Deputy Governor, and two 'nominated members'. The Governor appoints the AG, DG and the nominated members. The Governor is to consult with the Chief Minister on the first nominated member and with the Chief Minister and Leader of the Opposition on the second. The process of appointment has not always been easy, with significant differences of opinion delaying or even preventing a nominated member from assuming his seat in the legislature. The elected members represent geographical constituencies.

The judiciary consists of a High Court, presided over by the Eastern Caribbean Supreme Court.

5.2.2

Constitutional Reform and Human Rights

Anguilla has a constitutional review committee that is currently holding a series of public forums on the make up of the legislature and executive, and on the human rights provisions of the constitution. Participants in the constitutional review have challenged Anguillians to develop their own view of government and human rights,

either in a continued relationship with United Kingdom or as an independent country. They draw no explicit linkage between the present form of government and any human rights or poverty-related issues.

5.2.3

Public Safety

The Royal Anguilla Police Force is responsible for law and order on the island as well as traffic control and road safety. The current focus is on community policing and developing links with other stakeholders including businesses, churches, the media, and government departments. Table 5.1 presents crime statistics over the last 6 years. Although the trend appears to be upward, this may, at least partly, be due to improved reporting

Table 5.1 Crime Statistics, 1995-2001

CRIME	1995	1996	1997	1998	1999	2000	2001	2001%
Thefts & Other Stealing	165	122	175	201	195	164	227	41%
Burglary, House & Store Breaking	138	91	102	144	159	108	206	37%
Criminal Damage	0	0	0	0	0	0	23	4%
Assault and Robbery	34	14	15	29	37	37	34	6%
Drugs	0	0	7	31	24	43	20	4%
Sexual Offence	5	9	11	14	23	6	16	3%
Firearm	0	0	0	0	0	0	5	1%
Other	0	2	7	1	13	14	21	4%
TOTAL	342	238	317	420	451	372	552	100%

Source: Department of Statistics, Police Department

The great majority (78% in 2001) of crimes relate to theft and burglary. The police consider that a substantial proportion of these crimes are committed by adolescents and young adults, many of whom are repeat offenders. The Police and the Department of Education are concerned about the link between teenagers who are disruptive in school and anti-social behaviour, juvenile delinquency, youth violence and crime outside of school. In contrast, the number of crimes involving sexual

offences, assaults or firearms are much fewer in number. The Police believe that there is a link between crime and poverty in that crime increases when the economy is performing worse.

The minor nature of much of the crime is indicated by the fact that, in the 2001 Census, only 210 people (under 2%) of the population reported having been the victim of crime in the preceding year – this is much lower than the reported number of offences.

5.3

Land Occupation and Tenure

5.3.1

The Registry System

All lands in Anguilla were surveyed into a cadastral system in 1974. The survey identified owners for each parcel. Where occupants did not have good documentation of ownership, they were granted provisional ownership, which could be made absolute after 12 years. The prescription period is relatively short, 12 years, which enhances the ability to deal with land.

Family lands are created through undivided interests by way of inheritance. The court may appoint an administrator of the estate who is entitled to divide inherited lands and give title. This can be a complex, time consuming and expensive proposition, as planning permission may be required, in addition to the legal survey work and registration costs. The cost can be a barrier to poorer families. We were told that this is not a major issue as the few poor families that own land can sell a portion to pay the costs.

Most property is acquired through inheritance. People are very reluctant to sell because they feel that land prices are high and that they will therefore never be able to buy back into the land market. Until recently there were very few sales of land. Most recently, due to a slowing of the economy, sales of land have dropped off again (see also 3.6.3)

5.3.2

Non-belonger Restrictions

Non-belongers require an alien land-holding license to hold land. It may be refused if the government believes that the applicant will not develop within a specified time frame. The government also may refuse a license on the basis of bank statements or a police report.

Non-belongers pay an annual fee of \$1200 for the privilege of renting their land. The Government is concerned about the amount of rent sometimes charged by absentee landlords to belongers and non-belongers and is understood to be considering a regulatory mechanism.

5.3.3

Rent Control

A *Rent Restriction Act* exists which provides for the establishment, by a Rental Commission, of base rents for residential and commercial properties, and for limited increases. Anguilla does not appear to have implemented the *Rent Control Act* and has not established a Rental Commission.

5.4

Immigration and Labour

5.4.1

Immigration and Work Permits

(a) Immigration Policy

Immigration Department policy is that persons who come to Anguilla be allowed to remain with legal status and a promise of a future as a full participant in Anguillian society. Non-belongers are encouraged to aim for permanent resident status, “so they can settle down, begin to raise kids, look for a future in Anguilla”.

The policy is controversial, because permanent residence would entitle many persons to citizenship under the British Nationality Act.

The policy extends to persons on Anguilla illegally. The majority of these ‘illegals’ are believed to have arrived in Anguilla legitimately and then remained on the island following the expiration of their work permit. As a result, there is a recognition that many illegal residents are in that situation from circumstances not of their own doing, especially if they have acquired another job. The majority have been working and thus contributing to the economic development of the island. The government is considering an amnesty period in order that they can regularize their status.

Anguilla is trying to facilitate integration of non-nationals into Anguillian society, we were told. For example, Anguilla would assist a labourer who wants to bring his family. He should bring his children so they can go to school as long as he can find accommodation and there is space available in the schools. The policy is to keep the family unit together irrespective of whether they are a lawyer, a labourer or a maid.

As another example, if a work permit expires, and persons have established themselves, Anguilla will give extensions until the person can find another employer, and will try to facilitate the search for employment.

(b) Non-Belongers in the Work Force

Non-belongers require work permits to work lawfully in Anguilla. Work permits are for one year and are renewable indefinitely. Work permits are specific to one employer. Proposals to limit the total time under a work permit to 4 years or less are under consideration.

Although non-belongers are found throughout the labour force, they are concentrated in two principal areas: low paid/ menial jobs which are not attractive to belongers, e.g. domestic and maid work; and in skilled occupations where there is no qualified belonger, e.g. teaching.

