I.1 **Objectives and Approach**

This study of poverty in the British Virgin Islands is one of a series of Country Poverty Assessments (CPAs) undertaken throughout the Caribbean since 1995. Its primary objectives are:

- To identify the extent, severity, characteristics and causes of poverty in the BVI;
- To evaluate the effectiveness of current policies and programmes in terms of their impact on the poor and vulnerable groups of the population; and
- To make recommendations for future policies and programmes to contribute to the reduction of poverty on the island.

The CPA has been a joint undertaking of a National Assessment Team (NAT) including members from government and non-Government organisations, and a Team of Consultants (TOC) appointed by the Caribbean Development Bank. NAT / TOC workshops were held at key junctures of the study to ensure that methodology, requirements, responsibilities, findings and conclusions represented the views of both groups. The CPA involved four principal components:

- A review of available reports and statistics
- A sample household survey (the Survey of Living Conditions - SLC) collecting information on household expenditure and incomes, general housing and household characteristics, personal demographic and employment information.
- A series of Participatory Poverty Assessments (PPAs) involving case study interviews with representatives from poor and vulnerable sub-groups and community scans in four locations.
- A series of meetings and discussions to identify current programmes related to the reduction of poverty and the provision of assistance to vulnerable groups.
I.2  The Definition of Poverty

Poverty is defined in this report on the basis of indigence lines (based on minimum food requirements) and poverty lines (minimum food requirements plus an element of non-food expenditure) derived according the CDB’s methodology. The indigence and poverty lines for an adult are respectively US$ 1,700 and US$6,300 per annum.

Current definitions of poverty are more wide-ranging than those based on income alone. They include consideration of, *inter alia*, living conditions, access to health and education, and less easily defined notions such as vulnerability, voicelessness, powerlessness, and lack of opportunity. The general concept of ‘wellbeing’ has been used in this study to bracket these non-income aspects of poverty.

In general, there is a high correlation between lack of income and lack of wellbeing. However this is not always the case – some people and households living below the poverty line may not feel insecure or threatened. Conversely, others may experience lack of wellbeing resulting from factors such as family disruption, teenage pregnancy, crime, drug abuse even though their income puts them above the poverty line. This poverty assessment does not confine itself to an assessment of income poverty alone but also addresses other issues that can affect wellbeing.

I.3  Population

Based on the 2001 Census Visitation Records, the population of the BVI are currently around 20,000\(^1\) representing an increase of around 25% since 1991. The annual decennial growth rate is 2.2% which is significantly lower than the rate achieved during the 1980s (3.8%). These growth rates are high by Caribbean standards and reflect the substantial immigration of the last 20 years. As a result, the population of the BVI has a high concentration of persons in the main working ages – under half the households contain children and only 14% contain an elderly person. Over half the adult population is foreign (overwhelmingly from other Caribbean countries) and half of these have been resident for at least 10 years. One in five households are ‘mixed’ (i.e with at least one adult from the BVI and one from another country), double the 1991 proportion, implying increasing integration between the national and non-national populations; a third of all households contain only BVI nationals; the remainder (46%) contain only non-nationals. Household size has remained virtually unchanged since 1991 at 2.9 persons on average; half of the BVIs’ households have

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\(^1\) The DPU believes that there was significant under-enumeration in the Census and that the population is significantly higher. Cross-checks against school enrolment and labour information, although not authoritative, indicate a population of around 22,000.
1 or 2 persons; only 16% have 5 or more persons. Mixed households tend to be larger than either wholly BVI or wholly non-BVI households – 4 as against 3 persons. One in eight households are headed by single parents; one in 7 contains an elderly person; under half contain children and of these, around half have no adult male present.

**I.4 Economic Context**

Over the past 30 to 40 years, the BVI has evolved from an agriculture/subsistence economy, where people left the islands to find work, to one based on tourism (sailing and luxury hotels) and then to one based around a combination of tourism and the provision of financial services to the international business community.

Gross Domestic Product (GDP) grew by an average of 9% annually over the 1991 to 2001 period. Nominal GDP per capita in 2001 reached US$35,954. GDP produced by the Financial Intermediation sector grew by an average of 23% over the period 1991 to 2001, and now comprises 38% of total GDP. Tourism (narrowly defined as Hotels and Restaurants) grew by 12% annually over the same period and now accounts for 14% of GDP.

Government revenues have been sufficient since 1995 (with the exception of one year, 2000) to offset capital expenditures and leave the overall balance in a surplus position. The importance of the financial services sector is clearly seen in the proportion of government revenue accounted for by this sector (in the form of international business company licence fees): US$90.0m (47%) of total recurrent revenue of US$191.5m in 2001.

Virtually all manufactured goods and most foodstuffs are imported. The BVI are currently running a deficit of US$224.7 million on the balance of visible trade. However the import/export situation is reversed on the services side where The BVIs’ financial services industry significantly outweighs the value of service imports. The BVI are also running a positive balance of US$362.46 million on the services trade balance. The BVIs’ overall balance of trade is positive; it has been so since 1993.

The current labour force in the BVI are around 11,700 of whom around 95% are employed. Employment by nationality is as follows: BVI-nationals – 44%, immigrants from other Caribbean countries – 43%, other non-nationals – 13%. Government provides just under 30% of all employment in the BVI; most of the remainder is provided by private employers; 13% of workers are self-employed. Non-nationals dominate the private sector (70% of employed) although they also provide 1/3rd of all government jobs. While they are strongly represented in all occupational classifications, they are more likely to be employed in the less skilled occupations. They are also found within all the important economic sectors. In particular,
they make up at more than 60% of employment in hotels, construction, trade and domestic service.

The provision of off-shore financial services in the BVI has been a world-class financial success. There are currently some 470,000 international business companies registered in the BVI. The BVI are expanding this sector by entering three new but complementary markets: mutual funds, insurance and yacht registration.

The BVI tourism product is diverse, comprising sailing, cruise ship arrivals, scuba diving and high end resorts. Government officials indicate that yachting and cruise ship tourist arrivals may be peaking. Nevertheless, Government hopes to increase value added in the sector and to spread arrivals over a longer season, attract higher-spending visitors and encourage the development of smaller, boutique hotels. These actions are not expected to result in large increases in employment.

The outlook for the BVI over the next 3 to 5 years appears to comprise a levelling off in tourist arrivals and expenditures plus a broadening of the array of off-shore services. This first development may result in a slowing down in the demand for immigrant labour. The second development is likely to further enhance government revenues without creating significant new employment.

It may be expected that the economy of the BVI will continue along the trend lines established in the 1990s if the Government can ensure OECD and US regulators that its off-shore services meet new international requirements for reporting and transparency. Because these financial intermediation services can move quickly to new homes in other jurisdictions, the Government must take great care in this regard, especially as this sector contributes about 50% of total Government revenue.

**I.5 Poverty in the BVI**

1.5.1 Current Situation

(a) General

At present, poverty in the BVI is low by Caribbean standards, around 16% of households and 22% of the population\(^2\). Indigence is almost totally absent. This speaks well of the industry

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\(^2\) These levels are comparable to St. Kitts and Jamaica. However the poor in the BVI will have substantially higher standards of living than their equivalents in these latter countries. The level of poverty is also a reflection of the methodology used to derive the poverty line which introduces a substantial degree of relativity into the calculation of the non-food component. Arguably with this methodology, it is well nigh impossible to achieve a significantly lower level of poverty.
and social cohesiveness of the people of the BVI and of the Government and non-government support systems that have developed along with the economy. Trends in the level of poverty in the BVI cannot be ascertained owing to the absence of comparable data. Nevertheless, the rapid economic growth during the last decade means that poverty will almost certainly have decreased.

With a few exceptions, the poor in BVI do not exhibit 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. These indicators are also highly favourable: access to safe water, electricity and sanitation is universal, school enrolment for 5-16 year olds approaches 100%, life expectancy is high, infant mortality is low, malnutrition is non-existent, infectious diseases and other medical conditions commonly associated with poverty are almost non-existent.

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; 20% of poor families have cellphones and over a third have computers. Almost 30% of poor households also own some land which they consider to be developable thereby representing an asset that could provide an additional source of funds.

The poor in the BVI are working. Over 80% (rising to 95% if single elderly households are excluded) of poor households have at least one person working; just under half have 2 or more. Unemployment, although higher than amongst not poor households, is only 11%. Workers in poor households tend to be less skilled but this is hardly unexpected. The minimum wage ($4 per hour) is sufficient for adults working full-time to exceed the poverty line.

Given the above, it is probably more appropriate to consider the households identified as poor as being the poorest households in the BVI rather than seeing them as being absolutely poor households living in poor housing, with high unemployment and limited access to physical infrastructure, education and health services and struggling to get enough to eat – none of which are true.

The characteristics of the most important sub-groups of the poor are described below. **Irrespective of the categorisation employed, the great majority of any sub-group will not be categorised as poor.**
Statistically speaking the **working poor** (83% of poor households) are the largest sub-group. For over half these households the absence of adult men or a high number of dependants will be a major contributory factor to their poverty. Poor smaller households are also less likely to have an adult with secondary or tertiary education. These households are vulnerable to any fluctuations in income arising from seasonality in the tourist industry and the cyclical nature of construction. Yet disposable income is high as shown by the ownership rates for durable goods and the substantial proportion (40%) of immigrant households who repatriate money to their homelands.

The elderly living on their own (14% of poor households) make up virtually all the poor households that have no one working. This sub-group has little income-generating potential and thus depends on support from the government, their families or NGOs. This support (especially from families) is fairly widespread but is frequently not enough to put them above the poverty line. The increasing trend of grown up children moving away also means that the elderly increasingly lack the physical and emotional support they need as their physical abilities are diminishing. However most of the elderly own their own land, reside in good housing, have access medical services and, increasingly, are in receipt of government pensions through the Social Security Board.

**One parent households** make up a fifth of all poor households although over 70% are not poor. Even in those that are poor, in virtually every instance, one person will be working. The more serious issues relate to unstable family relationships, such as general family/marital problems, domestic and spousal violence, single parenting, and teenage pregnancy/motherhood. In these situations, women often have to cope single-handedly with the triple responsibilities of providing family income, raising children, and domestic duties. This can lead to them entering into a sequence of relationships with men in their efforts to access and secure income support. As a result, they may also become victims of abuse thereby affecting their physical and mental health and hence well-being. These issues can affect women irrespective of their poverty status.

There is little evidence of **children** being seriously affected by lack of income – their health is good, educational enrolments are almost 100% and there is no evidence of malnutrition. As with women, the main issues relate to their welfare, particularly when parental relationships fragment. When this happens, children, especially **adolescents** are ‘at risk’ of dropping out of school, becoming substance abusers and engaging in petty crime. The absence of fathers can also have a deleterious impact, especially on male adolescents (around half the households with children have no adult males present). Teenage pregnancy continues to be significant and almost always causes the young mother to leave school permanently, jeopardizing her future chances and those of her children. Increasing numbers of adolescent boys are under-
performing academically leaving them ill-equipped to achieve a sustainable livelihood when they reach adulthood.

The incidence of poverty is lower in wholly immigrant households (10%) than in BVI or mixed households (around 20%). This finding is not surprising: immigrants require work permits which are conditional upon a job, many of these jobs are skilled and command substantial salaries, many send remittances home, and their households tend to be smaller with fewer dependants (young or old). Nevertheless, 29% of all poor households in the BVI consist entirely of immigrants most of which are either single parent households (two thirds of all poor single parent households are immigrant households) or small households. The former group reflects a greater vulnerability of immigrant single parents to poverty than their BVI equivalents. The latter group indicates a concentration of immigrants in lower paid and less skilled occupations even if their very presence in the BVI reflects a belief that they are better off than in their home countries.

The issues facing immigrants in the BVI, as with women and children, are primarily related to their well-being: insecurity regarding their residential status (especially for children born in the BVI of non-BVI parents who will attain their age of majority in coming years; at present, they cannot secure employment without work permits); potential exploitation at the workplace; vulnerability to family break-down and domestic violence. These are exacerbated by inferior access to government services designed to provide support. Poorer immigrant groups are more likely to be affected by these problems; the more affluent have the connections, the knowledge and the financial resources to avoid them.

Other, much smaller groups, identified as vulnerable to poverty were women farmers, Rastafarians, HIV/AIDS sufferers and the mentally ill.

1.5.2 The Causes of Poverty in the BVI
(a) Current Poverty
The heterogeneous nature of the poor on the island means that poverty (income and non-income) in the BVI has several causes, which are not mutually exclusive. In many cases, these ‘causes’ are little different from the characteristics of poverty described above. This demonstrates the complexity of the whole issue of poverty and the way that certain characteristics of poverty can, in turn, become its causes. Notwithstanding, the principal causes of poverty can be summarised as follows:

? Inadequate wages: in a situation where employment is high, inadequate wages rather than lack of employment will be a major cause of poverty. In this context, poor
households will always be those where workers are concentrated in the lower paid unskilled and service sector occupations. In any society, these jobs will exist.

? No or little income-earning potential due primarily to age.

? Male absenteeism: in the event that male-female partnerships terminate, women often have to raise children on their own, frequently without adequate or regular child support. This can result in a deterioration of their and their children’s living standards, personal well-being and family life in general. Lack of a father figure is also a recognised cause of deviant male behaviour during adolescence. In many cases, the starting-point is teenage motherhood which almost invariably leads to a curtailed education leaving them with limited employment opportunities.

? Unequal treatment of immigrants in terms of access to labour complaints procedures, the courts and general welfare services as well as insecurity regarding their residential status.

Throughout this assessment, it has been stressed that poverty is not only due to lack of income but also to lack of wellbeing. Often lack of wellbeing and income go hand in hand, but not always. In the BVI, the main causes of poverty relate not to the absence of basic needs or even income, but to the family- and nationality-related situations described above.

(b) Future Poverty

The principal determinant of future poverty (income and non-income) in the BVI will be the health of the economy. As long as the economic growth is maintained, unemployment will remain low and enable the great majority of households to achieve a sustainable livelihood. A strong economy will also enable government revenues to provide the basic services and safety nets that will both mitigate the impact of poverty on vulnerable households and prevent these situations arising.

A second determinant of future poverty will be how the BVI address the almost worldwide, and probably irreversible, phenomenon of household separation that is resulting in larger numbers of the elderly living on their own and having to fend for themselves, and increasing single parenthood or serial monogamy.

The third determinant of future poverty will be the trend in the family-related problems described above. There is much evidence that income-sufficient households affected by these problems become impoverished in the future. As the education, health and welfare of children are affected so poverty is passed from one generation to the next – today’s victims of domestic violence, teenage mothers, children in abusive households, dropouts and drug users will be the poor of tomorrow. Again these problems are by no means typical of the BVI; they
are to be found throughout the Caribbean as well as in Europe and the United States, often in more acute form.

The final determinant of future poverty in the BVI relates to the status of immigrants. Many migrants have been resident in the BVI for many years. They provide over half the labour force and are thus an integral component of the national economy. If they are discriminated against in the workplace and in other ways, the potential for social disruption increases, particularly if large numbers of BVI born children do not have the right to work.

1.5.3 Implications for Poverty Reduction

Based on the above, policies and programmes for poverty reduction need to focus on:

? continued economic development;

? tackling the issues which give rise to unstable family patterns: male absenteeism, single parenthood, domestic violence, teenage pregnancy, drug abuse. In particular, there is a need to increase male responsibility (financial and emotional) for their offspring;

? 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;

? ensuring that non-nationals, once accepted into the country, have equal access to government services for employment protection, child support and social welfare. Uncertainty and ambiguity over their rights to residency/citizenship also needs to be clarified.

I.6 Poverty Reduction Programmes

The BVI are fortunate to have almost universal education (primary and secondary), health care and basic infrastructure (water, electricity and sanitation). These are general programmes that have benefited the entire population irrespective of their poverty or vulnerability. Education is free and health care is heavily subsidised.

The BVI are also fortunate in that it has a wide range of programmes that target the poor and the vulnerable. These programmes are administered by the Departments of Health and Education, the Social Development Department, the Office of Gender Affairs and NGOs (the BVI Red Cross, the Family Support Network, the Christian Council). Beneficiary groups include school drop-outs and other disturbed children, the elderly, victims of family
breakdown and domestic violence, substance abusers, those in acute financial need, the mentally ill and single parents, i.e. all the principal sub-groups identified by this Study. Many of these programmes have been in operation for several years, are generally considered to be effective in that they are reaching their intended beneficiaries and are achieving concrete results. A National HIV/AIDS co-ordinator has also recently been appointed.

Future policies and programmes have been formulated as part of the National Integrated Development Strategy (NIDS) process. NIDS has been developed as an iterative, participatory and multi-sectoral process starting in late 1992. Its overall objective is ‘to promote the sustainable development of the territory’. The National Integrated Development Plan (NIDP), the primary output of the NIDS was published in 1999 and has since been approved by government. Its Strategic Vision of the territory is that of:

“A society that is globally competitive and socially cohesive; that is able to satisfy the basic needs of its people; that upholds the principles of equity, human rights, and good governance; that manages the natural resources of the territory in a sustained and integrated way; that generates self-confidence among the people; and that maintains the unique cultural identity of the territory.”

As befits its name, the NIDP covers all economic and social sectors. Considerable emphasis is placed on measures to reduce the causes of potential poverty and social vulnerability and to support those who, for whatever reason, find themselves in these situations.