Under legislation belongers must be given preference for any position. If there are no qualified belongers e.g. in some professional and technical categories, then the employer must provide the opportunity for a belonger understudy.

The department receives complaints that employers make non-belongers pay for their work permits. Apparently some employers have been charging from \$300-\$5000 EC. On the other hand, there are concerns about fraudulent work permits.

5.4.2

Labour

(a) Industrial Disputes

Under the Fair Labour Standards Ordinance (FLSO) and the Labour Department Act the Commissioner receives complaints arising from the employee/employer relationship.

Most complaints arise from employment in hotels. Hotels are Anguilla's largest employer. Upon receiving a complaint the Commissioner researches the causes and where possible, seeks to resolve the issue by conciliation and mediation. If that fails the complainant may make submissions to the Chief Minister. If that also fails then the Minister may provide for setting up a tribunal/board. This tribunal/board has powers to make orders but they are not enforceable.

The Department receives about 75-100 complaints per year. Generally complaints are about pay disputes / discrepancies, interpersonal relationships, non payment of social security or vacation pay, or unfair dismissals. A recent issue involves payment of vacation pay to domestics employed in rental villas. In one instance a worker had been working for 10 years with no vacation pay. They are in a dispute and the department does not have a clear legal position on the matter. Another issue relates to overtime pay and results from a loophole in the current Labour Ordinance where employers can avoid paying overtime by characterizing an individual's employment as two separate jobs. If an employer requires that employee work in two separate jobs, the extra time is not legally considered to be overtime.

Interviewees felt that fear of job security deterred complainants. Most complaints however, are from belongers. Non-belongers feel that they may jeopardize their work permits if complaints are made.

(b) Unemployment

The Department does not have statistical capabilities and so does not have definitive numbers. The Department functions as an employment placement agency. It keeps records of persons placed in employment. There is no private sector employment agency. In workshops there was support for strengthening and improving the Labour Department's role as an employment agency.

(c) Minimum Wage

The current minimum wage is \$200 per week which was set in 1989. This minimum wage is not mandatory rather is a matter of 'persuasion'. The Labour Code provides for the formation of a Minimum Wage Committee which is to set a minimum wage. The legislation does not, however, make a minimum wage mandatory. .

This current minimum wage has been in existence for a long time and is considered by some to be too low. However, this amount represents around EC\$10,000 per annum which is comfortably higher than the adult poverty line (\$7,900) derived for this study. Data on monthly incomes from the 2001 Census also indicates that the median levels for most occupations are also in excess of this amount.

The FLSO provides for the appointment of a Minimum Wage Advisory Committee, which is now mandated to review minimum wage provisions. It is in a

preparatory stage, gathering data from the census reports. The only power that the committee has is to report to the Governor. The Governor's office will attempt persuasion of employers to pay the minimum. It is understood however, that the work of this committee has been superseded by the preparation of a consolidated Labour Code (see para. 5.4.3 below).

(d) Trade Unions

There are no trade unions in Anguilla and there is no collective bargaining legislation. There are staff associations representing nurses, civil servants, police, and teachers. There is a Hotel and Allied Workers Association. These associations have only limited ability to influence their working conditions and wage levels. There has been a general reluctance to have unions, but in light of some of the labour-management problems, some interviewees felt that trade unions with the ability to do collective bargaining would be beneficial.

A tripartite committee of government, labour and employees is part of a move to more openness. There are no specific moves towards the establishment of collective bargaining rights at the moment.

5.4.3

Priorities for the Labour Department

The Government is preparing a new Labour Code. The draft includes provision for a mandatory minimum wage and for severance pay neither of which is currently legislatively required. It is understood that a draft has been circulated for public comment, and that hopefully by year end there will be a draft Bill.

There needs to be concentration on enforcement particularly in cases of non-belongers. The Department will need more staff to inspect employment situations, investigate suspected non-compliance and complaints, and enforce the Code.

The Department is trying to be more proactive in the area of occupational health and safety and is conducting discussions with the Environmental Health Office.

Anguilla is also considering participating in an Organisation of American States programme funded by US Department of Labour and by the Caribbean division of the ILO to promote management/labour cooperation. This will only be possible with employee representation.

5.5

Public Welfare Programs

The *Hospitals and Poor Relief Act 1949* establishes a “Poor Law Board” whose function it is to oversee “outdoor relief” to destitute persons in the form of a cash allowance at a level periodically fixed by the Governor.

The definition of “poor” or “destitute” for the purposes of this *Act* only includes those that cannot maintain themselves “by reason of infancy, old age, illness, disease, bodily infirmity or mental incapacity”. This may exclude a potentially significant population who are not physically or mentally incapable of maintaining themselves, but are nonetheless impoverished as a result of socio-economic factors, e.g. unemployment, family breakdown.

The *Act* also provides that it is the duty of non-destitute family members to provide for destitute family members. This duty may be enforced by the Poor Law Board, on application to the Magistrate.

Shortcomings of this legislation have been described in preceding Chapters: the lack of transparent criteria, the often demeaning application process, its susceptibility to political/ personal influence, the exclusion of certain categories of poor individuals, e.g. the unemployed, single parent households.

5.6

Family Law and Support Mechanisms

The combination of the *Magistrates Code of Practice* and the *Maintenance Orders (Collection Act)* provide a comprehensive mechanism for the pursuit, adjudication and enforcement of claims for spousal and child support. The magistrate may order any amount of maintenance that is “reasonable”.

The maintenance provisions of the *Magistrates Code of Practice* are discriminatory inasmuch as they make differing provisions for men and women (wives and husbands). The Law Reform Office of the Attorney-General Chambers is embarking on a major family law revision project which will, it is understood, rectify this gender based discrimination in the statute.

5.7

Protection of Children

Under the *Juvenile Act*, Anguillian courts are to have regard for the welfare of juveniles (under 16) and are authorized to take steps to remove them from

“undesirable” surroundings. It is an offence to assault, ill-treat or neglect a juvenile in a manner “likely to cause unnecessary suffering”.

The *Juvenile Courts Act* establishes Juvenile Courts separate from the Magistrate courts. Members of the public are excluded from the juvenile court during trial.

The juvenile courts are authorized to issue orders committing the juvenile to the care of any willing adult, and to place parents and juveniles on probation. Those in whose care juveniles are placed are subject to the same liability and have the same rights and powers with respect to the juvenile’s care as parents. Juveniles who run away from those to whose care they have been committed may be apprehended without warrant by any police officer or other authorized person. Juveniles must be kept in a ‘place of safety’ while a juvenile court’s decision is pending.

When juveniles are committed to the care of a ‘fit’ person, the parents, or adult co-habitants of the juvenile’s mother are required to pay contributions towards the juvenile’s maintenance as ordered by the courts.

5.8

Environment and Natural Resources Management

Anguilla is considering legislation to conserve and protect environmental and natural resources for:

- ? national parks and protected areas;
- ? fisheries conservation; and
- ? environmental health.

In addition, the Bill for the new *Physical Planning Act* contains provisions for:

- ? environmental impact assessment for developments that may have a significant effect on the environment; and
- ? the designation of environmental protection areas “so as to sustain the local ecology of the environmental protection area”.

5.9

5.9.1

Compliance – UN Conventions on Human Rights

General

Through the UK Government, Anguilla is signatory to the following conventions:

- ? United Nations Convention on the Elimination of all Forms of Racial Discrimination, 1965 (CERD);
- ? International Covenant on Economic, Social and Cultural Rights, 1966 (ICESCR);
- ? International Covenant on Civil and Political Rights, 1966 (ICCPR); and
- ? United Nations Convention on the Rights of the Child, 1989 (CRC).

5.9.2

The Constitution

The Constitution Reform Committee of the government is currently conducting studies, public education and consultations, intended to lead to a submission to Great Britain requesting revisions to the Constitution Order 1982 (as revised in 1990). The Committee is conducting a comprehensive evaluation of Chapter 1, *Protection of Fundamental Rights and Freedoms*.

As currently drafted (but not enacted), Chapter 1 of *The Constitution of Anguilla* has extensive provisions for the protection of human rights. Section 1 states that, regardless of “race, place of origins, political opinions, colour, creed or sex” **every person in Anguilla** (emphasis added) is entitled to:

- (a) *life, liberty, security of the person, the enjoyment of property and the protection of the law;*
- (b) *freedom of conscience, of expression and of peaceful assembly and association; and*
- (c) *respect for his private and family life.*

There are protections from arbitrary confinement and imprisonment (s. 3(1)). However, the constitution allows arrests “under reasonable suspicion of [a person] having committed or being about to commit a criminal offence...” (s. 3(1)(f)). Persons under 18 may also be deprived of personal liberty “for [their] education and

welfare” (s. 3(1)(g)). Persons who are or are suspected of being “of unsound mind, addicted to drugs or alcohol, or a Vagrant” can also be deprived of personal liberty “for the purpose of [their] care, or treatment or the protection of the community” (s. 3(1)(i)).

The constitution bans “slavery or servitude” (s. 4).

Mobility, “the right to move freely throughout Anguilla ... reside in any part of Anguilla, ... to enter ... [and] to leave Anguilla” are protected for belongers (s. 5). The right to leave is subject to “restrictions ... reasonably required ... to secure the fulfilment of any obligations imposed ... by law”. A good example of this is the *Maintenance of Children Act*, under which a Magistrate may order that any person responsible for a child to remain in Anguilla.

The constitution also prohibits “torture...or inhumane or degrading punishment or other treatment” (s. 6).

Section 7 prohibits the deprivation of property without adequate compensation.

Criminal charges shall be tried “within a reasonable time, but the right to counsel is only guaranteed “at his own expense” (s. 9). Transcripts (necessary for appeals) are only available “subject to payment of [a] reasonable fee”.

Legal proceedings involving “the welfare of persons under ... eighteen” may be held in private (s. 9).

The non-discrimination provisions of the constitution do not protect from discrimination based on socio-economic circumstance (s. 1 and 13). Indeed, s. 8 limits the right to be represented in criminal proceedings to those who can afford legal counsel. Similarly, the *habeas corpus* provisions permit legal representation, but “nothing ... shall be construed as entitling a person to legal representation at public expense”. Laws that “make provision ... with respect to [non-belongers] are not constrained by this section.

5.9.3

Statute Law

Anguilla does not have any anti-discrimination statutes, nor does it have formal complaint or enforcement procedures that would allow individuals to invoke constitutional or statutory protections.

5.9.4

Policy and Government Initiatives

(a) Monitoring and Reporting

As signatory to the United Nations conventions listed above, Anguilla has prepared reports to the UK Government to satisfy obligations to report on compliance with them. Until recently, counsel from the Attorney-General chambers were responsible for preparation of these reports.

To date, the AG's office has prepared reports on compliance with the Convention on Rights of the Child. Certain reservations were made on behalf of Anguilla by the UK Foreign and Commonwealth Office.

(b) Human Rights Officer and Committee

Anguilla recently established an office of assistant principal secretary to the Chief Minister to deal with human rights, gender, and protocol. The responsibilities of this office include United Nations reporting obligations, including demonstrating that human rights are enshrined in domestic law.

The Chief Minister's office is in the early stages of setting up a Human Rights Committee. This would include a mechanism to investigate and settle complaints.

(c) Public Education

The current assistant principal secretary has initiated public education programs on human rights. The major issues covered are domestic violence and gender rights.

Anguilla encourages the formation of NGOs who lobby and disseminate information. There is a weekly program on Radio Anguilla. The principal secretary gives talks and there is a call in line. A quarterly paper, to be published as a flyer, is under preparation. There are talks at public forums, also done in conjunction with the constitutional review, once or twice per month. The media calls for radio interviews. Human rights is a big issue in Anguilla: "the top issue", we were told.

5.10

5.10.1

Human Rights and Poverty in Anguilla

General

The basic human rights most relevant to the reduction of poverty are considered to be:

- ? Right to be free of discrimination/equality before the law
- ? Freedom of movement
- ? Right to work for a wage sufficient to support minimum standard of living and to decent working conditions
- ? Right to own, trade and dispose of property
- ? Right to decent care/education for children
- ? Right to access to some system of civil litigation and criminal justice.