The BVI therefore have a wide range of existing programmes targeted at the poor and the vulnerable and a comprehensive series of policies to address these issues in the future. In this context, it is considered that there is little need for major new strategy or policy formulation exercises related to poverty reduction. Nor, given the scope of current programmes, will there be a need for many completely new initiatives. Instead the emphasis should be prioritising activities to support the vulnerable groups of greatest concern and to prevent the reasons for their vulnerability from recurring in the future.

I.7 **Legal and Human Rights Aspects of Poverty**

Prevailing crime rates in the BVI are low and not seen as being poverty-related. The country is also generally free of human rights abuses. The legal system is comprehensive with no major gaps that could be seen as exacerbating the situation of the poor and the vulnerable. In recent years, the Government has taken a strong and proactive approach to the protection of human rights, which subsumes many poverty related issues. The Government appears to be committed to ongoing and continuous improvement of law and institutions to better protect its citizens and residents. A Legal Aid system has been introduced but there is evidence that it
is under-funded and is not as effective as had been hoped. It has also embarked on an extensive campaign (the Public Service Development Project) to improve the working of the public sector, to publicise human rights and the availability of government services to the public.

The most significant gap in the protection of human rights affects some, usually poorer, members of the immigrant community and should get priority attention. Domestic employees, hotel and construction workers (most of whom are non-nationals) can experience discrimination in the workplace. Although procedures exist, these individuals are the least likely to be aware of this process. The Human Rights Reporting Co-ordinating Committee has conducted public education programs, but immigrants are often too intimidated to complain or feel that they stand little chance of a favourable decision that, in any case, is not enforceable under the current system. Also of concern are: the inferior access of immigrant households with family problems (including abuse) to the courts and welfare services, the uncertain residential rights of long-term immigrants and the BVI-born children of non-BVI parents, and their inability to acquire land or property.

1.8 Poverty Reduction in the BVI

1.8.1 General Considerations

The NIDP makes little explicit reference to poverty due to the perception, confirmed by this Report, that the level of poverty in the BVI is low. However it addresses issues such as economic development, environmental sustainability, physical infrastructure, human resource development, social issues with particular emphasis on vulnerable groups, and good governance. Furthermore, the background papers contain specific policies and programmes targeted at the vulnerable groups identified in this Report. Although its planning horizon is theoretically from 1999 to 2003, the nature of the strategy and policies is essentially medium to long term. In short, it can be considered to be a Poverty Reduction Strategy in all but name. In these circumstances, and given the fact that many of the policies and programmes contained therein are already being implemented, it is not considered that the formulation of a separate Poverty Reduction Strategy would serve any useful purpose. Instead the CPA has identified a series of short term priority actions that are considered essential for the reduction of income and non-income poverty in the BVI in the future.
1.8.2 **Priority Actions**

Priority actions for poverty reduction are summarised in Table 1. They have been selected based on the three key principles:

- They relate to issues, identified in this report through analysis and discussion, that are key determinants of current poverty/vulnerability in the BVI and/or could lead to impoverishment in the future.
- Their implementation will have a substantial impact on the overall NIDS objectives.
- They will substantially improve the well being of the larger vulnerable groups.

Programmes deemed to merit the highest priority are shown in **bold**.

Whilst they are not listed\(^3\) in the Table, other NIDS policies are also crucial if overall objectives are to be achieved and if income and non-income poverty is to be reduced. Pre-eminent among these programmes are: maintaining the health of the tourism and offshore finance sectors, economic diversification (including agriculture and fisheries), macro-economic and fiscal stability, and the general health and education programmes as well as ongoing projects such as the improvement of sewage disposal in Long Look/East End. The success of these programmes are crucial to the continued sustainable development of the BVI.

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\(^3\) They are considered to be fully committed and part of current government policy and programmes. There is little more that can be said.
### Table 1 Priority Poverty Reduction Actions

<table>
<thead>
<tr>
<th>Target Group</th>
<th>ACTION</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>General</td>
<td>Formulate population policy including review of residential status of long-term immigrants and their children</td>
<td>Essential component of NIDS. Would be based on manpower planning study including forecasts of labour supply as well as labour demand. Has to be preceded by decision on status of long-term immigrants.</td>
</tr>
<tr>
<td></td>
<td>Housing Needs Assessment</td>
<td>Needed as input to formulation of population policy to ensure that it and economic policy are compatible with environmental sustainability.</td>
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<tr>
<td></td>
<td>HIV/ AIDS/ Sexual Health Awareness Campaign</td>
<td>These are trans-Caribbean issues which can have a devastating social, economic and human impact if they are not checked</td>
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<tr>
<td></td>
<td>Education in life skills (adolescents)</td>
<td>Needed to ensure that adolescents are aware of implications of sexual health, nutrition, substance abuse, personal and societal responsibilities.</td>
</tr>
<tr>
<td></td>
<td>Adult-oriented programme to provide education and consciousness raising in parenthood and personal budgeting</td>
<td>Around half the households with children have no adult males; this can have a detrimental impact on child development. This programme is designed to increase paternal responsibilities' and also prevent financial over-commitments.</td>
</tr>
<tr>
<td></td>
<td>Increased range of vocational education at secondary and tertiary levels.</td>
<td>Will provide new labour force entrants with job experience and increase their ability to take up jobs in the private sector. Not all pupils are suited to an academic education. The work force of the future will need a wide range of skills which should be geared to main sectors of probable labour demand. Classes in personal and communication skills are also essential. Would help attain NIDS objective of reducing dependence on non-BVI labour.</td>
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<tr>
<td></td>
<td>Subsidised traineeships</td>
<td></td>
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<tr>
<td></td>
<td>Demand assessment of school places</td>
<td>Over-crowding exists in some schools and is likely to increase</td>
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<tr>
<td></td>
<td>Feasibility of catastrophic health insurance</td>
<td>The substantial proportion of households without health insurance are vulnerable to medical emergencies that necessitate overseas treatment</td>
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<tr>
<td>Working Poor</td>
<td>Introduce new Labour Code</td>
<td>Current system is consensual. It should be mandatory with powers of enforcement and inspection.</td>
</tr>
<tr>
<td></td>
<td>Investigate Changes to the Taxation System</td>
<td>A progressive tax system offers the best potential for improving the income of low wage households</td>
</tr>
<tr>
<td>Indigent/ Vulnerable</td>
<td>Revise the level of Public Assistance</td>
<td>The current level is inadequate to provide a minimum standard of living</td>
</tr>
<tr>
<td></td>
<td>Eligibility criteria for Public Assistance.</td>
<td>The lack of criteria was frequently criticised by informants. Current criteria preclude some needy applicants from receiving assistance.</td>
</tr>
<tr>
<td>Target Group</td>
<td>ACTION</td>
<td>Comments</td>
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<tr>
<td>Needs Assessments of indigent and vulnerable households followed by development of targeted assistance programmes.</td>
<td>The low incidence of indigence and vulnerable households means that a case by case approach to providing assistance to these households is desirable and feasible.</td>
<td></td>
</tr>
<tr>
<td>Study of the medium terms needs of the elderly</td>
<td>The number of elderly people will increase while the numbers supported by their adult offspring will almost certainly decrease.</td>
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<tr>
<td>Non-contributory pensions</td>
<td>The introduction of these would represent a major benefit to those not eligible for the contributory Social Security pensions.</td>
<td></td>
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<tr>
<td>Legal Aid system and child maintenance</td>
<td>A strong system for child support is essential. Many applicants do not have the resources to go to court. Legal aid should be targeted at this group.</td>
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<tr>
<td>Combating family breakdown and domestic violence</td>
<td>Current activities should be supplemented by the counselling of perpetrators and, in due course, the construction of refuge for battered women.</td>
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<tr>
<td>Review ongoing Spotlight and Sunflower Programmes</td>
<td>These programmes provide after-school activities for schoolchildren and skills training for the, mostly young, unemployed. Their management and funding has been questioned. This review will enable them to become more effective in the future.</td>
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<tr>
<td>Research into Adolescent and Young Adult Males</td>
<td>Will identify needs, attitudes of teenage mothers and disaffected (usually male) adolescents as input to the design of effective ‘rehabilitation’ programmes.</td>
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<tr>
<td>Children home management</td>
<td>Current management and operation of Rainbow Children’s Home needs strengthening.</td>
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<tr>
<td>Clarify the rights of non-belongsers</td>
<td>Due to ignorance, and real, or perceived discrimination, needy immigrant households have little access to employment protection and social services, especially important for single parents and victims of abuse. Other issues relate to citizenship for long term residents and children born in the BVI.</td>
<td></td>
</tr>
<tr>
<td>Ensure equal access to government agencies by immigrants</td>
<td>Needed to reduce any prejudice against non-belangers.</td>
<td></td>
</tr>
<tr>
<td>Implement public awareness campaign to relating to non-belangers</td>
<td>Existing services need to be enhanced by increasing access and the availability of specialist counsellors.</td>
<td></td>
</tr>
<tr>
<td>Improve garbage collection in selected communities</td>
<td>Issue raised during 3 (out of 4) community surveys.</td>
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</tbody>
</table>

1.9 **Implementation, Monitoring and Resourcing**

1.9.1 **Implementation**

The Permanent Secretary of the Ministry of Health and Welfare has indicated that this report will be tabled to the Legislative Committee of the BVI who will consider it and decide how
to proceed. Given that many of the proposals contained in this document reflect the views of
the National Assessment Team, proposed programmes or NIDS policies, there is every
reason to believe that many of the recommendations will be implemented. The essential
requirements are considered to be the following:

? The establishment of inter-departmental mechanisms to enable a variety of assistance
to be delivered to the poorest and most vulnerable households.

? The institution of an ad hoc committee/working group to establish links between the
government and the migrant community.

? The establishment of working groups to develop campaigns relating to HIV/AIDS/
Sexual health and domestic violence.

? The strengthening of the Social Development Department.

1.9.2 Monitoring
Monitoring of both the social and economic evolution of the island as a whole and of targeted
poverty reduction programmes is essential. Effective monitoring is best achieved through the
identification of relatively few, easily obtainable, key indicators rather than attempting to
maintain an up to date database of detailed information. It is also best achieved by making
full use of existing data routinely collected by government agencies rather than by
continually undertaking sample household surveys which are resource hungry and are often
seen as unnecessarily intrusive. It is therefore recommended that the Development planning
Unit enters into discussions with key agencies (e.g. Health, Immigration, Labour, Social
Security Authority, the Police and SDD) in order to identify data which would be of greatest
value and which is obtainable without significant additional resources being necessary.

1.9.3 Resourcing
Only one proposal requires substantial capital expenditure (the safe home for battered
women) and two (raising the level of Public Assistance and introducing non-contributory
pensions) will entail significant additional recurrent expenditure. The rest of the proposals
primarily require manpower resources, some of which should available within existing
departments through the reallocation of personnel. However some increases in staffing and
specialist training will be unavoidable, particularly in the Social Development Division.
Outside expertise may also be needed to assist with the studies of manpower planning, the tax
system and the catastrophic health insurance. Assistance from regional agencies could also
be canvassed for the HIV/AIDS awareness campaign and the research into male adolescents.
1.10 Concluding Remarks

The BVI has developed rapidly in recent years. This economic growth has been accompanied by a major expansion in infrastructure, education, health and social welfare services. The great majority of BVIslanders and a comparable number of non-belongers from other countries have shared in the wealth and the services provided by this growth. Poverty is very low and indigence is negligible; few poor families in the BVI would be considered poor in many other countries. Crime is low as are tensions between BVIslanders and non-belongers.

There are government and non-government programmes targeted to improving the conditions of all the larger sub-groups of the poor and vulnerable identified by this Study. These programmes, alongside the essentially free basic education and health programmes, are well-managed and effective. True, there are problems of under-funding, lack of trained staff, and unmet demand but where would one not find this?

Small states are particularly vulnerable to changing economic circumstances, however the combination of the US dollar, British territorial status, a government intent on retaining the international community’s seal of approval for its offshore banking sector and world class yachting and diving allied to proximity to the US makes the BVI far less vulnerable than most. Many island states and much larger countries have no robust economic sectors, let alone two.

With continued economic growth, even if at a lower level than in preceding decades, income poverty is likely to remain at its current low level. The challenge lies in successfully addressing a number of essentially social issues that lead to loss of wellbeing amongst certain sub-groups of the population now and could lead to impoverishment in the future. They include increasing numbers of the elderly to care for themselves, the threat of HIV/AIDS, single parenthood, domestic violence, drug abuse. Several of these are contributory factors to adolescent under-achievement and deviant behaviour. They are all problems that are of concern throughout the world and which the BVI has started addressing. Specific to the BVI context is the citizenship of long-term immigrants and their children that needs to be faced and dealt with.

This report sets out series of recommendations designed to provide a solid basis for poverty reduction in the future. The challenge will now be to implement these recommendations. The majority of the recommendations could be implemented (or at least instigated) over the next 2-3 years; however their impact will be long-lasting. If the momentum provided by existing policies and programmes is maintained, many of these proposals can be implemented and thus enable the National Integrated Development Strategy objectives of reduced vulnerability, sustainable development and social cohesion to be attained.
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### Acronyms

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<th>Description</th>
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<tbody>
<tr>
<td>ADU</td>
<td>Asociacion-de Dominicanos Unidos</td>
</tr>
<tr>
<td>BMC</td>
<td>Borrowing Member Country (within the Caribbean Development Bank)</td>
</tr>
<tr>
<td>BNI</td>
<td>Basic Needs Index</td>
</tr>
<tr>
<td>BVI</td>
<td>British Virgin Islands</td>
</tr>
<tr>
<td>CADA</td>
<td>Community Agency on Drugs and Addiction</td>
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<tr>
<td>CAREC</td>
<td>Caribbean Epidemiology Centre</td>
</tr>
<tr>
<td>CCM</td>
<td>Concerned Citizens Movement</td>
</tr>
<tr>
<td>CERD</td>
<td>United Nations Convention on the Elimination of all forms of Racial Discrimination</td>
</tr>
<tr>
<td>CDB</td>
<td>Caribbean Development Bank</td>
</tr>
<tr>
<td>CEDAW</td>
<td>Convention on the Elimination of All Forms of Discrimination against Women</td>
</tr>
<tr>
<td>CEL</td>
<td>Central Environment Laboratory</td>
</tr>
<tr>
<td>CFNI</td>
<td>Caribbean Food and Nutritional Institute</td>
</tr>
<tr>
<td>CIA</td>
<td>Central Intelligence Agency (USA)</td>
</tr>
<tr>
<td>CIDA</td>
<td>Canadian International Development Agency</td>
</tr>
<tr>
<td>CPA</td>
<td>Country Poverty Assessment/s</td>
</tr>
<tr>
<td>CRC</td>
<td>International Convention on Civil and Political Rights</td>
</tr>
<tr>
<td>CXC</td>
<td>Caribbean Examination Council</td>
</tr>
<tr>
<td>DfID</td>
<td>Department for International Development (United Kingdom)</td>
</tr>
<tr>
<td>DPU</td>
<td>Development Planning Unit</td>
</tr>
<tr>
<td>DR</td>
<td>Dominican Republic</td>
</tr>
<tr>
<td>ECS</td>
<td>Eastern Caribbean Dollars (there are approximately EC$2.65 to US$1.00)</td>
</tr>
<tr>
<td>ED</td>
<td>Enumeration Districts</td>
</tr>
<tr>
<td>ESL</td>
<td>English as a Second Language</td>
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<tr>
<td>EU</td>
<td>European Union</td>
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<tr>
<td>FSN</td>
<td>Family Support Network</td>
</tr>
<tr>
<td>GDO</td>
<td>Gross Domestic Output</td>
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<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
</tr>
<tr>
<td>GBVI</td>
<td>Government of British Virgin Islands</td>
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</table>
HDI Human Development Index
HH Households
HIL Household Indigence Line
HIV/AIDS Human Immuno-deficiency Virus/ Auto Immune Deficiency Syndrome
HPL Household Poverty Line
HRRCC Human Rights Reporting Coordinating Committee
ICCPR International Covenant on Civil and Political Rights
ICESCR International Covenant on Economic, Social and Cultural Rights
LEGCO Legislative Council
MFB Minimum Cost Daily Food Basket
MHSU Mental Health Services Unit
MOU Memorandum of Understanding
NAPS Nevis Alliance Progressive Society
NAT National Assessment Team – BVI
NDAC National Drug Advisory Council
NGO Non-Government Organisation/s
NHE National Health Expenditure
NIDS National Integrated Development Strategy
NIDP National Integrated Development Plan
OECD Organisation for Economic Cooperation and Development
OGA Office of Gender Affairs
PA Public Assistance
PAHO Pan America Health Organisation
PPAs Participatory Poverty Assessments
PPP Purchasing Power Parity
PSDP Public Service Development Programme
PSIP Public Sector Investment Programme
SDD Social Development Department
SLC Survey of Living Conditions
SME Small and Medium Enterprises
SSB Social Security Board
<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>STD</td>
<td>Sexually Transmitted Diseases</td>
</tr>
<tr>
<td>TEFL</td>
<td>Teaching English as a Foreign Language</td>
</tr>
<tr>
<td>TOC</td>
<td>Team of Consultants</td>
</tr>
<tr>
<td>TVET</td>
<td>Technical and Vocational Educational and Training</td>
</tr>
<tr>
<td>UNDP</td>
<td>United Nations Development Programme</td>
</tr>
<tr>
<td>UPT</td>
<td>United Party</td>
</tr>
<tr>
<td>USVI</td>
<td>United States Virgin Islands</td>
</tr>
<tr>
<td>VIP</td>
<td>Virgin Islands Party</td>
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1 Introduction

1.1 Background
This study of poverty in the British Virgin Islands (BVI) 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 9 of them completed. This CPA is being undertaken in parallel with CPAs in Anguilla and Dominica.