5.10.2

Right to be Free of Discrimination/Equality Before the Law

Anguilla does not have human rights legislation that would ban discrimination based on ethnicity, gender, etc. In the ***Strategic Country Program***, Anguilla recognizes the need to create law and institutions to protect human rights and equality.

(a) Gender Rights

Anguilla has been lobbying the UK for the extension of CEDAW (rights of women) to the Caribbean Overseas Territories. There is an expectation that the UK will allow Anguilla to accept CEDAW. Even though Anguilla has not had CEDAW, it has a good track record of protection of equality rights for women, we were told. Equality rights are enshrined in the constitution. In 1998 Government public sector reform refocused assistance to women to recognize their contribution and that women should have equal rights.

(b) Racial and Ethnic Discrimination

During the workshop and interview process, we did not encounter suggestions that discrimination on racial or ethnic grounds is a factor in the creation or reduction of poverty. Concerns relating to some non-belongers, especially those from the Dominican Republic who are subject to discrimination in terms of employment,

wages, access to health services and quality of (rented) housing was however, raised. (See Section 3.6).

5.10.3 *Freedom of Movement*

We are not aware of any restraints on movement of residents of Anguilla.

5.10.4 *Right to Work for a Wage Sufficient to Support Minimum Standard of Living and to Decent Working Conditions*

At present, Anguilla does not have the legislation to either introduce a mandatory minimum wage or for the establishment of trade unions with collective bargaining rights.

The existing, non-mandatory, minimum wage (EC\$200 per week, EC\$10,400 annually), although set in 1989, comfortably exceeds the adult poverty line of just under EC\$8,000 per annum. Additionally, data from the 2001 Census indicates that the overall median income is \$24,000 per worker, again well in excess of the minimum wage. The occupation with the lowest median income, around \$12,000, was for domestic workers.

There are also moves towards establishing links between government, management and employees. A new Labour Code is also being drafted (see para. 5.4.7 above).

5.10.5 *Right to Own, Trade and Dispose of Property*

Non-belongers have very limited property rights (See section 5.5).

5.10.6 *Right to Decent Care/Education for Children*

(a) Child Labour

The *Employment of Children Act* and the *Employment of Women, Young Persons and Children Act* (see section 5.7) protect children from exploitation. The government has presented a bill to consolidate and extend existing statutes for the protection of children. The age of consent is 16.

(b) Inheritance

In 1975/76 the Land Law Revision Act specified that all children are equal in their rights to inherit property.

(c) Citizenship

We were told that under the *British Nationality Act* children receive nationality from their mother. Hence immigrants' children born here are not necessarily Anguillian/British citizens. But under the law of the Dominican Republic, being a child of a Dominican is not a guarantee of citizenship of the Dominican Republic. As a consequence, children born of a Dominican woman in Anguilla may be stateless children. The father in Anguilla does not pass on his citizenship.

Under the UN *Convention on the Rights of the Child*, every child must have citizenship.

(d) Education

Anguilla's policy is that all children have the opportunity to be educated. The *Education Act 1974* makes school compulsory up to age 17. Primary and secondary education is free to all.

Anguilla's immigration policies encourage non-belongers to apply for and achieve permanent residency. In the spirit of encouraging stable and healthy family life, non-belongers are generally permitted or even encouraged to bring their spouse and children. However, before permission is granted for non-belongers to bring their families to Anguilla, the government will ascertain that there will be spaces in the schools for the children.

5.10.7

Right to Access to a System of Civil Litigation and Criminal Justice

(a) Legal Aid

The Anguilla Constitution has extensive provisions for the right to a fair and timely trial. However, criminal defendants must either represent themselves or provide for counsel "at *[their]* own expense".

Legal aid is only available to those charged with a capital offence. Any *pro bono* legal assistance depends on the good will of individual members of the private bar. The bar does not have any formal assistance programs.

At a recent conference of UK Overseas Territories the possibility of setting up a legal aid program was discussed. The discussion focused on public defender systems. However, the big issue is the lack of government funds. Advice from

interviewees suggests that the Anguillian government does not consider that it would have the resources to support a full scale legal aid system.

(b) Small Claims Courts

The Magistracy is the 'grass roots' level of the court system. Civil claims and family litigation by and affecting the poor will almost always be dealt with at this level.

The Magistrate's Court also deals with all lesser criminal offences.

Magistrates have jurisdiction over civil claims under \$15,000, and over maintenance applications. Civil and maintenance proceedings are commenced by a 'complaint' made to the magistrate, who issues a summons to the defendant. The summons contains a statement of the nature and amount of the claim.

As such, the court system has the potential to be user friendly to the poor. Whenever one party has a lawyer, however, it is difficult for the magistrate to redress the imbalance of advocacy skills.

There are no alternate dispute resolution mechanisms of mediation or arbitration. The Attorney General is considering alternate dispute resolution only in connection with revisions to the High Court rules.

5.11

Overview

This review of the governance, legal and human rights aspects dimensions of poverty in Anguilla reveal a generally satisfactory situation. The country is a democracy with a generally low level of criminal activity. There is little evidence that shortcomings in the legal framework are making a significant contribution to poverty or exacerbates the situation of vulnerable groups; in many key respects, the existing law provides a good basis for their protection. Furthermore, a new constitution is being drafted which will give greater prominence to human rights, as is a consolidated Labour Code which will provide a statutory basis for a non-mandatory minimum wage (at present, there is no such basis) and a more transparent and formal procedure for the resolution of labour disputes. Moves are also afoot to introduce a tripartite structure (government, employers and workers) to create a more collaborative approach to labour relations.

The most urgent requirement is considered to be welfare law. The *Hospitals and Poor Relief Act 1949* is outmoded and should be redrafted. This point has also been raised in the preceding Chapters. Recommendations in this respect are presented in Chapter 6.

Other priorities are the completion and enactment of the new Constitution, Labour Code as well as the development of a structure for employer/ employee meetings. These initiatives, if successful, should preclude the need for the early introduction of legislation relating to trade unions and collective bargaining.

In the longer term, consideration should also be given to the following:

- ? Enacting some of the provisions relating to the control of rentals under the *Rent Restriction and Rent Control Acts*;
- ? Introducing legislation that would ban discrimination based on ethnicity and gender; and
- ? Clarifying the issue of children born in Anguilla of non-Anguillian parents once they attain the age of majority and ancestry rights for those returning to Anguilla.

6 Towards a Poverty Reduction Strategy for Anguilla

6.1

6.1.1

General Considerations

International Development Goals

In the last two years, a number of International (or Millennium) Development Goals have been established by international agencies for Latin America and the Caribbean. These are shown in Table 6.1 together with the current situation regarding the attainment of these goals in Anguilla.

Table 6.1 International Development Goals

GOAL (to be achieved by 2015)	Regional average (mid 1990s)	Anguilla	Comment
Reduce incidence of severe poverty rate by 50%	12%	2%	Although severe poverty in Anguilla is very low, further reduction is possible
Achieve 100% primary school enrolment rate	94%	c. 99%	Already achieved
Achieve equal ratio of boys and girls at secondary school	Girl enrolment is around 95% of boys' enrolment.	Male secondary school enrolment is slightly lower.	Action needed to counteract trend of male secondary school under-achievement
Reduce under 5 year mortality rate by 2/3rds	38 per 1000	Negligible	Already achieved
Ensure that 90% of births are attended by skilled personnel	77%	100%	Already achieved
Access to safe water	85%	>95%	Already achieved

Source: derived from the UN's Millennium Development Goals for Latin America and the Caribbean, www.developmentgoals.org (World Bank Group).

The most important conclusion is that Anguilla has largely achieved the majority of these goals and that poverty reduction efforts in the future should concentrate on other measures to reduce poverty and improve wellbeing.

6.1.2

Objectives

Bearing the above in mind and taking into account the preceding analysis of poverty in Anguilla, it is considered that the poverty reduction strategy should have the following objectives:

- ? The promotion of economic growth and job creation.
Essential both to provide employment opportunities for the youth of Anguilla and to furnish the government with revenues that can be used to target residual poverty and identified social problems.
- ? The betterment of the conditions of those currently in poverty and helping them to achieve a sustainable livelihood through a combination of direct income support and other measures.
There will always be some households (e.g. the elderly, the disabled, some one parent families) who will be unable to support themselves and will need direct income and other support.
- ? The development of the skills and health conditions that will enable current and future households to achieve and maintain a sustainable and fulfilling life.
Basic health and education services as well as utilities (e.g. water, electricity, road access) are essential to the medium and long-term reduction of poverty. Anguilla is fortunate that the current situation in respect of these is good. Future emphasis should thus be on maintaining existing services and ensuring their affordability.
- ? The elimination or reduction of the potential causes of future impoverishment.
*Social problems have been identified in the preceding Chapters which, even if they are not directly linked to poverty at the moment, could lead to impoverishment in the future if they are not addressed. **In the Anguilla context, where overall poverty is low and the Regional Millennium Development Goals have largely been met, this objective should have greater emphasis than it would in many other countries.***

6.2

6.2.1

Potential Poverty Reduction Policies and Programmes

General

Poverty reduction programmes and policies can be divided into three general categories:

- ? Economic/ developmental: to boost economic growth and job creation, and to raise the income earning potential of poor and low income households;
- ? Supportive: to address the needs of those already in poverty; and
- ? Preventive: to prevent not poor households from descending into poverty now or in the future.

The programmes listed in this section haven been identified on the basis of the preceding analysis and from the discussions held at the November workshop between the TOC and the NAT. It should be emphasised that, at this stage, these programmes are 'potential'. In some cases, their feasibility is not proven and their desirability may not be free of controversy.

6.2.2

Economic/ Developmental Policies and Programmes

Tourism is likely to continue to be the main driver of the Anguillian economy. Over the last 20 years, this sector has expanded rapidly providing jobs for Anguillians, returning residents and migrants. Its rapid growth has enabled a major increase in the standard of living of the great majority of Anguillians and has provided the revenues that Government has needed to provide improvements in education, health and social welfare services.

Growth of the tourism sector will generate growth in other sectors in terms of jobs and income. It is thus of critical importance that the tourism industry remain strong. This requires ongoing private sector investment supported by Government action to maintain and improve basic infrastructure (roads, the airport, water, sewerage, and electricity).

Health of the tourism industry will also be maintained by good management-labour relations, increased training of Anguillians to take management roles in hotels and other tourist establishments, school curricula that stress numeracy and other skills required in the industry, and perhaps the establishment of a hospitality school.

Many tourism sector opportunities for job and income creation among Anguillians remain untapped. For example, there is a demand by tourists for crafts and other locally produced products. The Board of Tourism, the Hotel Association and retailers should be brought together with crafts organizations and other groups to

identify the types of products that could be produced locally and sold in hotels and shops around the island. This could also tie in the opportunities to sell more goods and services to the excursionists who visit Anguilla.

However, there are opportunities for job creation and income generation outside the tourism sector that may be appropriate for persons without jobs or who have few marketable job skills:

- ? There appears to be a demand for household services such as gardening, lawn maintenance, house repair, and so on that could be undertaken with little capital investment. A micro-loan scheme could be developed aimed at helping persons purchase gardening equipment and lawn mowers or ladders and power tools in order to start such services;
- ? The potential for small-scale hydroponics at the household level appears to have been proven in Anguilla; this would enable householders, even the elderly and especially the poor, to provide themselves with vegetables and other dietary supplements. Many households will require assistance in setting up and maintaining such installations, thus providing further employment opportunities. Government could provide training courses to persons wishing to provide such services;
- ? The potential for small scale agriculture (plots of 3 to 5 acres) is significant in terms of import substitution and the demand for locally grown foodstuffs by Anguillians and by the restaurant sector. The Agriculture Department should be encouraged to proceed with plans in this direction and with the development of extension services; and
- ? The potential for off-shore fishing appears to have been proven in recent feasibility studies. Plans for encouraging Anguillians to pursue opportunities in this sector should be developed. Tied in to the development of the fisheries sector is the development of the boat-building industry; Anguilla has a reputation for innovative design and quality construction of power as well as sailing vessels. Government should consider assessing how best to promote development of the boat-building sector.
- ? The potential to develop financial services is already being pursued by government. It is however reliant on regulations being strengthened to international standards. There thus needs to be a two pronged approach to

expanding financial services through government updating relevant regulations and the Anguilla Development Board, with private sector assistance, identifying and fostering entrepreneurial activities.