1.2 Objectives
This Country Poverty Assessment Report for the BVI provides an examination of the economic and social conditions of the population of the country in 2002. The study has four primary objectives:

? To identify the extent, severity, characteristics and causes of poverty in the BVI.

? 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 the BVI.

? 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.

? 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 the BVI has been a joint undertaking of a National Assessment Team (NAT) including members from government agencies (e.g. Ministry of Health and Welfare, the Development Planning Unit (DPU) and the Ministry of Education) and non-Government organisations (e.g. the BVI Red Cross and the Family Support Network) and a Team of Consultants (TOC) appointed by the Caribbean Development Bank.
The CPA involved four principal components:

? A review of available reports, statistics and other data produced by government agencies and others.

? A Survey of Living Conditions (SLC) carried out in a sample of 665 households\(^1\) (around 10\% of the total) between July and September 2002 by the Development Planning Unit. The SLC collected information on household expenditure and income, housing, and socio-economic characteristics of households and individuals.

? A series of Participatory Poverty Assessments (PPAs) involving case studies of poor and vulnerable sub-groups including the elderly and one parent families. These were supplemented with key informant interviews and brief community studies in four locations identified as having higher levels of poverty.

? 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 the BVI in April (Introduction and Study Objectives), May (Study Components, Methodology and Workplan), July (Concepts and Definitions of Poverty, the Measurement of Poverty, BVI specific problems and issues), and November (Presentation of Findings). Working papers containing draft versions of chapters 2 and 5 of the draft CPA were submitted by the TOC to the NAT in mid-2002 for their review and comment. All aspects of the study, with the exception of the preparation of the draft Final and Final Reports, were completed between April and December 2002. Presentations of the draft Final Report were made in Tortola in April 2003 to an invited audience of government officials, NGO representatives and the private sector. CDB attended the workshops in April and November 2002 as well as the presentation in April 2003. This Final Report incorporates comments received from the above presentations, an inter-agency meeting held at CDB offices in April 2003, CDB themselves and two independent critiques commissioned by CDB. Aside from providing critical inputs to the formulation of the recommendations, the NATs were responsible for the execution of both the SLC and PPAs and the initial analysis of the latter.

\(^{1}\) Details of the sampling methodology are provided in Volume 2.
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 well-being’ – 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 ‘well-being’ 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 well-being – 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 well-being.

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 in poverty (‘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 well-being 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 well-being 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 the BVI, there should be greater emphasis on the non-income aspects of poverty and potential causes of poverty in the future.

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:
for instance, doubling everyone’s real income will produce no change in the level of poverty if a relative measure is used; and

policies to bring about a significant redistribution of income or wealth (e.g. highly progressive tax regimes) 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 paragraph.

The problem of measurement becomes more fraught if one attempts to introduce the more abstract notions related to well-being. 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 the BVI, 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 well-being such as vulnerability, powerlessness, lack of self-esteem and lack of opportunities.

---

2 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. Also of note are several of the comments made at the presentations in Tortola when it was generally felt that a poverty line based on an agreed basket of non-food items would have been preferable and more easily understandable.
Even if one could define and quantify ‘well-being’, 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 well-being seen as a characteristic of poverty rather than as part of its definition.

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 well-being) 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 the BVI 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 the BVI; the final section (3.7) of this chapter contains an overview of poverty in the BVI 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 the BVI. 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
The British Virgin Islands are located 140 miles north-west of St. Kitts and straddle latitude 18 25'N and longitude 64 30W (see Figure 2.1). They rest on the submarine ridge of the Greater Antilles, occupying its eastern extremity, and are separated from the Lesser Antilles by the deeper water that constitutes the Anegada passage. The cluster of islands that comprises the Virgin Islands in effect form a connecting link between the Greater Antilles and the Lesser Antilles.

The British Virgin Islands have a total surface area of 59 square miles. The island group consists of some 40 islands, cays, islets and rocks. The largest Islands are Tortola (21 square miles), Anegada (16 square miles), Virgin Gorda (9 square miles) and Jost Van Dyke (4 square miles). With the exception of Anegada, the islands are hilly, being of volcanic origin. Anegada is of coral and limestone formation.

The largest and most populated island is Tortola, where the capital, Road Town, is located. Tortola is composed of an extensive range of hills with the highest peak, Sage Mountain, 1780 feet in height. Jost Van Dyke could be viewed as being a geological and topographical replica of Tortola, while Virgin Gorda, though more varied, rises to a central peak of 1,370 feet. All the remaining islands, apart from Anegada, rise precipitously from the sea. In comparison with the other islands, Anegada is very different, being extremely flat and a highest point merely 30 feet above sea level.

There is very little surface water, since there are no perennial streams. Traditionally water has been secured from wells dug in the alluvial valleys and ghut areas of Tortola and Virgin Gorda in particular. Other main catchment areas are provided through cisterns which are mandated by the building code. Major desalination plants have been built on Tortola and Virgin Gorda.
The islands are located within the trade winds belt. Maximum temperatures are in the order of 97 F and in many places tempered by the regular sea breeze.

Rainfall records of the archipelago territory have been kept since 1901. Sage Mountain being 1,780 feet in height, and in the paths of the trade winds, receives as much as 80 inches of rain annually. The average rainfall throughout the remainder of the islands varies from 35 to 55 inches annually. Hurricanes tend to occur infrequently; notable hurricanes and tropical storms that have struck the BVI were Tropical Storm Klaus in 1984, Hurricane Hugo in 1989 and Hurricanes Louis and Marilyn in 1995. Hurricanes Hugo, Louis and Marilyn were grouped as category 4 hurricanes clocking sustained winds of over 100 mph (161 km/hr).

2.2 Historical Setting

The Virgin Islands were discovered (and named) in 1493 by Christopher Columbus. In 1672, Denmark laid claim to St. Thomas and the British Governor of the Leeward Islands annexed Tortola to the British Crown.

In 1680, a few planters moved with their families from Tortola to Virgin Gorda. With the end of the Napoleonic wars and the abolition of slavery, trade and production languished; the planters left the islands and the land became the property of the liberated ex-slaves.

The islands became part of the colony of the Leeward Islands in 1872 and continued as such until 1956 when the Leeward Islands were de-federated. At that time, Antigua, St. Kitts-Nevis, Montserrat and the BVI became separate colonies, administered by the Governor of the Leeward Islands until 1960, when the office of Governor was abolished and the Administrator of the BVI became directly responsible to the Colonial Office.

Unlike other former Leeward Islands, the BVI did not become part of the West Indies Federation (which was dissolved in 1962).

Agreement on constitutional reform was reached (as defined in the Virgin Islands Constitution Orders 1967-71) which provided for the establishment of electoral districts and an Executive Council as policy maker. In 1971, the title of Administrator was changed to Governor.

2.3 Governance

2.3.1 Governance

The BVI have a modified Westminster-style system of government: a Governor and a Legislative Council. The constitution provides for the Governor to exercise, on behalf of Her Majesty, the executive authority of the BVI. He is required to consult with the Legislative
Council in the formulation of policy. The Chief Minister is the leader of government business in the Legislative Council (LEGCO).

Elections are due on a constitutional basis at least every four years. For the purpose of electing members to the Legislative Council, the BVI are divided into nine electoral districts, each of which elects one member, and four “at large” members.

The BVI presently have three registered political parties: the Virgin Islands Party (VIP); the United Party (UPT); and the Concerned Citizens Movement (CCM).

2.4 Social Setting

2.4.1 Population

(a) Population Change and Distribution

The population of the BVI are currently just under 20,000\(^3\) compared with around 16,000 in 1991. This represents an increase of about 25% implying an average growth rate of 2.1% that is relatively high by Caribbean standards. Growth during the last 10 years was however lower in both absolute and relative terms than during the 1980s – in this decade the population increased by almost 50% from 11,000 to 16,000 at a rate of 3.8% annually (Table 2.1). Around 1/3\(^{rd}\) of this growth results from migration with the remainder being due to natural increase (although some of the natural increase will have occurred in migrant households) \(^4\). These proportions are essentially reversed from the 1980s when in-migration was responsible for over 60% of the increase.

The population of the BVI remains heavily concentrated on Tortola despite the faster growth experienced, since 1991, by Virgin Gorda and the other islands. Around 80% of the population lives on Tortola with most of the rest residing on Virgin Gorda. The other islands contain under 5% of the total population. Anegada and Jost van Dyke have around 200 people each while the remaining islands have a handful of permanent residents at most.

---

\(^3\) This estimate is based on the Visitation Records from the 2001 Census. Processing of the actual records and data validation exercises may result in this total being revised in the future. Indications are that the population is probably nearer 22,000.

\(^4\) Migration and the occurrence of BVI nationals giving birth outside the country make estimation of the Crude Birth Rate (CBR) both difficult and of limited value. An approximation can be gained by taking the population aged under 4 years, averaging for a single year and then dividing by the total population. This give a CBR of 18 per 1000. The Crude Death Rate is around 5/6 per 1000 implying an overall rate of Natural Increase of 1.2% annually – comparable to most other Caribbean countries.
Table 2.1. Population Change in the BVI, 1960-2001

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Tortola</td>
<td>na</td>
<td>13,200</td>
<td>15,600</td>
<td>79%</td>
<td>na</td>
<td>2,400</td>
</tr>
<tr>
<td>Virgin Gorda</td>
<td>na</td>
<td>2,400</td>
<td>3,400</td>
<td>17%</td>
<td>na</td>
<td>1,000</td>
</tr>
<tr>
<td>Other Islands</td>
<td>na</td>
<td>400</td>
<td>700</td>
<td>4%</td>
<td>na</td>
<td>300</td>
</tr>
<tr>
<td>TOTAL</td>
<td>11,000</td>
<td>16,000</td>
<td>19,700</td>
<td>100%</td>
<td>3,8%</td>
<td>3,700</td>
</tr>
</tbody>
</table>

Components of Population Growth

<table>
<thead>
<tr>
<th>Source</th>
<th>Change %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Births</td>
<td>Population aged 10 and under -SLC + 3400 **</td>
</tr>
<tr>
<td>Deaths</td>
<td>Registrar General - 900</td>
</tr>
<tr>
<td>Natural Increase</td>
<td>By subtraction 2500 69%</td>
</tr>
<tr>
<td>Net Migration</td>
<td>By subtraction from total increase 1100 31%</td>
</tr>
</tbody>
</table>

* Average Annual Growth Rate.

** This figure includes overseas births to BVI nationals and non-nationals. The annual average number of births in the BVI during the 1990s was just over 300.

Source: Various.

(b) Age and Sex

Table 2.2 summarises the age sex distribution of the BVIs’ current population while Figure 2.2 shows the age distribution. The most notable feature, which is characteristic of a country with high immigration, is the bulge in the main working age groups, from 24 to 64 years. The ‘excess’ of females in the 25-44 year age group indicates the high demand for female workers while the proportion of elderly (6%) is low.

Table 2.2. Population by Age and Sex

<table>
<thead>
<tr>
<th>Age Group (years)</th>
<th>Male</th>
<th>Female</th>
<th>ALL</th>
<th>Ratio*</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-4</td>
<td>8%</td>
<td>9%</td>
<td>9%</td>
<td>91</td>
</tr>
<tr>
<td>5-14</td>
<td>19%</td>
<td>17%</td>
<td>18%</td>
<td>103</td>
</tr>
<tr>
<td>15-24</td>
<td>15%</td>
<td>13%</td>
<td>14%</td>
<td>112</td>
</tr>
<tr>
<td>25-44</td>
<td>33%</td>
<td>38%</td>
<td>36%</td>
<td>84</td>
</tr>
<tr>
<td>45-64</td>
<td>19%</td>
<td>17%</td>
<td>18%</td>
<td>103</td>
</tr>
<tr>
<td>65+</td>
<td>6%</td>
<td>6%</td>
<td>6%</td>
<td>101</td>
</tr>
<tr>
<td>All</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>95</td>
</tr>
</tbody>
</table>

* Males per 100 females. Source: SLC.
(c) **Nationality**

Table 2.3 shows the distribution of the population by stated nationality. Just over half the population (56%) consider themselves to be BVI nationals and another 30% come from other Caribbean countries; 9% consider themselves as being American or USVI nationals although many of these are likely to have strong BVI links. Nationality is however a complex issue in the BVI\(^5\) and the table includes children of BVI nationals who are born in either USVI or the USA (Puerto Rico) AND children of immigrants born in the BVI who may not be eligible for BVI citizenship AND older people with BVI roots who were born elsewhere in the Caribbean\(^6\). To eliminate the distorting effect of children, the Table also shows the distribution for adults (20 years and over). In this case, the proportions are essentially reversed: the majority of the population is non-BVI with other Caribbean countries now making up 40% of the adult population.

---

\(^5\) Chapter 5 contains a discussion of the issues involved.

\(^6\) Around 6.5% of the population state a nationality different from their country of birth of which around 2/3rds consider themselves to be BVI nationals although they were born elsewhere.
Table 2.3. Population by Stated Nationality

<table>
<thead>
<tr>
<th>Nationality</th>
<th>ALL</th>
<th>20+ years only</th>
<th>By Household Nationality Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>BVI</td>
<td>56%</td>
<td>47%</td>
<td>34%</td>
</tr>
<tr>
<td>NON BVI</td>
<td>44%</td>
<td>53%</td>
<td>37%</td>
</tr>
<tr>
<td>Other Caribbean</td>
<td>29%</td>
<td>40%</td>
<td>28%</td>
</tr>
<tr>
<td>USVI/USA/ Puerto Rico</td>
<td>9%</td>
<td>4%</td>
<td>3%</td>
</tr>
<tr>
<td>Santo Domingo</td>
<td>3%</td>
<td>3%</td>
<td>2%</td>
</tr>
<tr>
<td>Other (mostly European/ Commonwealth)</td>
<td>4%</td>
<td>6%</td>
<td>5%</td>
</tr>
<tr>
<td>Mixed *</td>
<td>na</td>
<td>na</td>
<td>29%</td>
</tr>
<tr>
<td>All</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

* Predominantly BVI and Other Caribbean.  

Table 2.3 also contains a categorisation of the population by three ‘household nationality types’: (1) all BVI, (2) Mixed – BVI and non-BVI, and (3) non BVI (wholly immigrant). Broadly speaking, the population is divided equally between these types. It is notable that 29% of the population is in Mixed households implying a significant degree of inter-marriage between the BVI and non-BVI populations. While the nationality and residential status of all those in the BVI households and adults in non-BVI households is essentially straightforward, this is not necessarily the case for non-BVI adults in mixed households and BVI-born children in mixed and non-BVI households (see Chapter 5). Essentially there are numerous permutations of nationality, place of birth, and residential status which make this topic unusually complex.

Figure 2.3 shows how the proportions of these different household nationality types have changed since 1991. In 1991, mixed households constituted only 11% of the total with non-BVI households forming the majority (57%). By 2002, the proportion of mixed households had almost doubled to 20% while the proportion of non-BVI households dropped to under half (46%). This indicates increasing inter-marriage between BVI nationals and immigrants and implies a growing integration of the two populations. In 2002, around two thirds of households in the BVI contained non-nationals. In contrast, the proportion of BVI households remained constant at around one third.
Figure 2.3. Changes in the Proportions of Household Nationality

![Bar chart showing changes in the proportions of household nationality]


The demographic characteristics of these three types of households differ markedly (Table 2.4 and Figure 2.4).

Table 2.4. Age and Sex by Household Nationality Type

<table>
<thead>
<tr>
<th>Age Group (years)</th>
<th>BVI</th>
<th>Mixed</th>
<th>Non BVI</th>
<th>ALL</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of Households</td>
<td>34%</td>
<td>20%</td>
<td>46%</td>
<td>100%</td>
</tr>
<tr>
<td>% of population</td>
<td>34%</td>
<td>29%</td>
<td>37%</td>
<td>100%</td>
</tr>
<tr>
<td>Average Household Size (persons)</td>
<td>3.0</td>
<td>4.0</td>
<td>2.4</td>
<td>2.9</td>
</tr>
<tr>
<td>0-4</td>
<td>7%</td>
<td>11%</td>
<td>9%</td>
<td>9%</td>
</tr>
<tr>
<td>5-14</td>
<td>21%</td>
<td>18%</td>
<td>16%</td>
<td>18%</td>
</tr>
<tr>
<td>15-24</td>
<td>15%</td>
<td>18%</td>
<td>10%</td>
<td>14%</td>
</tr>
<tr>
<td>25-44</td>
<td>28%</td>
<td>32%</td>
<td>45%</td>
<td>36%</td>
</tr>
<tr>
<td>45-64</td>
<td>18%</td>
<td>18%</td>
<td>18%</td>
<td>18%</td>
</tr>
<tr>
<td>65+</td>
<td>11%</td>
<td>4%</td>
<td>2%</td>
<td>6%</td>
</tr>
<tr>
<td>All</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Sex Ratio 89 101 98 95
Crude Birth Rate per 1000 14 22 18 18

Source: SLC and Consultants’ Estimates.
Figure 2.4. Age Distribution by Household Nationality
The age distributions of BVI and mixed households are generally similar although the former has a higher proportion of elder people and fewer younger children. The non BVI households have substantially more persons of working age and fewer children and old people.

The sex ratios are a bit mystifying. Two possible explanations for the ‘absence’ of males in BVI households are that they are more likely to go overseas to work or study and/or that they are more likely to marry women from other islands. The latter explanation is partly corroborated by the much lower birth rate in All BVI households which in turn gives credence to the increasing integration of the two populations.

(d) **Ethnicity**

Irrespective of nationality, the BVI population is overwhelmingly ethnically African (Table 2.5).

<table>
<thead>
<tr>
<th>Ethnicity</th>
<th>%</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>African</td>
<td>85%</td>
<td>Incl. many Santo Domingans</td>
</tr>
<tr>
<td>Mixed</td>
<td>5%</td>
<td></td>
</tr>
<tr>
<td>White</td>
<td>4%</td>
<td></td>
</tr>
<tr>
<td>Indian</td>
<td>3%</td>
<td>Incl. some Guyanese</td>
</tr>
<tr>
<td>Hispanic</td>
<td>1%</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>2%</td>
<td></td>
</tr>
<tr>
<td><strong>All</strong></td>
<td>100.0%</td>
<td></td>
</tr>
</tbody>
</table>

Source: SLC, 2002

(e) **Households**

Average household size in the BVI are below 3 persons per household – virtually unchanged since 1991. Currently half the households consist of only 1 or 2 persons (also virtually unchanged since 1991) and only 16% have 5 or more members (Table 2.6). Overall, less than half the households in the BVI have children and only 1 in 7 have an elderly person.

There are substantial variations with the nationality type. Mixed households tend to be larger with 29% having 5 or more persons and almost two thirds have children. In contrast, immigrant households tend to be smaller – only 6% of these households have 5 or more persons; these households are also less likely to have children and very few have elderly people. BVI households also tend not to be large but almost 30% have elderly people – double the overall average.
Table 2.6. Household Characteristics by Nationality Type

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>BVI</th>
<th>Mixed</th>
<th>Non BVI</th>
<th>ALL</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of Households</td>
<td>34%</td>
<td>20%</td>
<td>46%</td>
<td>100%</td>
</tr>
<tr>
<td>Household Size</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 person</td>
<td>28%</td>
<td>0%</td>
<td>33%</td>
<td>25%</td>
</tr>
<tr>
<td>2 person</td>
<td>22%</td>
<td>23%</td>
<td>29%</td>
<td>25%</td>
</tr>
<tr>
<td>3 or 4 persons</td>
<td>30%</td>
<td>48%</td>
<td>31%</td>
<td>34%</td>
</tr>
<tr>
<td>5 + persons</td>
<td>20%</td>
<td>29%</td>
<td>6%</td>
<td>16%</td>
</tr>
<tr>
<td>Average Size</td>
<td>3.0</td>
<td>4.0</td>
<td>2.3</td>
<td>2.9</td>
</tr>
<tr>
<td>With children</td>
<td>45%</td>
<td>65%</td>
<td>40%</td>
<td>47%</td>
</tr>
<tr>
<td>With elderly people</td>
<td>28%</td>
<td>14%</td>
<td>3%</td>
<td>14%</td>
</tr>
</tbody>
</table>

Source: SLC, 2002

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.

(f) Length of Residence

Just under half the immigrant households have arrived in the last 10 years. Recently arrived households are smaller (2.1 persons), have more members aged between 25 and 44 years (55%) and fewer children – only 30% of these households have children. This indicates both the continuing in-migration to the BVI and the fact that the majority of the immigrant population in the BVI are relatively long-established – 2/3rds of the population in immigrant households have been there more than 10 years.

2.4.2 Health

The Ministry of Health and Welfare has responsibility for public health, hospital services, an institutional care home, drug and alcohol rehabilitation centre and oversees the National Drug Advisory Council. Although the Ministry does not have a formal health plan the “Draft BVI Health Profile (2000)” outlines Government Policy on national health which is to “…provide comprehensive health care with special focus on women, children, the elderly, the mentally ill, and the handicapped” (p.14). Health priorities are similarly identified. They are to enhance hospital services, strengthen primary health care services and improve environmental health (particularly solid waste management).

The public sector primary health care services consist of 13 health clinics (of which one is the Health Centre in Road Town) and two are satellite clinics. Eleven are located on Tortola,
two on Virgin Gorda and one clinic each on Jost Van Dyke and Anegada. The satellite clinics are staffed by a district nurse and visited regularly by physicians.

Secondary health services consist of Peebles Hospital in Road Town that contains 44 beds. A new hospital currently under construction is located close to the existing hospital. Peebles Hospital will continue as a health facility once the new hospital is operational. A private 8 bed hospital – Bougainvillea Clinic - is primarily used for plastic surgery.

No tertiary health care is provided in the BVI. An arrangement with the UK’s Department of Health enables a limited number of patients to access specialist health care in the UK. There is, in any event, a high reliance on private sector health services within the BVI and from surrounding countries’ services – particularly private hospital and medical services in Puerto Rico, Jamaica, Barbados, US Virgin Island as well as the USA. It is estimated that around 50% of medical services are sought privately. No National Health Scheme exists and although many residents use private medical facilities the majority tend to seek care at government establishments when they are chronically ill.

Other health facilities and services co-ordinated through the Ministry of Health and Welfare include:

- Adina Donovan Home – offering residential care for 26 senior citizens;
- Sandy Lane Centre – which provides individual counselling, group therapy and family counselling for drug addiction/ alcohol dependency. It assisted 77 individuals in 2001/02 in a variety of programmes;
- National Drug Advisory Council - which is co-ordinating education programmes, undertakes surveys to identify the extent of the problem and is overseen by a panel which is inter-departmental and has representatives from NGOs and the community;
- Mental Health Services Unit provides psychiatric services on an outpatient basis with those requiring hospitalisation using the Peebles Hospital (or other private medical facilities).

Key health indicators are indicated in Table 2.7. Information outlined in this Table indicates that the health status in the BVI is good. Infant and related mortality rates are generally low. The trend in teenage pregnancies is also uncertain – the number of such pregnancies has increased in both their number and as a proportion of all pregnancies. However the number of teenage girls has also increased during the period and teenage pregnancies as a proportion of this age group is much the same now as it was 10 years ago.

---

Table 2.7. Health Indicators

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>**Births * **</td>
<td>303</td>
<td>290</td>
<td>318</td>
<td>298</td>
<td>287</td>
<td>287</td>
<td>351</td>
<td>278</td>
<td>315</td>
</tr>
<tr>
<td>Crude Birth Rate#</td>
<td>18.13</td>
<td>16.96</td>
<td>18.18</td>
<td>16.65</td>
<td>15.67</td>
<td>15.31</td>
<td>18.37</td>
<td>14.27</td>
<td>15.86</td>
</tr>
<tr>
<td>% Low Birth Weight Children</td>
<td>9.24</td>
<td>5.86</td>
<td>5.97</td>
<td>8.05</td>
<td>9.40</td>
<td>8.01</td>
<td>8.56</td>
<td>7.55</td>
<td>5.71</td>
</tr>
<tr>
<td><strong>Teenage Delivery as % of Total Deliveries</strong></td>
<td>8.90</td>
<td>11.00</td>
<td>10.10</td>
<td>9.10</td>
<td>8.70</td>
<td>9.10</td>
<td>11.32</td>
<td>11.38</td>
<td>13.65</td>
</tr>
<tr>
<td><strong>Teenage Pregnancies</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>23</td>
<td>26</td>
<td>3</td>
<td>28</td>
<td>40</td>
<td></td>
</tr>
<tr>
<td><strong>Deaths</strong></td>
<td>77</td>
<td>90</td>
<td>76</td>
<td>105</td>
<td>90</td>
<td>88</td>
<td>97</td>
<td>87</td>
<td>94</td>
</tr>
<tr>
<td>Infant Deaths</td>
<td>7</td>
<td>4</td>
<td>5</td>
<td>5</td>
<td>1</td>
<td>4</td>
<td>2</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td>Under 5s deaths</td>
<td>7</td>
<td>7</td>
<td>6</td>
<td>5</td>
<td>3</td>
<td>6</td>
<td>2</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td>Crude Death Rate#</td>
<td>4.6</td>
<td>5.3</td>
<td>4.3</td>
<td>5.9</td>
<td>4.9</td>
<td>4.7</td>
<td>5.1</td>
<td>4.5</td>
<td>4.7</td>
</tr>
<tr>
<td>Infant Mortality Rate**</td>
<td>23</td>
<td>14</td>
<td>16</td>
<td>17</td>
<td>3</td>
<td>14</td>
<td>6</td>
<td>18</td>
<td>10</td>
</tr>
<tr>
<td>Under 5 mortality rate**</td>
<td>4.6</td>
<td>4.9</td>
<td>4.7</td>
<td>3.4</td>
<td>2.0</td>
<td>4.1</td>
<td>1.3</td>
<td>3.3</td>
<td>2.0</td>
</tr>
<tr>
<td>Life Expectancy at Birth</td>
<td>74.50</td>
<td>74.80</td>
<td>77.20</td>
<td>72.70</td>
<td>74.60</td>
<td>74.80</td>
<td>74.20</td>
<td>75.50</td>
<td>73.60</td>
</tr>
</tbody>
</table>

* Excludes overseas births to BVI-nationals in USA, Puerto Rico, etc.  
# All rates are per 1000

** These rates fluctuate substantially due to the low number of as they involve very few occurrences.


The nutritional status of the population is also considered to be good however dietary habits are contributing to increasing problems of diabetes and hypertension such that these diseases are considered to account for 70% of all deaths. Major causes of mortality and morbidity are cited as circulatory disorders, diabetics mellitus, malignant neoplasms and mental ill health, particularly substance abuse. This was corroborated in interviews with health officials who considered that the major health problems facing the BVI population were hypertension, diabetes, obesity (around 20% for children under 5), depression and substance abuse. The interviews also highlighted the longer term issues of increasing longevity and the strains of caring for the “older elderly”.

Over the years the pattern of diseases has changed from communicable disease that could be prevented by improvements to water supply, sanitation and immunisation programmes to conditions that necessitate the adoption of healthy lifestyles, especially in early life, if they are to be checked. This has meant that the public health system has had to evolve from

---


9 According to the Survey of Living Conditions, 20% of households had at least one member affected by one of these conditions.
focusing on secondary to primary health care. Education now forms a core component of health services. However, there has been, in recent years, a resurgence of some communicable diseases (e.g. dengue fever, respiratory tract infections, tuberculosis, gastroenteritis and sexually transmitted diseases\textsuperscript{10}. Between 1985 and 2002 the total number of HIV/AIDS cases was 35 with 23 deaths\textsuperscript{11}.

The Ministry of Health and Welfare also has responsibility for environmental health including solid waste management and water quality surveillance, vector control and food sanitation. There have been concerns over the quality of ground water and sea water (in areas used for recreation) due to the lack of control over the discharge from holding tanks on yachts, septic tanks near the shoreline and public health legislation which allows raw sewage from Road Town, marinas, hotels etc to be discharged into coastal waters. The sewage outfall at Stanley Point has been criticised for not carrying out adequate primary or secondary treatment before discharging to the sea\textsuperscript{12}. Table 2.8 provides a summary of other key health data for the BVI with comparisons against other countries.

Table 2.8. Comparative Health Indicators

<table>
<thead>
<tr>
<th>Health Statistic</th>
<th>BVI</th>
<th>Anguilla</th>
<th>Dominica</th>
<th>Barbados</th>
<th>Jamaica</th>
<th>USA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Life Expectancy</td>
<td>72.8</td>
<td>74.3</td>
<td>77.3</td>
<td>76.5</td>
<td>74.7</td>
<td>76.8</td>
</tr>
<tr>
<td>Rural pop w/access to water serv %</td>
<td>97.8</td>
<td>n.a</td>
<td>91</td>
<td>100</td>
<td>69</td>
<td>n.a</td>
</tr>
<tr>
<td>Rural pop w/access to excreta dis. %</td>
<td>96</td>
<td>n.a</td>
<td>80</td>
<td>100</td>
<td>92</td>
<td>99</td>
</tr>
<tr>
<td>NHE* per capita in $US</td>
<td>1,450</td>
<td>336</td>
<td>198</td>
<td>421</td>
<td>76</td>
<td>3,858</td>
</tr>
<tr>
<td>NHE as % of GNP</td>
<td>3.9</td>
<td>5.1</td>
<td>6.6</td>
<td>6.6</td>
<td>5.4</td>
<td>13.1</td>
</tr>
<tr>
<td>Physicians per 10,000 pop.</td>
<td>11.5</td>
<td>17.5</td>
<td>4.93</td>
<td>12.8</td>
<td>13.6</td>
<td>26.5</td>
</tr>
<tr>
<td>Hospital beds per 10,000 pop.</td>
<td>21.5</td>
<td>30.6</td>
<td>35.9</td>
<td>74.1</td>
<td>21</td>
<td>5.2</td>
</tr>
</tbody>
</table>

n.a – Not Available

* National Health Expenditure


In general the health statistics and indicators are similar to those experienced in many westernised countries in that the incidence of malnutrition, communicable diseases and waterborne infections are low while the incidence of diabetes, obesity and hypertension are causing concern along with substance abuse and the growing threat of HIV/AIDS and other STDs.

\textsuperscript{10} Ministry of Health and Welfare, \textit{op cit.}


\textsuperscript{12} Ministry of Health and Welfare, \textit{op cit.}
2.4.3 **Education**

The Ministry of Education and Culture has overarching responsibility for the Department of Education and Culture, Department of Library Services and the Department of Youth Affairs, Sports and Recreation. The Department of Education and Culture is tasked with implementing the government’s education objective which is to “… *develop people’s potential to the fullest, stimulate creative and innovative solutions to problem-solving and prepare citizens for successful living in a technological age*”\(^{13}\). The education process is administered through early childhood education (pre-schools and day care), primary, secondary and tertiary education. Education is largely government funded, is free for those attending public schools and is compulsory from ages 5 to 15. Enrolments are outlined in Table 2.9. Enrolment rates are very high (c.98%) at both primary and secondary levels; this is corroborated by the results of the SLC.

### Table 2.9. School Enrolment, 2001-2002

<table>
<thead>
<tr>
<th>Schools Type</th>
<th>No.</th>
<th>Male</th>
<th>Female</th>
<th>Total</th>
<th>% Trained Teachers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Day Care</td>
<td>21</td>
<td>252</td>
<td>221</td>
<td>473</td>
<td>na.</td>
</tr>
<tr>
<td>Preschool</td>
<td>17</td>
<td>346</td>
<td>282</td>
<td>628</td>
<td>na.</td>
</tr>
<tr>
<td>Govt Primary</td>
<td>15</td>
<td>1207</td>
<td>1143</td>
<td>2349</td>
<td>63%</td>
</tr>
<tr>
<td>Private Primary</td>
<td>4</td>
<td>177</td>
<td>180</td>
<td>357</td>
<td>na.</td>
</tr>
<tr>
<td>Private Primary</td>
<td>2</td>
<td>na.</td>
<td>na.</td>
<td>105</td>
<td>na.</td>
</tr>
<tr>
<td>Government HS</td>
<td>3</td>
<td>789</td>
<td>759</td>
<td>1548</td>
<td>na.</td>
</tr>
<tr>
<td>HL Stoutt College</td>
<td>1</td>
<td>235</td>
<td>523</td>
<td>758</td>
<td>na.</td>
</tr>
</tbody>
</table>

Source: Department of Education Statistics, 1997-2002

There are 17 pre-school and 21 child day care centres catering for over 1100 children (0 to 7 years) 2001. All pre-school facilities are privately run and have recently been regulated due to concerns over varying standards.

Secondary education is not yet comprehensive. Primary school children are streamed into secondary school based on a Primary V assessment. There are on-going concerns that primary school retention rates are high given that students cannot transfer to secondary education until they pass the exam. For example in 2000 around 19% of the total number of pupils failed the Primary V exam. This figure dropped to 13% in 2001 and to just below 10%\(^{13}\)

\(^{13}\) National Integrated Development Strategy (NIDS)
in 2002. If students continue to fail the exam they do not progress to secondary school and there are instances of 15 year-old students who do not progress to high school at all.

Once in secondary school students are streamed according to their English and mathematics abilities with children having English as a second language at a disadvantage. The Level 51 stream caters for those not going on to do the Caribbean Examination Council (CXC) exams and is recognised as impacting on pupil’s performance. CXC pass rates are similar to other Caribbean countries with results for Grades 1 and II in the General Proficiency exams varying from 14% in 1997 to around 20% in 2002. These grades would qualify students for university matriculation. Performance in English language, mathematics and information technology have been good. Those students not progressing to CXC level and undertaking the High School certificate programme perform less well with just over half gaining Grades I and II Certificates.\(^{14}\)

The only tertiary college located in the BVI are the H.L Stoutt College which has been operating since 1991. Courses are limited to vocational and technical training, liberal arts and management with qualifications up to associate degree level. Current enrolment is around 750. From discussions with Department of Education officials those seeking university level qualifications tend to study in the USA, UK as well as locally within the Caribbean at the University of West Indies. It was also felt that employment opportunities within the BVI encouraged graduates to return to seek employment.

### 2.5 The Economy

#### 2.5.1 Current State of the Economy and Outlook

Over the past 30 to 40 years, the BVI has evolved from an agriculture/subsistence economy, where people left the islands to find work, to one based on tourism (sailing and luxury hotels) to a combination of tourism and the provision of financial services to the international business community.