Other potential programmes in this category include:

- ? Strengthening the requirements of employers to train Anguillian workers to replace migrants at all occupational levels.
- ? Developing links between the unemployed and potential employers using the knowledge held by Social Development Department on the employment situations of the households forming part of their caseload.
- ? Expanding adult education with an emphasis on vocational programmes geared to the tourism and service sector. Current proposals by the Adult and Continuing Education Department include courses in IT, the building trade and mechanics.

6.2.3

Supportive Policies and Programmes

This category of policies and programmes covers a wide range of potential initiatives, each targeted at different groups of the poor. The common thread is the objective of removing poor households from poverty and of improving their social and living conditions.

- (a) Target Group: The elderly, the disabled, the sick and those with little or no earning potential including one parent families

The following potential programmes involve, indirectly or directly, income support to the poorest households:

- ? The revision/ redrafting of the 1949 Hospitals and Poor Relief Act to remove the stigma sometimes associated with receiving welfare, and to provide a more transparent set of criteria for the award of public assistance.
- ? The revision of the current level of public assistance which, at \$2,400 per annum, is substantially below the minimum amount (\$3,100) deemed necessary to provide a satisfactory diet.

- ? Strengthening of legal procedures to ensure prompt and regular payment of child support.
- ? Expanding the budget for subsidised health care.
- ? Provision of subsidised utility costs through graduated tariffs or the provision of a fixed amount of free water (currently being introduced) and electricity.
- ? Subsidised transport costs in order to provide access to medical care and schools.
- ? Establishing work relief programmes for the able-bodied poor which could link with the employment programmes outlined in (a) above.

The following two programmes relate to children in all poor households:

- ? Establishment of Education Trust Fund to assist children within poor households to continue education through financial assistance with transport costs, purchase of text books, food, uniforms/school clothes and tuition fees.
- ? Increase government subsidies for the provision of day care and pre-school education.

(b) Target Group: The working poor

These potential programmes are aimed at increasing, directly or indirectly, the income of the poor:

- ? Reduction in the cost of living through the removal of import duties on food.
Comment: import duties on food and other basics are regressive, especially in situations like Anguilla where all such goods must be imported. Their removal would require a major overhaul of Anguilla's tax regime, presumably moving to some sort of income-based tax system, which might, however, mitigate against the development of off-shore financial services industry.
- ? Institution of a mandatory minimum wage taking account of the identified poverty line (a EC\$4.00 per hour wage would equal the EC\$7,930 poverty line for an adult)

- ? Possible major changes to the labour system including establishment of trade unions with collective bargaining rights and/or the implementation of a new labour code to eliminate unlawful labour practices and to provide a means of redress to all workers, including non-belongers.

Comment: the above are controversial with little unanimity within the NAT. NAT members questioned whether such policies would frighten off existing and potential employers and reduce economic growth, whether trade unions are a fundamental human right, whether improving employment tribunal procedures could achieve some of the same results more effectively, whether the difficulties of unionising in the hotel and construction sectors were surmountable and whether employment issues for low paid non-belongers were very different from those of belongers.

6.2.4

Preventive Policies and Programmes

These programmes are primarily designed to eliminate/ reduce the incidence of poverty in the future. The most important of these are the maintenance of existing basic education and health programmes for the Anguillian population as a whole without which future generations will be unable to enjoy a sustainable livelihood in the modern world.

Within the health and education sectors, the following potential programmes are designed to improve their effectiveness and to specific issues identified throughout this report:

- ? Improvement in the teaching of mathematics within the curriculum.
Comment: current pass rates are low; the importance of IT in today's industry is such that the demand for numeracy can only increase.
- ? Enhancement of special education programmes particularly English as a second language, remedial reading programmes, TVEC, vocational educational, and literacy programmes in secondary schools (and not just in primary schools as occurs at the moment).
- ? Development of capability for training in the tourism sector.
- ? Develop programmes to improve nutrition to reduce obesity and susceptibility to diabetes.
- ? Prioritise campaigns to reduce teenage pregnancy and encourage safe sex.

- ? Improve treatment and services for drug/ alcohol abusers using specialist counsellors.
- ? Improve sanitation to those properties that do not currently have a flush toilet.
- ? Examine the feasibility of graduated health charges, and a national health insurance scheme which could be limited to catastrophic health insurance.

Potential programmes falling within the overall category of social policy are:

- ? Prioritise campaigns to reduce domestic violence.
- ? Initiate programmes to reform prevailing patriarchal attitudes including research into aspirations and needs of male adolescents and young adults.
- ? Institute courses on life skills, including sex education and family planning, personal budgeting and finance, health maintenance and parenting.
- ? Undertake a study of the implications of increasing longevity and household fission on the health care and housing of the elderly in the medium term (10 years).

Other potential programmes within this category are:

- ? Enforce building codes for safety and health standards for all rental property.
- ? Publicise rights of non-belongers stressing their vital contribution to the Anguillian economy.
- ? Draft anti-discrimination legislation related to ethnicity and gender.

6.2.5

Other Programmes

The NGOs (especially the church groups) provide a invaluable services to the poorest and most vulnerable families in Anguilla in terms of actual support and as a conduit for referrals to relevant government agencies. Options to increase this involvement could be investigated such as:

- ? Improved co-ordination with government agencies to assist with referrals, social visits, transport services (for grocery shopping medical visits, general assistance) to the elderly.
- ? Channelling government funding through NGOs to enhance their ability to provide services such as meals on wheels, and day and after school care for children.