Table 2.10 presents details of GDP by sector while Table 2.11 presents the sectoral distribution. Gross Domestic Output (GDO) grew by an average of 9% annually over the 1991 to 2001 period. Nominal GDP per capita in 2001 reached US$35,954.

GDP produced by the Financial Intermediation sector grew by an average of 23% over the period 1991 to 2001, and now comprises 38% of total GDP. Tourism (narrowly defined as Hotels and Restaurants) grew by 12% annually over the same period and now accounts for 14% of GDP. Wholesale and retail trade now comprise 19% of GDP and Real Estate,

Renting and Business Activity accounts for 12%. The importance of these sectors, especially financial intermediation, is noted below in sections relating to government revenues.

Table 2.10. BVI Gross Domestic Product (GDP), 1995-2001

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GDP at Current Market Prices (US$000)</strong></td>
<td>456,599</td>
<td>504,098</td>
<td>573,052</td>
<td>611,669</td>
<td>654,052</td>
<td>682,830</td>
<td>742,335</td>
</tr>
<tr>
<td><strong>Annual Rate of growth (%)</strong></td>
<td>10.38</td>
<td>10.40</td>
<td>13.68</td>
<td>6.74</td>
<td>6.93</td>
<td>4.40</td>
<td>8.71</td>
</tr>
<tr>
<td><strong>GDP per Capita (US$$)</strong></td>
<td>24,928</td>
<td>26,904</td>
<td>29,992</td>
<td>31,397</td>
<td>32,926</td>
<td>33,713</td>
<td>35,954</td>
</tr>
<tr>
<td><strong>Activity Distribution</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agriculture, Hunting &amp; Forestry</td>
<td>2,255</td>
<td>2,344</td>
<td>2,483</td>
<td>2,536</td>
<td>2,726</td>
<td>2,297</td>
<td>2,581</td>
</tr>
<tr>
<td>Fishing</td>
<td>6,212</td>
<td>6,682</td>
<td>7,166</td>
<td>8,185</td>
<td>8,800</td>
<td>9,102</td>
<td>9,873</td>
</tr>
<tr>
<td>Mining and Quarrying</td>
<td>1,045</td>
<td>1,205</td>
<td>1,375</td>
<td>1,589</td>
<td>1,710</td>
<td>1,862</td>
<td>2,046</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>5,024</td>
<td>4,893</td>
<td>5,030</td>
<td>5,228</td>
<td>5,620</td>
<td>6,721</td>
<td>6,506</td>
</tr>
<tr>
<td>Electricity, Gas and Water</td>
<td>8,092</td>
<td>8,970</td>
<td>9,968</td>
<td>10,747</td>
<td>11,552</td>
<td>12,447</td>
<td>13,326</td>
</tr>
<tr>
<td>Construction</td>
<td>16,599</td>
<td>16,261</td>
<td>17,247</td>
<td>17,136</td>
<td>18,421</td>
<td>19,068</td>
<td>19,327</td>
</tr>
<tr>
<td>Wholesale and Retail Trade</td>
<td>116,701</td>
<td>120,679</td>
<td>125,058</td>
<td>128,079</td>
<td>137,685</td>
<td>138,342</td>
<td>143,982</td>
</tr>
<tr>
<td>Hotel and Restaurant</td>
<td>57,397</td>
<td>64,597</td>
<td>76,784</td>
<td>81,164</td>
<td>87,253</td>
<td>96,262</td>
<td>103,910</td>
</tr>
<tr>
<td>Transport and Communications</td>
<td>15,199</td>
<td>11,121</td>
<td>15,060</td>
<td>15,829</td>
<td>17,016</td>
<td>19,562</td>
<td>19,658</td>
</tr>
<tr>
<td>Financial Intermediation</td>
<td>131,159</td>
<td>165,907</td>
<td>203,879</td>
<td>223,010</td>
<td>236,240</td>
<td>245,596</td>
<td>281,197</td>
</tr>
<tr>
<td>Real Estate, Renting &amp; Business Activity</td>
<td>60,930</td>
<td>63,947</td>
<td>69,616</td>
<td>74,121</td>
<td>79,680</td>
<td>82,468</td>
<td>87,733</td>
</tr>
<tr>
<td>Government Services</td>
<td>17,738</td>
<td>18,161</td>
<td>18,623</td>
<td>20,750</td>
<td>22,306</td>
<td>23,100</td>
<td>24,250</td>
</tr>
<tr>
<td>Education</td>
<td>6,907</td>
<td>7,515</td>
<td>8,182</td>
<td>9,038</td>
<td>9,716</td>
<td>10,251</td>
<td>11,019</td>
</tr>
<tr>
<td>Health &amp; Social Work</td>
<td>4,619</td>
<td>4,475</td>
<td>4,535</td>
<td>4,640</td>
<td>4,988</td>
<td>4,944</td>
<td>5,027</td>
</tr>
<tr>
<td>Other Community, Social &amp; Personal Services</td>
<td>6,539</td>
<td>6,792</td>
<td>7,029</td>
<td>8,135</td>
<td>8,745</td>
<td>8,777</td>
<td>9,485</td>
</tr>
<tr>
<td>Private Households</td>
<td>2,268</td>
<td>2,615</td>
<td>2,966</td>
<td>3,471</td>
<td>3,731</td>
<td>4,051</td>
<td>4,460</td>
</tr>
<tr>
<td>Unclassified</td>
<td>(37)</td>
<td>(71)</td>
<td>(70)</td>
<td>(57)</td>
<td>(61)</td>
<td>(53)</td>
<td>(74)</td>
</tr>
<tr>
<td>Import Duty</td>
<td>10,432</td>
<td>10,146</td>
<td>10,247</td>
<td>9,889</td>
<td>10,631</td>
<td>10,267</td>
<td>10,296</td>
</tr>
<tr>
<td>Not Stated</td>
<td>89</td>
<td>113</td>
<td>136</td>
<td>169</td>
<td>182</td>
<td>205</td>
<td>231</td>
</tr>
<tr>
<td><strong>Less Imputed Service Charges</strong></td>
<td>(12,569)</td>
<td>(12,254)</td>
<td>(12,262)</td>
<td>(11,990)</td>
<td>(12,889)</td>
<td>(12,439)</td>
<td>(12,499)</td>
</tr>
</tbody>
</table>

Source: Development Planning Unit (DPU), Government of the BVI.
Table 2.11. BVI Gross Domestic Product – Sectoral Distribution

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture, Hunting &amp; Forestry</td>
<td>0.49</td>
<td>0.46</td>
<td>0.43</td>
<td>0.41</td>
<td>0.42</td>
<td>0.34</td>
<td>0.35</td>
</tr>
<tr>
<td>Fishing</td>
<td>1.36</td>
<td>1.33</td>
<td>1.25</td>
<td>1.34</td>
<td>1.35</td>
<td>1.33</td>
<td>1.33</td>
</tr>
<tr>
<td>Mining and Quarrying</td>
<td>0.23</td>
<td>0.24</td>
<td>0.24</td>
<td>0.26</td>
<td>0.26</td>
<td>0.27</td>
<td>0.28</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>1.10</td>
<td>0.97</td>
<td>0.88</td>
<td>0.85</td>
<td>0.86</td>
<td>0.98</td>
<td>0.88</td>
</tr>
<tr>
<td>Electricity, Gas and Water</td>
<td>1.77</td>
<td>1.78</td>
<td>1.74</td>
<td>1.76</td>
<td>1.77</td>
<td>1.82</td>
<td>1.80</td>
</tr>
<tr>
<td>Construction</td>
<td>3.64</td>
<td>3.23</td>
<td>3.01</td>
<td>2.80</td>
<td>2.82</td>
<td>2.79</td>
<td>2.60</td>
</tr>
<tr>
<td>Wholesale and Retail Trade</td>
<td>25.56</td>
<td>23.94</td>
<td>21.82</td>
<td>20.94</td>
<td>21.05</td>
<td>20.26</td>
<td>19.40</td>
</tr>
<tr>
<td>Hotel and Restaurant</td>
<td>12.57</td>
<td>12.81</td>
<td>13.40</td>
<td>13.27</td>
<td>13.34</td>
<td>14.10</td>
<td>14.00</td>
</tr>
<tr>
<td>Transport and Communications</td>
<td>3.33</td>
<td>2.21</td>
<td>2.63</td>
<td>2.59</td>
<td>2.60</td>
<td>2.86</td>
<td>2.65</td>
</tr>
<tr>
<td>Financial Intermediation</td>
<td>28.73</td>
<td>32.91</td>
<td>35.58</td>
<td>36.46</td>
<td>36.12</td>
<td>35.97</td>
<td>37.88</td>
</tr>
<tr>
<td>Real Estate, Renting &amp; Business Activity</td>
<td>13.34</td>
<td>12.69</td>
<td>12.15</td>
<td>12.12</td>
<td>12.18</td>
<td>12.08</td>
<td>11.82</td>
</tr>
<tr>
<td>Government Services</td>
<td>3.88</td>
<td>3.60</td>
<td>3.25</td>
<td>3.39</td>
<td>3.41</td>
<td>3.38</td>
<td>3.27</td>
</tr>
<tr>
<td>Education</td>
<td>1.51</td>
<td>1.49</td>
<td>1.43</td>
<td>1.48</td>
<td>1.49</td>
<td>1.50</td>
<td>1.48</td>
</tr>
<tr>
<td>Health &amp; Social Work</td>
<td>1.01</td>
<td>0.89</td>
<td>0.79</td>
<td>0.76</td>
<td>0.76</td>
<td>0.72</td>
<td>0.68</td>
</tr>
<tr>
<td>Other Community, Social &amp; Personal Services</td>
<td>1.43</td>
<td>1.35</td>
<td>1.23</td>
<td>1.33</td>
<td>1.34</td>
<td>1.29</td>
<td>1.28</td>
</tr>
<tr>
<td>Other Activities</td>
<td>2.79</td>
<td>2.54</td>
<td>2.32</td>
<td>2.20</td>
<td>2.21</td>
<td>2.12</td>
<td>2.01</td>
</tr>
<tr>
<td>Less Imputed Service Charges</td>
<td>(2.75)</td>
<td>(2.43)</td>
<td>(2.14)</td>
<td>(1.96)</td>
<td>(1.97)</td>
<td>(1.82)</td>
<td>(1.68)</td>
</tr>
<tr>
<td>TOTAL</td>
<td>100.00</td>
<td>100.00</td>
<td>100.00</td>
<td>100.00</td>
<td>100.00</td>
<td>100.00</td>
<td>100.00</td>
</tr>
</tbody>
</table>

Source: Development Planning Unit (DPU), Government of the BVI.

Overall, the strength of the economy is also measured by its diversity and hence its ability to withstand the natural and man-made shocks and disturbances that can play havoc in other small island economies. Thus, the effects of hurricanes and of recessions in the U.S. can affect the tourist economy but may leave the financial services sector unaffected; or, can affect the cruise ship segment of the tourism industry without affecting the sailing segment.

2.5.2 External Trade

The situation of trade is quite simple. As all manufactured goods and most foodstuffs imported are imported, and only very minor amounts of fish, sand and gravel and rum are exported, the BVI currently is running a deficit of US$224.7 million on the balance of visible trade.

The import/export situation is reversed on the services side where the BVIs’ financial services industry significantly outweighs the value of service imports. The BVI currently is running a positive balance of US$362.46 million on the services trade balance.
Balance of trade data is presented in Table 2.12. These data clearly show that the BVIs’ overall balance of trade is positive; it has been so since 1993.

Table 2.12. Balance of Trade Statistics (US$ ‘000,000)

<table>
<thead>
<tr>
<th>ITEM</th>
<th>1997</th>
<th>1998</th>
<th>1999</th>
<th>2000</th>
<th>2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exports of Goods</td>
<td>22.4</td>
<td>23.1</td>
<td>25.4</td>
<td>26.6</td>
<td>28.2</td>
</tr>
<tr>
<td>Imports of Goods</td>
<td>166.4</td>
<td>164.7</td>
<td>198.0</td>
<td>237.1</td>
<td>252.9</td>
</tr>
<tr>
<td>Balance of Visible Trade</td>
<td>-144.0</td>
<td>141.6</td>
<td>-172.6</td>
<td>-210.4</td>
<td>-224.7</td>
</tr>
<tr>
<td>Export of Services</td>
<td>444.4</td>
<td>473.7</td>
<td>542.4</td>
<td>574.0</td>
<td>623.0</td>
</tr>
<tr>
<td>Import of Services</td>
<td>266.5</td>
<td>289.5</td>
<td>307.6</td>
<td>341.9</td>
<td>362.5</td>
</tr>
<tr>
<td>Balance of Services Trade</td>
<td>177.9</td>
<td>184.2</td>
<td>234.8</td>
<td>232.1</td>
<td>260.6</td>
</tr>
<tr>
<td>Overall Trade Balance</td>
<td>33.9</td>
<td>42.6</td>
<td>62.2</td>
<td>21.7</td>
<td>35.9</td>
</tr>
</tbody>
</table>

Source: Development Planning Unit.

2.5.3 Employment and Labour

The current labour force in the BVI is around 11,700\(^{15}\) of whom around 95% are employed. The overall participation rate is 60% rising to 82% if those under 15 years are excluded. These rates are high by any standards. In consequence the dependency ratio (population to workers) is very low at 1.7. Over 90% of households have at least one person employed and around half have 2 or more workers. The current buoyancy of the job market can be seen in the Jobs sections of the local newspapers. In one issue in November 2002, over 80 vacancies were advertised in all occupation categories. Positions offered ranged from experience corporate lawyers to maids, dishwashers and labourers through marine personnel, store managers and clerks. Various levels of experience are required; several were for high school graduates and many gave priority to BVI-nationals. Volume 2 contains a detailed list.

These rates vary with nationality (Table 2.13). Non-nationals make up around 56% of current employment (although this percentage falls to 42% if non Nationals in mixed households are considered separately). Immigrants from other Caribbean countries constitute over 40% of current employment and this group also exhibits much lower unemployment and dependency.

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\(^{15}\) As for population, this estimate has been obtained by grossing up the SLC results to the number of households recorded on the Census Visitation records. DPU consider that there are grounds for considering this to be an under-estimate.
and higher labour force participation\textsuperscript{16}. Although BVI nationals make up about 60\% of total unemployment, their unemployment rate is still low at 7\%.

**Table 2.13. Employment Indicators by Nationality**

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Derivation</th>
<th>BVI</th>
<th>Caribbean</th>
<th>Other</th>
<th>ALL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participation Rate</td>
<td>Empl+Unempl/Pop.</td>
<td>49%</td>
<td>89%</td>
<td>51%</td>
<td>60%</td>
</tr>
<tr>
<td>Total Employed</td>
<td>% of total employment</td>
<td>4,900</td>
<td>4,800</td>
<td>1,400</td>
<td>11,100</td>
</tr>
<tr>
<td>Unemployment rate</td>
<td>Unempl/Unempl+Empl</td>
<td>7%</td>
<td>2%</td>
<td>8%</td>
<td>5%</td>
</tr>
<tr>
<td>Dependency Ratio</td>
<td>Population/Workers</td>
<td>2.2</td>
<td>1.1</td>
<td>2.1</td>
<td>1.7</td>
</tr>
</tbody>
</table>

Source: SLC

Table 2.14 shows that the Government provides just under 30\% of all employment in the BVI; most of the remainder is provided by private employers; 13\% of workers are self-employed. The private employment sector is dominated by non-nationals (70\%) who also provide around $\frac{1}{3}$ of government employees.

**Table 2.14. Type of Employment by Nationality**

<table>
<thead>
<tr>
<th>Employer</th>
<th>% of total</th>
<th>Nationality of worker</th>
<th>BVI</th>
<th>Non BVI</th>
<th>ALL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government</td>
<td>28%</td>
<td></td>
<td>66%</td>
<td>34%</td>
<td>100%</td>
</tr>
<tr>
<td>Private</td>
<td>59%</td>
<td></td>
<td>30%</td>
<td>70%</td>
<td>100%</td>
</tr>
<tr>
<td>Self-Employed</td>
<td>13%</td>
<td></td>
<td>58%</td>
<td>42%</td>
<td>100%</td>
</tr>
<tr>
<td><strong>ALL</strong></td>
<td><strong>100%</strong></td>
<td><strong>44%</strong></td>
<td><strong>56%</strong></td>
<td><strong>100%</strong></td>
<td></td>
</tr>
</tbody>
</table>

Source: SLC

Table 2.15 presents the occupational status and industrial sector of the currently employed labour force in the BVI. The most important findings are:

\textbullet{} one third of all employees are in the most skilled managerial/professional/ technical and administrative categories;

\textsuperscript{16} The dependency ratio and participation rates amongst other Caribbean is, to some degree, biased by the frequent classification of their children as BVI nationals.
although non-nationals are strongly represented in all occupational classifications, they are more likely to be employed in the less skilled occupations;

apart from government, the most important sector in terms of employment is hotels and restaurants (21% of employment). The construction, trade, transport and business services sectors each employ around 10% of workers;

as with occupations, non nationals are to be found in all sectors. In particular, they make up at more than 60% of employment in hotels, construction, trade and domestic service (BVI nationals hardly figure in this category).

The great majority (83%) of those employed are fully employed, i.e. they work 32 or more hours per week. Only 6% stated that they worked fewer than 20 hours per week in their primary employment.

Table 2.15. Occupational Status and Industrial Sector by Nationality

<table>
<thead>
<tr>
<th>Occupational Category</th>
<th>BVI</th>
<th>Non BVI</th>
<th>ALL</th>
<th>% BVI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prof / Man/ Tech/ Admin</td>
<td>43%</td>
<td>25%</td>
<td>33%</td>
<td>58%</td>
</tr>
<tr>
<td>Clerical</td>
<td>13%</td>
<td>11%</td>
<td>12%</td>
<td>50%</td>
</tr>
<tr>
<td>Sales</td>
<td>15%</td>
<td>24%</td>
<td>20%</td>
<td>33%</td>
</tr>
<tr>
<td>Skilled manual *</td>
<td>16%</td>
<td>20%</td>
<td>18%</td>
<td>39%</td>
</tr>
<tr>
<td>Elementary</td>
<td>14%</td>
<td>20%</td>
<td>17%</td>
<td>36%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>44%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Industrial Sector</th>
<th>BVI</th>
<th>Non BVI</th>
<th>ALL</th>
<th>% BVI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agric/ For/ Fishing</td>
<td>2%</td>
<td>2%</td>
<td>2%</td>
<td>50%</td>
</tr>
<tr>
<td>Mining/ Manufacturing</td>
<td>5%</td>
<td>3%</td>
<td>4%</td>
<td>55%</td>
</tr>
<tr>
<td>Construction</td>
<td>7%</td>
<td>14%</td>
<td>11%</td>
<td>28%</td>
</tr>
<tr>
<td>Trade</td>
<td>9%</td>
<td>12%</td>
<td>11%</td>
<td>38%</td>
</tr>
<tr>
<td>Hotels and Restaurants</td>
<td>16%</td>
<td>25%</td>
<td>21%</td>
<td>33%</td>
</tr>
<tr>
<td>Transport &amp; Communications</td>
<td>10%</td>
<td>9%</td>
<td>9%</td>
<td>48%</td>
</tr>
<tr>
<td>Business Services</td>
<td>10%</td>
<td>8%</td>
<td>9%</td>
<td>52%</td>
</tr>
<tr>
<td>Government **</td>
<td>40%</td>
<td>19%</td>
<td>28%</td>
<td>63%</td>
</tr>
<tr>
<td>Other services</td>
<td>1%</td>
<td>3%</td>
<td>2%</td>
<td>13%</td>
</tr>
<tr>
<td>Domestic services</td>
<td>1%</td>
<td>5%</td>
<td>3%</td>
<td>12%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>44%</td>
</tr>
</tbody>
</table>

* Incl. Skilled agricultural and fishery workers, craft and related workers, plant and machine operators

** Incl. Health and education workers

Source SLC
The SLC found that only 6% of workers had more than one job. This is almost certainly an under-estimate and a more realistic proportion is likely to be in the ge of 10-13%. The SLC provided negligible evidence of seasonality in employment patterns.

2.5.4 Government

Government plays a key role in providing the infrastructure and services required to maintain the high standards of the financial intermediation and tourism industries.

Table 2.16 presents financial statistics for government operations. The importance of the financial services sector is clearly seen in the proportion of government revenue accounted for by this sector (in the form of international business company licence fees): US$90.0m (47%) of total recurrent revenue of US$191.5m in 2001. Government revenues have been sufficient since 1995 (with the exception of 2000, which saw a significant increase in capital expenditures) to offset capital expenditures and leave the overall balance in a surplus position.

Table 2.16. Government Financial Statistics

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Recurrent Revenue</td>
<td>112.2</td>
<td>128.3</td>
<td>142.4</td>
<td>156.8</td>
<td>183.1</td>
<td>191.5</td>
</tr>
<tr>
<td>Of which:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tax Revenue</td>
<td>44.1</td>
<td>44.5</td>
<td>50.7</td>
<td>54.1</td>
<td>63.5</td>
<td>66.8</td>
</tr>
<tr>
<td>Import duties</td>
<td>16.1</td>
<td>16.7</td>
<td>17.7</td>
<td>20.1</td>
<td>22.2</td>
<td>24.5</td>
</tr>
<tr>
<td>Income and Property Tax</td>
<td>24.5</td>
<td>24.0</td>
<td>28.7</td>
<td>29.6</td>
<td>36.2</td>
<td>37.6</td>
</tr>
<tr>
<td>Passenger / Hotel Accommodation Tax</td>
<td>3.5</td>
<td>3.8</td>
<td>4.3</td>
<td>4.4</td>
<td>5.1</td>
<td>4.7</td>
</tr>
<tr>
<td>Non Tax revenue</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Services Sector</td>
<td>46.2</td>
<td>56.9</td>
<td>66.0</td>
<td>72.1</td>
<td>87.1</td>
<td>90.1</td>
</tr>
<tr>
<td>Other Non Tax Receipts</td>
<td>21.9</td>
<td>26.9</td>
<td>25.7</td>
<td>30.6</td>
<td>32.5</td>
<td>34.6</td>
</tr>
<tr>
<td>Recurrent Expenditure</td>
<td>84.1</td>
<td>85.7</td>
<td>106.4</td>
<td>127.1</td>
<td>134.6</td>
<td>142.2</td>
</tr>
<tr>
<td>Of which:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Goods and Services</td>
<td>24.1</td>
<td>24.3</td>
<td>40.0</td>
<td>55.7</td>
<td>63.7</td>
<td>na.</td>
</tr>
<tr>
<td>Wages and Salaries</td>
<td>38.9</td>
<td>41.3</td>
<td>45.8</td>
<td>50.3</td>
<td>50.1</td>
<td>na.</td>
</tr>
<tr>
<td>Interest Payments</td>
<td>1.4</td>
<td>1.1</td>
<td>1.2</td>
<td>1.3</td>
<td>1.2</td>
<td>na.</td>
</tr>
<tr>
<td>Subsidies and Transfers</td>
<td>19.7</td>
<td>19.0</td>
<td>19.4</td>
<td>19.8</td>
<td>19.7</td>
<td>na.</td>
</tr>
<tr>
<td>Current Balance</td>
<td>28.1</td>
<td>42.6</td>
<td>36.0</td>
<td>29.6</td>
<td>29.6</td>
<td>49.3</td>
</tr>
<tr>
<td>Capital Expenditure</td>
<td>13.4</td>
<td>23.0</td>
<td>17.7</td>
<td>12.4</td>
<td>38.9</td>
<td>47.1</td>
</tr>
<tr>
<td>Overall Balance</td>
<td>14.7</td>
<td>19.6</td>
<td>18.3</td>
<td>17.2</td>
<td>-9.3</td>
<td>2.2</td>
</tr>
</tbody>
</table>

Source(s): Development Planning Unit.

17The response to this question varied considerably between interviewers – over half recorded no one with second jobs whereas 4 (out of 22) recorded 13% to 17% of workers having second jobs. The cited range is based on those interviewers who did record second occupations.
The Core Public Sector Investment Programme (PSIP) is a list of programmes and projects which are of the highest priority for Government. The Core PSIP consists of some 26 programmes and projects estimated to require almost $290 million in capital outlays over the next 7-10 year in various socio-economic sectors.

The programme of investments, shown in Table 2.17, clearly indicates an emphasis improvement of infrastructure, expansion of health care facilities, expansion of education facilities and boosting sports, recreation and entertainment; 81.0% of capital expenditures are indicated for these areas. The social sectors are targeted to receive 33.8%.

Table 2.17. Sectoral Share of Core Public Sector Investment Programme

<table>
<thead>
<tr>
<th>Sector</th>
<th>% share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity</td>
<td>8.7%</td>
</tr>
<tr>
<td>Culture</td>
<td>2.3%</td>
</tr>
<tr>
<td>Communications</td>
<td>0.9%</td>
</tr>
<tr>
<td>Education</td>
<td>8.3%</td>
</tr>
<tr>
<td>Information</td>
<td>2.6%</td>
</tr>
<tr>
<td>Health Services</td>
<td>13.0%</td>
</tr>
<tr>
<td>Transport</td>
<td>49.5%</td>
</tr>
<tr>
<td>Office Accommodation</td>
<td>0.4%</td>
</tr>
<tr>
<td>Sports, Entertainment, Recreation</td>
<td>10.2%</td>
</tr>
<tr>
<td>Water Supply and Sewerage</td>
<td>4.0%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>US$288m</strong></td>
</tr>
</tbody>
</table>

Source: DPU

2.5.5 Productive Sectors

(a) Off-Shore Financial Services

The provision of off-shore financial services in the BVI has been a world-class financial success. Credit is given to “a combination of British Government stability and US currency strength” and on the foresight of the BVI government in putting in place the necessary legal and regulatory framework. There are currently some 470,000 international business companies registered in the BVI, providing licence fees to Government of US$90,000,000 in 2001, almost half of total government revenues.

Local observers believe that BVIs’ “extraordinarily well managed and competitive” off-shore services will continue to prosper despite pressure by both the OECD and the US Government...
to reform the industry world-wide. The BVI are also expanding this sector by entering three new but complementary markets: mutual funds, insurance and yacht registration.

(b) Tourism

The BVI tourism product is diverse, comprising sailing, cruise ship arrivals, scuba diving and high end resorts.

Tourism statistics are presented in Table 2.18 and show steady growth over the 10 year period 1991 through 2000. Especially noteworthy are: visitor expenditures, which have almost trebled in 10 years to US$292,000,000; and hotel occupancy rates which show a slow but increasing trend and reached 66.1% in 2000, a high level in the usually seasonal Caribbean trade.

Government officials indicate that yachting and cruise ship tourist arrivals may be peaking. Nevertheless, Government plans to increase the value added in the sector and to spread arrivals over a longer season, attract higher-spending visitors and encourage the development of smaller, boutique hotels. These actions are not expected to result in large increases in employment.

Table 2.18. Tourism Statistics

<table>
<thead>
<tr>
<th>ITEM</th>
<th>1991</th>
<th>1993</th>
<th>1995</th>
<th>1997</th>
<th>1999</th>
<th>2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Visitor Arrivals</td>
<td>295,622</td>
<td>333,017</td>
<td>365,340</td>
<td>365,668</td>
<td>484,056</td>
<td>474,185</td>
</tr>
<tr>
<td>Of which:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Air Arrivals</td>
<td>80,034</td>
<td>101,415</td>
<td>104,319</td>
<td>107,768</td>
<td>131,745</td>
<td>141,751</td>
</tr>
<tr>
<td>Boat Arrivals</td>
<td>120,993</td>
<td>118,357</td>
<td>138,967</td>
<td>153,036</td>
<td>171,597</td>
<td>178,949</td>
</tr>
<tr>
<td>Cruise Ship Passengers</td>
<td>94,595</td>
<td>113,245</td>
<td>122,054</td>
<td>104,864</td>
<td>180,714</td>
<td>153,485</td>
</tr>
<tr>
<td>Total Overnight Visitors</td>
<td>147,030</td>
<td>148,075</td>
<td>219,510</td>
<td>244,318</td>
<td>285,858</td>
<td>303,565</td>
</tr>
<tr>
<td>Of which:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hotel</td>
<td>36,266</td>
<td>71,782</td>
<td>68,536</td>
<td>77,045</td>
<td>63,180</td>
<td>55,798</td>
</tr>
<tr>
<td>Charter Boat</td>
<td>61,555</td>
<td>71,712</td>
<td>101,360</td>
<td>76,147</td>
<td>136,744</td>
<td>131,076</td>
</tr>
<tr>
<td>Rented Accommodation</td>
<td>13,937</td>
<td>3,814</td>
<td>2,091</td>
<td>2,442</td>
<td>3,125</td>
<td>2,837</td>
</tr>
<tr>
<td>Own/Friends Accommodation</td>
<td>35,272</td>
<td>767</td>
<td>47,523</td>
<td>88,684</td>
<td>82,809</td>
<td>113,855</td>
</tr>
<tr>
<td>Average Length of Stay (nights)</td>
<td>8.8</td>
<td>7.0</td>
<td>7.3</td>
<td>8.3</td>
<td>9.4</td>
<td>9.8</td>
</tr>
<tr>
<td>Hotel Room Capacity</td>
<td>1165</td>
<td>1,182</td>
<td>1,206</td>
<td>1,213</td>
<td>1,227</td>
<td>1,235</td>
</tr>
<tr>
<td>Average Hotel Occupancy (%)</td>
<td>59.3</td>
<td>56.5</td>
<td>56.4</td>
<td>58.3</td>
<td>64.5</td>
<td>66.1</td>
</tr>
<tr>
<td>Total visitor expenditure (US$ millions)</td>
<td>109.75</td>
<td>185.12</td>
<td>211.00</td>
<td>220.40</td>
<td>278.95</td>
<td>292.10</td>
</tr>
</tbody>
</table>

Source: DPU
2.5.6 **Banking and Credit**
Commercial banking is competitively available for business and personal loans in the BVI.

2.5.7 **Outlook, Challenges and Opportunities**
The outlook for the BVI over the next 3 to 5 years appears to comprise a levelling off in tourist arrivals and expenditures plus a broadening of the array of off-shore services. This first development may result in a slowing down in the demand for immigrant labour. The second development is likely to further enhance government revenues without creating significant new employment.

It may be expected that the economy of the BVI will continue along the trend lines established in the 1990s if the Government can ensure OECD and US regulators that its off-shore services meet new international requirements for reporting and transparency. Because these financial intermediation services can move quickly to new homes in other jurisdictions, the Government must take great care in this regard, especially as this sector contributes about 50% of total Government revenue.
3 Poverty in the British Virgin Islands

3.1 General
This Chapter describes the incidence and characteristics of poverty in the BVI. The information cited is derived, almost entirely, from the Survey of Living Conditions (SLC) and the Participatory Poverty Assessments (PPAs) conducted for this project between July and September 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 well-being, are addressed mainly through the PPAs.

Sections 3.2-4 describe the poverty line established for the BVI 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 the BVI.

Unless otherwise stated:

? all monetary information is given in United States (US) dollars;

? all data presented in the following tables has been derived from the SLC with the results being weighted to allow for differential enumeration district (ED) response rates;

? some tables may not sum to 100% due to rounding.
3.2 Household Expenditure/Consumption\textsuperscript{18} in the BVI

Table 3.1 summarises information on household expenditure disaggregated by quintiles\textsuperscript{19} based on the per capita expenditure of each household.

Table 3.1. Per Capita Household Expenditure by Quintile

<table>
<thead>
<tr>
<th>Per Capita Household Expenditure</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>Q5</th>
<th>ALL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upper limit of Quintile ($)</td>
<td>6,550</td>
<td>9,790</td>
<td>13,700</td>
<td>19,200</td>
<td>Over 19,200</td>
<td></td>
</tr>
<tr>
<td>Average household size</td>
<td>3.9</td>
<td>3.5</td>
<td>2.9</td>
<td>2.3</td>
<td>1.8</td>
<td>2.9</td>
</tr>
<tr>
<td>Average household spending ($)</td>
<td>18,200</td>
<td>28,900</td>
<td>34,000</td>
<td>37,900</td>
<td>66,100</td>
<td>37,000</td>
</tr>
<tr>
<td>Average spending per capita ($)</td>
<td>4,700</td>
<td>8,200</td>
<td>11,700</td>
<td>16,300</td>
<td>35,700</td>
<td>12,700</td>
</tr>
<tr>
<td>Food Expenditure (% of total)</td>
<td>37%</td>
<td>24%</td>
<td>20%</td>
<td>18%</td>
<td>14%</td>
<td>11,600*</td>
</tr>
<tr>
<td>% total spending</td>
<td>10%</td>
<td>16%</td>
<td>19%</td>
<td>20%</td>
<td>36%</td>
<td>100%</td>
</tr>
<tr>
<td>% spending – cumulative</td>
<td>10%</td>
<td>26%</td>
<td>44%</td>
<td>64%</td>
<td>100%</td>
<td></td>
</tr>
</tbody>
</table>

* Median


Average spending per household is around $37,000 per annum; the median value is just under $29,000 and can be considered to be more representative as it excludes the disproportionate effect of a few very rich households. Average/median per capita expenditure is around $12,000. In this context, it should be noted that the Purchasing Power Parity (PPP)\textsuperscript{20} of the US$ in the BVI is just under 70% of its value in the US due to the higher cost of living. In order to compare this data directly with US data, the cited figures would need to be deflated: the median household PPP income would thus be around $20,000 and the median per capita value would be $8,000.

\textsuperscript{18} Analysis of SLC results revealed a significant understatement of expenditure – in around 1/3\textsuperscript{rd} of households stated income exceeded stated expenditure by over 30%. This is not altogether surprising given the situation in BVI where many households have substantial expenditures on difficult to capture items such as leisure/recreation, vacations, overseas trips, etc., and many also contain more than 1 worker with semi-independent incomes which are not pooled into an overall household 'pot'. The 'total expenditure' variable used in this report is therefore based on a combination of stated income and stated expenditure with, essentially, the higher being taken as the determining factor. In this report, the terms 'expenditure', 'consumption' and 'spending' are treated synonymously.

\textsuperscript{19} Quintiles are obtained by first sorting the households by the per capita income of the households and then dividing them 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.

\textsuperscript{20} In other words, for example, US$100 will purchase around 70% of the goods in BVI that it would purchase in the US.
As one would expect, the proportion of expenditure devoted to food decreases across the quintiles from 37% in the lowest (Q1) to under 15% for the richest quintile (Q5).

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 study 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 and markets, where the great majority of food on the island is purchased. The computations were made using a simple spreadsheet model using data from the CFNI publication ‘Food Composition Tables for Use in the English Speaking Caribbean’, PAHO/CFNI, 1995.