6.3

6.3.1

Priority Actions

General Considerations

The preceding list of potential policies and programmes is comprehensive. Many of the programmes are however already in place and reflect current government policy. This should not be surprising given the progress that Anguilla has made in the last 10 years - less than 10 years ago there would not even have been a Primary Health Care or a Social Development Departments.

The Government is however currently in a budgetary deficit situation. Allied to the downturn in the tourism sector, the availability of finance for new programmes in the short-term is likely to be limited.

Any poverty reduction strategy must be financially sustainable. Policies and programmes involving government expenditure must therefore be closely linked to the overall financial situation of the government. In the current Anguillian context, this means that priority should be given to:

- ? maintaining existing programmes with a direct or indirect impact on poverty reduction;
- ? actions that do not require substantial additional government expenditures; and
- ? actions that have a major potential for reducing current or future poverty.

Bearing the above in mind, the priorities listed in the following paragraphs have been identified. At this stage, these priorities represent the considered view of the TOC and the NAT and do not necessarily reflect government policy. Priorities are listed in terms of the four main target groups although some of the proposals have significantly wider benefits.

6.3.2

The Indigent and the Vulnerable

This group comprises the poorest and most vulnerable households in Anguilla who are least able to support themselves at present. They thus merit a high priority. Accordingly, the following actions are considered to be essential:

Action IV1: Revise the current level of public assistance to a minimum of \$3,100 per annum per adult (the current indigence level). Table 6.2 indicates the financial implications of this policy.

Table 6.2 Implications of Raising the Level of Public Assistance

Annual Amount of PA	Households receiving PA	
	2% *	5%
EC\$2,400	\$600,000**	\$1,500,000
EC\$3,100***	\$775,000	\$1,937,500
EC\$4,400 #	\$1,100,000	\$2,750,000
Increased Expenditure required		
EC\$2,400	\$0	\$900,000
EC\$3,100	\$175,000	\$1,337,500
EC\$4,400	\$500,000	\$2,150,000

* % of households assuming that all members receive PA

** Approximately equivalent to the beneficiaries before elderly receivers were switched to pensions

*** The cost of the minimum food basket

Cost of minimum food basket + average non-food expenditure of indigent households.

Source: Consultants' Estimates

Action IV2 : Redraft the 1949 Hospitals and Poor Relief Act to encompass a more up to date and all-embracing approach to welfare and transparent eligibility criteria.

This activity will require relatively little expenditure over and above manpower resources. It is a potential candidate for technical assistance.

Action IV3: Undertake Needs Assessment Studies

The needs of the indigent and the vulnerable vary considerably: the elderly have completely different requirements to single parent households; and, for example, some elderly households will have very different needs from others. In many cases, non-financial assistance will be just as important as direct income support. The objective of these studies would be to assess the needs of the indigent and other client families of SDD in terms of housing, utilities, water, assistance with transportation, child care and support, employment. Results would then be discussed at case conferences with other relevant agencies in order to identify the potential for assistance, to develop small scale assistance programmes (e.g. meals on wheels, home visits, child care, transport) and to better target existing programmes and NGO activities.

Action IV4: Increase the involvement of NGOs in identifying poor and vulnerable households

The NGOs already provide a valuable service in this respect. This role should be formalised so as to ensure that all indigent and vulnerable households are known to the authorities who can then take remedial measures.

Action IV5: Develop links between SDD and employers

The needs assessments (IV3) will identify the working potential within indigent and vulnerable households. The objective of this proposal is to provide a direct link between this information and potential employers who might have vacancies. The small size of the island and the limited number of potential beneficiaries is considered to make this a feasible approach.

Action IV6: Strengthen procedures for Child Support

This action is considered a priority given that inadequate and irregular child support payments are a major cause of poverty and vulnerability to single parents.

6.3.3

The Unemployed and the Underemployed

Unemployment in Anguilla is currently low although it appears to have increased slightly since September 11. Employment on the island is highly dependent on the tourism industry and unemployment will thus increase if this sector does not recover quickly. The following Actions will contribute to alleviating any increase (see also IV5).

Action U1: Promote Small Scale Job Creation

Develop programmes for apprenticeships, household (gardening, handy-man jobs), and personal (baby sitting for working mothers, shopping/ transport assistance to the elderly).

Action U2: Develop Micro-credit

Investigate with the commercial banks and the ADB the feasibility of small loans to buy equipment to support Action U1 (e.g. credit for purchasing lawn mowers).

Action U3: Promote Small-Scale Cultivation and Hydroponics

Such schemes are currently being investigated by the Ministry of Agriculture (with UNDP support) for the hydroponics. They would provide a valuable supplement to incomes and/or reduce food costs, especially for low income families.

6.3.4

The Working Poor

A significant number of the working poor are likely to be covered by some of the Actions proposed for the vulnerable and the indigent. The following priority Actions will however benefit this group as a whole.

Action WP1: Review food import duties

The reduction of food costs would have a direct and positive impact on the working poor. It is however recognised that this will have major implications for government revenues. The initial emphasis should be on food staples (there is little sense in reducing duties on items which are of little nutritional value, e.g. soft drinks, or which are mainly destined for the tourist trade) with compensatory increases on luxury items.

Action WP2: Introduce a new Labour Code

Inadequate means of redress to complaints about sharp labour practices were mentioned as a source of concern by Anguillian and non-Anguillian informants alike. The emphasis should therefore be on a more even-handed and transparent procedure for dealing with labour disputes, particularly in the hotel and domestic service sectors.

Action WP3: Upgrade Skills

Existing adult education and Anguilla Development Board programmes should be strengthened as these provide the best means for existing workers to raise their skills and increase their income.

Action WP4: Identify Incidence of Low Income Earners

Investigate (initially using Census data) the incidence of workers earning less than EC\$4 per hour (which equates to the poverty line). Based on the results, consider instituting a minimum wage.

6.3.5

General Social Programmes

These Actions are designed to address the various social issues raised in Chapter 3.

Action GSP1: Address the issue of Domestic Violence

Domestic violence is seen as a growing problem on the island. It is also being addressed, albeit in a limited way, by discussion groups and media reports. A more

comprehensive action plan should be developed with an initial emphasis on consciousness raising and public education followed by counselling for both victims and perpetrators. The establishment of safe houses would be a longer term objective.