The total cost of this basket, for an adult, is $4.69 per day which is equivalent to around $140 per month and just over $1,700 per annum.

3.3.2  
*The Indigence Line*

The indigence line is defined as the cost of the MFB. Adults with total expenditure below this amount, ie. c. US$1,700 per annum, are classified as indigent, or extremely poor. Essentially they are unable to satisfy their basic food needs.

In determining whether or not each household is indigent, account is taken of the number and age of children in that household as well as the number of adults (18 years and over). Using this information, the household indigence line (HIL) is established. If the household in question has a total expenditure below the HIL, it is categorised as indigent.

The indigence line of $1,700 is for a single adult. The indigence line for a ‘model’ family of 2 adults and 2 children under 13 years would be $4,400 which is over a third lower than if no adjustment for household composition was made. It should however be pointed out that the concept of a model household is problematic where around 50% of households have 1 or 2 people and only 1 in 6 have 4 persons, only some of which will have 2 adults with 2 small children.

---

21 The Minimum Food Basket is presented in detail in Volume 2.
22 Children aged under 18 years are assumed to require less food for 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.
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 non-food 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 calculations as it is based on actual average expenditures rather than the cost of a specified minimum needs basket of non-food goods and services deemed necessary for a ‘healthy’ life, as was the food component\(^23\).

From the SLC, average per capita non-food expenditure of the 40% of households with the lowest per capita incomes is $4,600 per annum. The adult poverty line is therefore $1700+$4600= $6,300.

The household poverty line (HPL) is obtained by adding the non-food component ($4,600) 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 $22,800, i.e $4,600*4 (non-food expenditure) + $4,400 (minimum food expenditure from Section 3.3.2). This value is 10% lower than if no adjustment for the age of household members was made. Making adjustments for household composition can therefore have a substantial impact on indigence lines but relatively little on the poverty line.

3.3.4 Comparative Indigence and Poverty Lines

Table 3.2 summarises the annual adult indigence and poverty lines in the BVI and makes comparison to other Caribbean countries for which data is available. Comparisons are not straightforward as the surveys were not undertaken at the same time and the purchasing power parity (PPP) of the US$\(^24\) varies between countries. Nevertheless the following comments can be made:

- the high cost of living (and incomes) in the BVI is clearly shown in the fact that the indigence line is much higher than for any other country;

---

\(^23\) This point was raised at the presentations when it was generally felt that a poverty line based on an agreed minimum basket of non-food expenditure would be preferable and more easily understandable.

\(^24\) In other words, for example, US$100 will purchase a different amount of goods in the BVI than say Dominica. Currently, it is estimated that the dollar in the BVI is worth approximately 70% of its value in the US whereas in most of the other countries in the region, the PPP value is approximately 1.7 times the US value.
the best comparative indicator is the proportion of the poverty line expenditure that is required for food as this proportion tends to decrease with affluence\(^25\). The BVI, with only 27\(^{\%}\)\(^{26}\) of the poverty line expenditure spent on food, are therefore in a very different situation to the other Caribbean countries.

### Table 3.2. Annual Caribbean Poverty Lines (US$)

<table>
<thead>
<tr>
<th>Country</th>
<th>Year</th>
<th>Expenditure</th>
<th>Protein Line***</th>
<th>Food as % of poverty line</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anguilla**</td>
<td>2002</td>
<td>1,140</td>
<td>1,810</td>
<td>2,950</td>
</tr>
<tr>
<td>Dominica</td>
<td>2002</td>
<td>740</td>
<td>510</td>
<td>1,250</td>
</tr>
<tr>
<td>BVI</td>
<td>2002</td>
<td>1,700</td>
<td>4,600</td>
<td>6,300</td>
</tr>
<tr>
<td>Turks and Caicos**</td>
<td>1999</td>
<td>880</td>
<td>1,540</td>
<td>2,420</td>
</tr>
<tr>
<td>St Kitts</td>
<td>1999/2000</td>
<td>790</td>
<td>450</td>
<td>1,240</td>
</tr>
<tr>
<td>Nevis</td>
<td>1999/2000</td>
<td>900</td>
<td>550</td>
<td>1,450</td>
</tr>
<tr>
<td>Grenada</td>
<td>1998</td>
<td>530</td>
<td>680</td>
<td>1,210</td>
</tr>
<tr>
<td>St. Lucia</td>
<td>1995</td>
<td>370</td>
<td>320</td>
<td>690</td>
</tr>
<tr>
<td>Guyana</td>
<td>1993</td>
<td>280</td>
<td>100</td>
<td>380</td>
</tr>
<tr>
<td>Belize</td>
<td>1996</td>
<td>380</td>
<td>270</td>
<td>650</td>
</tr>
</tbody>
</table>

* Equivalent to the Indigence line.

** All values except for the BVI and Turks and Caicos have been converted from EC$ at the rate of US$1=EC$2.70

*** For an adult.  

# Food expenditure as % of poverty line.

Source: Anguilla, Dominica and BVI SLCs; Caribbean Development Bank.

### 3.4 The Incidence of Poverty in the BVI

#### 3.4.1 The Headcount Ratio

By relating the poverty lines to the household expenditures obtained from the SLC and adjusted for household composition, households can be classified as to whether they fall above or below the poverty line. The headcount ratio is defined as the ratio of households

\(^{25}\) As the indigence lines are calculated on equivalent minimum food baskets (MFB) in each country, they, in effect, provide relative PPP values, i.e. it costs around 50\% more to buy the MFB in the BVI than it does in Anguilla. The poverty lines however differ owing to the different amounts of non-food expenditure thus reinforcing the usefulness of the food percentage as an indicator for comparing poverty lines.

\(^{26}\) This proportion is lower than the 33\% that is often used as an approximation in developed countries.
falling below the poverty line to all households; this is the most commonly used indicator of poverty. The results for the BVI are presented in Table 3.3.

### Table 3.3. The Incidence of Poverty in the BVI

<table>
<thead>
<tr>
<th>Category</th>
<th>Households</th>
<th>%</th>
<th>Population</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indigent/ Very Poor</td>
<td>Neg.**</td>
<td>&lt;0.5%</td>
<td>Neg.</td>
<td>&lt;0.5%</td>
</tr>
<tr>
<td>Poor</td>
<td>1,100</td>
<td>16%</td>
<td>4,300</td>
<td>22%</td>
</tr>
<tr>
<td>ALL POOR</td>
<td>1,100</td>
<td>16%</td>
<td>4,300</td>
<td>22%</td>
</tr>
<tr>
<td>NOT POOR</td>
<td>5,700</td>
<td>84%</td>
<td>15,400</td>
<td>78%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>6,800*</td>
<td>100%</td>
<td>19,700*</td>
<td>100%</td>
</tr>
</tbody>
</table>

* The figures are for the BVI as a whole. These have been obtained by weighting the sample on an ED basis using the Visitation Records from the 2001 Census.

** This is corroborated by the fact that only 193 people receive Public Assistance.

The level of indigence or severe poverty is negligible. There are only a handful of families in the country that cannot satisfy their basic food needs. The incidence of overall poverty is 16% of households and 22% of the population. This shows a reduction from the 18% of households estimated to be poor in 1991. In practice, given the strong economic growth that occurred during the 1990s, one would expect the reduction to have been greater.

In this context, it should be noted that the poverty line is to a large extent determined by the non-food expenditure component. This is based on the non-food expenditure of the lowest 40% of households. As this is a relative measure, the 16% of households classified as poor should be seen as representing the poorest households in the BVI rather than as being necessarily in absolute poverty.

Table 3.4 and Figure 3.1 compare poverty in the BVI as shown by the headcount ratio with selected other countries.

27 Data cited in Poverty (in BVI), undated and no author given; probably an NIDS draft sector paper. The methodology and data used are not comparable to those used in this CPA.
Table 3.4. Comparative Poverty Indicators

<table>
<thead>
<tr>
<th>Country/ Island</th>
<th>Survey Year</th>
<th>Indigence Headcount</th>
<th>Poverty Line Headcount</th>
<th>Poverty Gap</th>
<th>Poverty Gap Squared</th>
<th>Gini</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>H’holds  Pop.</td>
<td>H’holds  Pop.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Barbados</td>
<td>1996</td>
<td>1% 1%</td>
<td>9% 14%</td>
<td>2.3</td>
<td>na</td>
<td>0.39</td>
</tr>
<tr>
<td>Jamaica</td>
<td>2001</td>
<td>na            na</td>
<td>na 17%</td>
<td>na</td>
<td>na</td>
<td>0.38</td>
</tr>
<tr>
<td>Trinidad &amp; Tobago</td>
<td>1992</td>
<td>na 11%</td>
<td>na 21%</td>
<td>na</td>
<td>na</td>
<td>0.42</td>
</tr>
<tr>
<td>BVI</td>
<td>2002</td>
<td>1% 1%</td>
<td>16% 22%</td>
<td>4.1</td>
<td>1.7</td>
<td>0.23</td>
</tr>
<tr>
<td>ANGUILLA</td>
<td>2002</td>
<td>2% 2%</td>
<td>20% 23%</td>
<td>6.9</td>
<td>3.2</td>
<td>0.31</td>
</tr>
<tr>
<td>St. Lucia</td>
<td>1995</td>
<td>5% 7%</td>
<td>19% 25%</td>
<td>8.6</td>
<td>4.4</td>
<td>0.5</td>
</tr>
<tr>
<td>Turks &amp; Caicos</td>
<td>1999</td>
<td>3% 3%</td>
<td>18% 26%</td>
<td>5.7</td>
<td>2.6</td>
<td>0.37</td>
</tr>
<tr>
<td>Nevis</td>
<td>1999/2000</td>
<td>na 17%</td>
<td>16% 32%</td>
<td>2.8</td>
<td>10</td>
<td>0.37</td>
</tr>
<tr>
<td>Grenada</td>
<td>1998</td>
<td>11% 13%</td>
<td>24% 32%</td>
<td>15.3</td>
<td>9.9</td>
<td>0.45</td>
</tr>
<tr>
<td>Belize</td>
<td>1996</td>
<td>10% 13%</td>
<td>25% 33%</td>
<td>8.7</td>
<td>4.3</td>
<td>0.51</td>
</tr>
<tr>
<td>St Vincent</td>
<td>1995</td>
<td>20% 26%</td>
<td>31% 38%</td>
<td>12.6</td>
<td>6.9</td>
<td>0.56</td>
</tr>
<tr>
<td>DOMINICA</td>
<td>2002</td>
<td>11% 15%</td>
<td>29% 39%</td>
<td>10.2</td>
<td>4.8</td>
<td>0.35</td>
</tr>
<tr>
<td>Guyana</td>
<td>1993</td>
<td>na 28%</td>
<td>na (35%)*</td>
<td>16.2</td>
<td>8.2</td>
<td>na</td>
</tr>
</tbody>
</table>

NB. Countries are sorted by percentage of the population that is poor – the only indicator with a complete set of information.  

* 1999  

Source: As for Table 3.2.

As with Table 3.2, comparisons are made difficult by the different survey years and the use of a relative measure for non-food expenditure. Hence the counter-intuitive ‘results’ that poverty in Jamaica is lower than in most other Caribbean countries and that the BVI has a similar proportion of poor households to St Kitts and Nevis – in practice, the standard of living of poor households in the BVI will be substantially higher than those in St Kitts and Nevis. Nevertheless poverty in the BVI, even allowing for these ‘anomalies’, clearly lies at the lower end of the scale. This is reinforced if one uses the proportion of the population below the indigence line - a measure of absolute poverty and therefore more easily comparable. In this respect, BVI, along with Anguilla, Barbados, and Turks and Caicos exhibit negligible levels of severe poverty. Figure 3.1 does however show the consistent variation in the proportions of poor households and poor population – on average, poor households always tend to be larger.
Figure 3.1. Comparative Poverty and Indigence

Source: As for Table 3.2. No entry indicates that data is not available.
Insufficient data are available to compare the BVI in these terms to Cayman Islands, Bermuda or The Bahamas, three countries that are often thought to be in similar economic situations. However poverty levels in Bermuda and the Bahamas are around 16% and 9% respectively. In addition, GDP per capita (PPP estimates) are around $35,000, $30,000, $17,000 for Bermuda, Cayman Islands and the Bahamas respectively\(^28\); the BVI equivalent is c. $25,000.

### 3.4.2 Other Poverty Indicators

Table 3.4 also presents comparisons of other poverty indicators that are used internationally. These 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 percentage gaps, 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, eg. Australia, Algeria and Bangladesh all have very similar Gini coefficients.

In terms of these indicators, both the poverty gap measures (PG1 = 4.1 in the BVI; PG2 = 1.7) show that the depth/ severity of poverty in the BVI is less than in virtually all the other countries.

The BVIs’ Gini coefficient (0.23) is, by some margin, the lowest of all the countries shown. This indicates an overall income distribution that is more equal than in the other countries. As much as anything this reflects the high participation rate in the BVI whereby a large proportion of households have more than one income earner.

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\(^{28}\) Various sources but principally the CIA’s country website.
3.5 **Characteristics of Poverty in the British Virgin Islands**

In this sub-section, we examine the characteristics of the poor population in the BVI. 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 **Geographic Distribution**

Table 3.5 shows the incidence of poverty in the BVI. Poverty is significantly higher on Tortola than on Virgin Gorda. Importantly, 85% of poor households are estimated to be located on Tortola. The level of poverty on the other islands (e.g. Anegada and Jost van Dyke which contain under 4% of the BVIs’ population) cannot be assessed accurately owing to the low SLC samples for these locations.

**Table 3.5. Geographic Distribution of Household Poverty**

<table>
<thead>
<tr>
<th>ISLAND</th>
<th>% of BVI poor</th>
<th>Poor</th>
<th>Not Poor</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tortola</td>
<td>85%</td>
<td>17%</td>
<td>83%</td>
<td>100%</td>
</tr>
<tr>
<td>Virgin Gorda</td>
<td>9%</td>
<td>8%</td>
<td>92%</td>
<td>100%</td>
</tr>
<tr>
<td>Other Islands</td>
<td>6%</td>
<td>34%*</td>
<td>66%</td>
<td>100%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>100%</strong></td>
<td><strong>16%</strong></td>
<td><strong>84%</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

* Questionable due to small sample undertaken on these islands.

3.5.2 **Demographic Characteristics**

Table 3.6 presents key demographic indicators for poor and not-poor households in the BVI.

(a) **Household Size (Figure 3.2)**

The distribution of the household sizes of poor and not poor households varies substantially. Poor households are, on average, almost 50% larger than not poor households: 4.0 persons vs. 2.7 persons. Almost 20% of poor households are large (7+ persons) compared to only 2% of not poor households; over 60% of large households are poor. In contrast, there are proportionately far fewer small (1 or 2 person) households among the poor. These differences reflect the fact that larger households tend to have more non-working dependants than smaller ones. It also explains why the incidence of poverty is higher for population than for households.
(b) Age (Figure 3.3)

In terms of age, the poor households contain proportionately more children than not poor households — 34% of the population of poor households is aged under 15 years compared with 24% in not poor households. Poor households are also more likely to have elderly people: the proportion of poor households with an elderly person is 32% compared with 12% in not poor households. In consequence, poor households have proportionately much fewer persons in the main working age group of 25-44 years.

Figure 3.3. Age by Poverty Status
### Table 3.6. Demographic Characteristics of the Poor and the Non-Poor

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Poor</th>
<th>Not Poor</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>All Households</strong></td>
<td>16%</td>
<td>84%</td>
<td>100%</td>
</tr>
<tr>
<td><strong>Household Size (persons)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 or 2 person</td>
<td>31%</td>
<td>51%</td>
<td>49%</td>
</tr>
<tr>
<td>3 or 4 person</td>
<td>38%</td>
<td>34%</td>
<td>35%</td>
</tr>
<tr>
<td>5 or 6</td>
<td>14%</td>
<td>11%</td>
<td>11%</td>
</tr>
<tr>
<td>7 and over</td>
<td>19%</td>
<td>2%</td>
<td>5%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td><strong>Average Household size</strong></td>
<td>4.0</td>
<td>2.7</td>
<td>2.9</td>
</tr>
<tr>
<td><strong>Age of Population (years)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Under 15</td>
<td>34%</td>
<td>24%</td>
<td>27%</td>
</tr>
<tr>
<td>15 – 24</td>
<td>19%</td>
<td>13%</td>
<td>14%</td>
</tr>
<tr>
<td>25 – 44</td>
<td>25%</td>
<td>39%</td>
<td>36%</td>
</tr>
<tr>
<td>45 – 64</td>
<td>13%</td>
<td>19%</td>
<td>18%</td>
</tr>
<tr>
<td>65+</td>
<td>10%</td>
<td>5%</td>
<td>6%</td>
</tr>
<tr>
<td><strong>Sex of Population</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>39%</td>
<td>49%</td>
<td>47%</td>
</tr>
<tr>
<td>Female</td>
<td>61%</td>
<td>51%</td>
<td>53%</td>
</tr>
<tr>
<td><strong>Hholds with no adult men</strong></td>
<td>31%</td>
<td>20%</td>
<td>22%</td>
</tr>
<tr>
<td><strong>Household Composition</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Single person</td>
<td>13%</td>
<td>27%</td>
<td>24%</td>
</tr>
<tr>
<td>Couples without Children</td>
<td>10%</td>
<td>15%</td>
<td>14%</td>
</tr>
<tr>
<td>Two parents with children</td>
<td>22%</td>
<td>29%</td>
<td>28%</td>
</tr>
<tr>
<td>Single parent household</td>
<td>20%</td>
<td>10%</td>
<td>12%</td>
</tr>
<tr>
<td>Parents with grown up children</td>
<td>7%</td>
<td>6%</td>
<td>6%</td>
</tr>
<tr>
<td>Other households**</td>
<td>28%</td>
<td>13%</td>
<td>15%</td>
</tr>
<tr>
<td><strong>Elderly Households</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>With person aged 65+ years</td>
<td>32%</td>
<td>12%</td>
<td>15%</td>
</tr>
<tr>
<td>No elderly person</td>
<td>68%</td>
<td>88%</td>
<td>85%</td>
</tr>
<tr>
<td><strong>Sample sizes</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Households</td>
<td>102</td>
<td>563</td>
<td>665</td>
</tr>
<tr>
<td>Population</td>
<td>405</td>
<td>1528</td>
<td>1933</td>
</tr>
</tbody>
</table>

* adults (20+ years) only.