Action GSP2: Improve Nutrition

Obesity, diabetes and lack of exercise among the young have been diagnosed as significant health issues. Accordingly, a campaign should be designed to raise consciousness about the link between nutrition and good health, and promote healthy eating. The initial focus would be schools and outside vendors²⁴ with media campaigns and handouts at all health facilities (including private doctors) to follow.

Action GSP3: Introduce Education in Life Skills

A number of problems that can lead to future impoverishment have their origins in adolescence, e.g. teenage pregnancy, substance abuse, educational under-achievement, physical abuse, lack of respect for persons inside or outside the family, deviant behaviour, and irresponsible spending. A co-ordinated programme of 'life skills education' should therefore be developed for older secondary school pupils including topics such as sex education, family planning and safe sex (use of contraception by both parties), health maintenance, personal budgeting and finance, parenting, importance of education and social responsibility.

Action GSP4: Undertake Research into Adolescent and Young Adult Males

Male under-achievement at school followed by deviant behaviour has been identified as a growing concern in Anguilla, as it has elsewhere. Men also bear a high degree of responsibility for marital breakdown and domestic violence. There is also a perceived unwillingness to take over some of the child rearing and household duties from their partners who are increasingly going out to work. To date, gender studies have largely concentrated on women. A research study which concentrates

²⁴ A campaign in BVI resulted in food vendors outside schools selling more nutritious items.

on male attitudes and perceptions (especially young adults) would assist in redressing the balance.

Action GSP5: Review Health Care Financing

At present, health care is heavily subsidised from government expenditure. This may not be sustainable. Proposals for a national health insurance scheme have been mooted. A thorough review of the system is therefore considered highly desirable with emphasis on the introduction of graduated health charges (which would facilitate subsidising those on lower incomes) and insurance against 'catastrophic' health events (i.e. those requiring off island treatment). The review would also address the issue of health charges for migrants.

6.3.6

Summary of Priority Actions

Table 6.3 contains a summary of the proposed priority poverty reduction activities. These are essentially new programmes although some have been discussed and are under development. Of equal, if not greater importance are:

- ? The continuing promotion of the tourism sector;
- ? The maintenance of existing education (including special education needs) and health programmes.

Table 6.3 Priority Poverty Reduction Actions

Target Group	Ref.	ACTION	Responsible Agency(ies)
Indigent/ Vulnerable	IV1	Revision of the current level of public assistance	Finance, SDD
	IV2	Redrafting of 1949 Hospital and Poor Law including criteria for public assistance	Attorney General, SDD
	IV3	Needs Assessment Studies	SDD, PHCD, NGOs
	IV4	Increasing the involvement of NGOs in identifying poor and vulnerable households	SDD, NGOs
	IV5	Developing links between SDD and employers	SDD, Labour, Service Clubs, Chamber of Commerce, Hoteliers
	IV6	Strengthening procedures for Child Support	SDD, Magistrates, Police
Unemployed	U1	Small Scale Job Promotion	Finance
	U2	Micro-credit	Finance, Commercial Banks
	U3	Small-Scale Cultivation and Hydroponics	Agriculture
Working Poor	WP1	Review of food import duties	Finance
	WP2	Introduce new Labour Code	Labour and Attorney General
	WP3	Skills upgrading	Education, ADB
	WP4	Research into Low Income Earners	Statistics, Labour
General Social Programmes	GSP1	Domestic Violence	SDD, Education, PHCD, Media
	GSP2	Nutrition	PHCD
	GSP3	Education in Life Skills	Education
	GSP4	Research into Adolescent and Young Adult Males	SDD
	GSP5	Review of Health Care Financing	Finance, Health

6.3.7

Resourcing

Resourcing of the above programmes cannot be done at this stage. It would also be premature given that these programmes have yet to be approved by the government and that more details will be necessary in order to provide realistic estimates.

The financial implications of increasing the level of public assistance have however been estimated (Table 6.2). This is, almost certainly, the programme with the largest financial implications.

The majority of other proposals primarily require manpower resources, some of which should be available within existing departments through the reallocation of personnel.

SDD, the agency at the forefront of poverty reduction work, is however a special case. It is already under-resourced. Many of the programmes directly targeted at the poor will operate through this department. Accordingly, an increase in staffing levels is considered to be unavoidable.

6.4

Medium and Long term Programmes

The programmes listed in table 6.3 are considered to be those that should be implemented in the short-term. In contrast, the following programmes are deemed more appropriate to medium and long term implementation. They are more likely to require significant government expenditure which, in turn, is more likely to become available in the longer term

- ? Introduction of subsidies, targeted at the poorest households, for child care, transport, health services, etc.
- ? Establishment of safe houses for victims of domestic violence.
- ? Establishment of a compulsory national health insurance scheme and introduction of graduated health charges.
- ? Review of minimum wage and trade union legislation.
- ? Establishment of capability for on or off island hospitality training.
- ? Develop requirements for training of Anguillians where currently migrants are employed.

- ? Expansion of Anguilla Development Board Programmes.
- ? Study of medium term requirements for the care of the elderly.
- ? Drafting and enactment of anti-discrimination legislation.

6.5

Outside Assistance

At present, it is considered unlikely that Anguilla will be a priority candidate for significant financial assistance from external sources. This would change if the downturn in the tourism industry is more severe than currently envisaged and leads to a marked increase in poverty. It is considered unduly pessimistic to predict what form assistance could take if this situation did occur.

Despite the above, agencies such as DfID and CDB, are likely to be potential sources of technical assistance in the short-term. In particular, DfID are committed to improving technical and institutional capacities in the Overseas Commonwealth Territories. The following is a list of programmes/ initiatives that could be candidates for such assistance:

- ? Redrafting of welfare legislation.
- ? Review of health care financing.
- ? Investigations into the needs and aspirations of young men (could be part of a Caribbean-wide project).
- ? Drafting of anti-discrimination legislation.
- ? Assistance with setting up counselling and other services for substance abuse (not a priority at present).

The common characteristic of the above programmes is the absence of the necessary technical expertise on the island.

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