** mostly multi-generational and extended family households.
(c) Gender

There is a clear link between poverty and gender: poor households contain proportionately significantly more women than men – 61% of adults in poor households are women compared with 50% in non-poor households. This conclusion is reinforced by the fact that a much higher proportion of poor households contain no adult males. However, as only 16% of households are poor, the great majority of women will not be poor.

(d) Household Type (Figure 3.4)

Poor households are more likely to be multi-generational (ie. comprising members of three generations) and/or single parent households. By their very nature, multi-generational households tend to have more household members which is consistent with the greater average size of poor households. However, because the overall level of poverty is low, the great majority of households in these two categories will not be poor. In contrast, single person, childless couples or nuclear families are less likely to be poor.

Figure 3.4. Household Type by Poverty Status

3.5.3 Nationality

As previously noted, the definition of nationality in the BVI is a complex issue. In Table 3.7 and Figure 3.5, households have been classified into three nationality types:

- BVI – all adults have BVI nationality;
- non-BVI – no adult has BVI nationality; and
- Mixed – at least one adult in the household has BVI nationality and one is does not.
Table 3.7. Nationality and Poverty Status

<table>
<thead>
<tr>
<th>Household Type</th>
<th>Nationality</th>
<th>Poor</th>
<th>Not Poor</th>
<th>Total</th>
<th>% of BVI Poor Households</th>
</tr>
</thead>
<tbody>
<tr>
<td>BVI</td>
<td>22%</td>
<td>78%</td>
<td>100%</td>
<td></td>
<td>47%</td>
</tr>
<tr>
<td>Mixed</td>
<td>18%</td>
<td>82%</td>
<td>100%</td>
<td></td>
<td>23%</td>
</tr>
<tr>
<td>Non BVI</td>
<td>10%</td>
<td>90%</td>
<td>100%</td>
<td></td>
<td>29%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>16%</td>
<td>84%</td>
<td>100%</td>
<td></td>
<td>100%</td>
</tr>
</tbody>
</table>

Essentially poverty is concentrated in BVI and mixed households. The incidence of poverty in both these categories is around 20% compared with only 10% in non-BVI households; nevertheless, 29% of all poor households are non-national households. This is largely explained by the fact that non-BVI households tend to have fewer dependants and it is corroborated by the substantial proportion (40%)

\[29\] of these households that repatriate part of their income to their home country, i.e. many immigrants are able to save enough to send some home.

Figure 3.5. Household Nationality Type by Poverty Status

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29 This may well be an underestimate as this information is not always captured in household surveys.
3.5.4 Employment/ Economic Activity

Table 3.8 tabulates indicators related to employment and economic activity by the poverty status of the household. The situation is not entirely clearcut. While not surprisingly, poor households are more likely to have no one working than not poor households, 86% of poor households have at least one person working. Furthermore there are only minor differences in the proportions of households with 1 or more persons working between poor and not poor households. The average number of employed persons per household (1.6) is also the same for both groups.

On the other hand, the dependency ratios, participation rates and unemployment rates are all ‘worse’ in the poor households. The primary explanation is that poor households are larger, i.e. they have more dependants. However none of these indicators are high, implying that lack of employment, per se, is not a major contributor to poverty in the BVI.

Table 3.8. Employment Indicators by Poverty Status

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Poor</th>
<th>Not Poor</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employed Persons in Household</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>None#</td>
<td>14%</td>
<td>6%</td>
<td>7%</td>
</tr>
<tr>
<td>1</td>
<td>40%</td>
<td>42%</td>
<td>42%</td>
</tr>
<tr>
<td>2</td>
<td>28%</td>
<td>38%</td>
<td>37%</td>
</tr>
<tr>
<td>3 or more</td>
<td>18%</td>
<td>14%</td>
<td>15%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Workers per household</td>
<td>1.6</td>
<td>1.6</td>
<td>1.6</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Labour Market Indicators</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Dependency Ratio *</td>
<td>2.4</td>
<td>1.6</td>
<td>1.7</td>
</tr>
<tr>
<td>Participation Rate</td>
<td>72%</td>
<td>85%</td>
<td>83%</td>
</tr>
<tr>
<td>Unemployment Rate</td>
<td>11%</td>
<td>4%</td>
<td>5%</td>
</tr>
</tbody>
</table>

* Population/ Workers.  # ie.Households with no one working.

Figure 3.6. Workers per Household
Table 3.9 compares workers in poor and non-poor households in terms of their industrial sector and occupational status. There are negligible differences in terms of industrial sector. Conversely, as one would expect, poor households have proportionately fewer workers in the professional/technical category and more in all the others. The situation is not however, clear-cut as 15% of workers in poor households are classified as professional/technical and 16% of workers in non-poor households have ‘elementary’ occupations. The main implication is that all sectors provide a wide range of employment opportunities catering for different occupations at different salary levels.

### Table 3.9. Employment Characteristics

<table>
<thead>
<tr>
<th>Industrial Sector</th>
<th>Poor</th>
<th>Not Poor</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agric/Forestry/Fishing</td>
<td>1%</td>
<td>2%</td>
<td>2%</td>
</tr>
<tr>
<td>Other Agric</td>
<td>3%</td>
<td>4%</td>
<td>4%</td>
</tr>
<tr>
<td>Manufacturing/Mining</td>
<td>8%</td>
<td>11%</td>
<td>11%</td>
</tr>
<tr>
<td>Construction</td>
<td>12%</td>
<td>10%</td>
<td>11%</td>
</tr>
<tr>
<td>Wholesale/retail</td>
<td>22%</td>
<td>20%</td>
<td>21%</td>
</tr>
<tr>
<td>Hotels/Restaurants</td>
<td>8%</td>
<td>9%</td>
<td>9%</td>
</tr>
<tr>
<td>Transport and Communications</td>
<td>6%</td>
<td>10%</td>
<td>9%</td>
</tr>
<tr>
<td>Government</td>
<td>30%</td>
<td>28%</td>
<td>28%</td>
</tr>
<tr>
<td>Other Services</td>
<td>5%</td>
<td>2%</td>
<td>2%</td>
</tr>
<tr>
<td>Household services</td>
<td>4%</td>
<td>3%</td>
<td>3%</td>
</tr>
<tr>
<td><strong>ALL</strong></td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Occupational Status</th>
<th>Poor</th>
<th>Not Poor</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prof/Man/Tech</td>
<td>15%</td>
<td>36%</td>
<td>33%</td>
</tr>
<tr>
<td>Clerical</td>
<td>22%</td>
<td>11%</td>
<td>13%</td>
</tr>
<tr>
<td>Sales</td>
<td>24%</td>
<td>18%</td>
<td>19%</td>
</tr>
<tr>
<td>Skilled manual/crafts</td>
<td>18%</td>
<td>19%</td>
<td>19%</td>
</tr>
<tr>
<td>Elementary</td>
<td>22%</td>
<td>16%</td>
<td>17%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

### 3.5.5 Disability and Health

First and foremost, the incidence of health conditions commonly linked to poverty, eg. infectious or waterborne diseases, low birth weights, infant diarrhoea, is low and, in many cases, virtually non-existent in the BVI.

Table 3.10 shows that, although poor households are more likely to have someone who is long term disabled or sick, the incidence of such households is very low – 8% for poor
households and 3% for not poor ones. The results for data on diabetes/ hypertension/heart problems/ cancer are noteworthy in that these conditions have long been seen as relating to more rather than less affluent households.

Table 3.10. Health Indicators by Poverty Status

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Poor</th>
<th>Not Poor</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Households with disabled or long term sick persons*</td>
<td>8%</td>
<td>3%</td>
<td>4%</td>
</tr>
<tr>
<td>Households with diabetic or hypertensive individuals</td>
<td>29%</td>
<td>20%</td>
<td>21%</td>
</tr>
</tbody>
</table>

* ie. Unable to work or attend school due to sickness from question on economic status.

3.5.6 Education

Table 3.11 and Figure 3.7 show the maximum education levels of poor and not poor households. Whilst there are disparities in terms of secondary education, these are not great – 70% of poor households have someone with secondary/ tertiary education compared with 80% in not poor households. Unsurprisingly, the differences are more marked for tertiary/ post-secondary education – 17% of poor households had someone with tertiary education compared with 38% of not poor households.

Table 3.11. Maximum Educational Level by Poverty Status

<table>
<thead>
<tr>
<th>Maximum Educational Level of Household</th>
<th>Poor</th>
<th>Not Poor</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary</td>
<td>30%</td>
<td>20%</td>
<td>22%</td>
</tr>
<tr>
<td>Secondary</td>
<td>52%</td>
<td>42%</td>
<td>44%</td>
</tr>
<tr>
<td>Tertiary</td>
<td>17%</td>
<td>38%</td>
<td>35%</td>
</tr>
<tr>
<td>ALL</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Figure 3.7. Maximum Educational Level of Households
There is however little evidence that any children between the ages of 5 and 15 years (the ages for which education is compulsory) are not attending school on a regular basis whether from poor or not poor households.

3.5.7 Housing

Housing in the BVI is split approximately equally between individual properties and apartments. Other house types account for no more than 5% of all dwellings. Poor households are less likely to live in apartments than other households (38% compared to 54%). As one would expect, these proportions almost exactly mirror those for housing tenure. There is no evidence of squatting.

The quality of housing in the BVI is excellent. Over 90% of houses are of concrete construction. Virtually every household has piped water in the house, inside kitchens and bathrooms, flush toilets and electricity. Everyone cooks with gas. 70% of households live at 1 person per room or less. Only 4% are severely overcrowded (over 2 persons per room). This proportion is higher for poor households (11%) but the overall incidence of overcrowding is still very low.

3.5.8 Ownership of Assets/ Durables

Table 3.12 and Figure 3.8 present ownership rates for a variety of assets for poor and non-poor households. Ownership rates for many durable goods (washing machines, cable TV, TV, telephone, refrigerators and stereos) are almost identical for all households. Poor households have lower ownership rates for goods such as videos, computers, cellphones, air conditioning (AC) and, perhaps most crucially, vehicles. Nevertheless, vehicle ownership even amongst the richer households is ‘only’ 70% which partly gives the lie to the belief that a car is essential in the BVI where there is next to no organised public transport.

In addition, 39% of BVI and mixed households own land with over three-quarters considering that this land has development potential. Land ownership amongst poor households is lower (c. 25%) but is still significant. This land, if there are no legal, physical or environmental barriers to its development, could provide a much needed additional source of funds.
### Table 3.12 Ownership of Assets and Durables

<table>
<thead>
<tr>
<th>Asset/durable</th>
<th>Poor</th>
<th>Not Poor</th>
<th>Poor as ratio of non-poor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Washing Machine</td>
<td>63%</td>
<td>58%</td>
<td>1.1</td>
</tr>
<tr>
<td>Cable TV</td>
<td>91%</td>
<td>88%</td>
<td>1.0</td>
</tr>
<tr>
<td>Telephone</td>
<td>82%</td>
<td>82%</td>
<td>1.0</td>
</tr>
<tr>
<td>TV</td>
<td>96%</td>
<td>97%</td>
<td>1.0</td>
</tr>
<tr>
<td>Refrigerator</td>
<td>98%</td>
<td>99%</td>
<td>1.0</td>
</tr>
<tr>
<td>Radio/Stereo</td>
<td>92%</td>
<td>98%</td>
<td>0.9</td>
</tr>
<tr>
<td>Video</td>
<td>64%</td>
<td>80%</td>
<td>0.8</td>
</tr>
<tr>
<td>Computer</td>
<td>36%</td>
<td>47%</td>
<td>0.8</td>
</tr>
<tr>
<td>Microwave</td>
<td>53%</td>
<td>70%</td>
<td>0.7</td>
</tr>
<tr>
<td>Vehicle</td>
<td>45%</td>
<td>69%</td>
<td>0.6</td>
</tr>
<tr>
<td>Internet</td>
<td>23%</td>
<td>37%</td>
<td>0.6</td>
</tr>
<tr>
<td>Developable land</td>
<td>20%*</td>
<td>33%</td>
<td>0.6</td>
</tr>
<tr>
<td>Cell phone</td>
<td>20%</td>
<td>33%</td>
<td>0.6</td>
</tr>
<tr>
<td>AC</td>
<td>4%</td>
<td>12%</td>
<td>0.3</td>
</tr>
</tbody>
</table>

* Excluding non-BVI households.

### Figure 3.8. Ownership of Durable Goods
A substantial proportion (29%) of the poor BVI or mixed households also have potential capital assets in the form of currently undeveloped land although this may prove impractical due to either physical or ownership constraints. This gives some truth to the adage that the poor can be ‘cash poor but land rich’.

3.5.9 Support Systems

Table 3.13 shows that over a quarter of poor households receive income support from one or more of the following sources: family members overseas, social security, welfare and pensions; churches and NGOs (e.g. the BVI Red Cross) also provide support to the poorest households, although this is more likely to be in kind and not in cash. This figure is double the proportion of not poor households receiving these types of support. Just under 30% of poor households also have health and/or life insurance which, although significant, is much lower than the comparable proportion of not poor households.

Table 3.13. Support and Safety Nets

<table>
<thead>
<tr>
<th>Type of Support</th>
<th>Poor %</th>
<th>Not Poor %</th>
<th>ALL %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health insurance</td>
<td>29</td>
<td>46</td>
<td>43</td>
</tr>
<tr>
<td>Support*</td>
<td>28</td>
<td>14</td>
<td>17</td>
</tr>
</tbody>
</table>

* E.g. pensions, social security, welfare, family members overseas or locally.

3.5.10 Other Aspects

(a) Community Aspects

Brief community studies were conducted in four locations identified as having higher levels of poverty. These included the urban neighbourhoods of Long Bush, Long Look and Purcell Estate. Select settlements on the island of Virgin Gorda were also included.

In general, these locations do not lack for services and utilities, though among those in Tortola water and environmental problems are evident. While everyone has access to safe water, supplies are often delivered by vehicle and, where piped, may be intermittent. The problem is generally not considered to be serious. In addition, surroundings are not well kept, garbage is left uncollected and in one area there is evidence of sewage disposal problems; derelict vehicles were mentioned in two locations but there is no evidence of consequential health problems.

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30 These proportions are likely to be underestimates as these types of income are often difficult to capture in surveys of this type.

31 This comment refers to Long Look where there is a recognised problem with sewage disposal which is being addressed by the government.
Social cohesion is evident in the locations, though there is some separation between BVIslanders and non-belongers. This and other emergent social problems, in particular among young males, has not however, resulted in intra-community conflict. The areas are peaceful and relatively crime free. In general, the residents do not perceive themselves as living in poverty and this correlates primarily with the low level of unemployment. Though the cost of living is high, rental rates are perceived to be reasonable, and the majority of persons manage to cope. However, migrants who remit proportions of their income may find themselves in financial difficulty and attempt to make ends meet by living in overcrowded accommodation which, not infrequently, is in a poor state of repair.

(b) Vulnerability to Hurricanes

The BVI are prone to hurricanes and the islands have been affected by several hurricanes in recent years. In 1999, hurricane Lenny caused an estimated total loss to the economy of $22 million\(^{32}\) of which $2.9 million (13%) resulted from lost wages and salaries due to temporary loss of employment. This however represents only around 1% of total personal income. The specific impact on the incomes of poor households cannot be determined from available data. Losses will also have been reduced by the solidly built housing, government emergency planning (the designated government agency – the Office of Disaster Preparedness – is possibly the best-funded in the Caribbean), and the efforts of the tourist sector to ensure that facilities were up and running as soon as possible.

On this basis, barring any cataclysmic hurricane that has a far greater impact than has previously been the case, the impact of hurricanes on poverty in the BVI is likely to be relatively minor and short-term.

3.6 Who are the Poor?

3.6.1 Disaggregation of the Poor Population

Table 3.14 presents a disaggregation of poor households in the BVI based on variables such as the number of workers, household size and type, and age. Based on the results contained in this Table and taking into account other groups identified by NAT members, as being susceptible to poverty or low levels of well-being, more detailed investigations have been made of the following groups:

? The working poor (83% of poor households in the BVI have at least one person working);

? The elderly who constitute virtually all non-working poor households;

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Women including one parent families, teenage mothers, and victims of domestic violence;

Women farmers;

Children, especially adolescent males;

Rastafarians;

The mentally-ill;

HIV/AIDS sufferers; and

Immigrants.

It should however be noted that, because of the low overall level of poverty in the BVI, irrespective of the categorisation employed, the great majority of any sub-group will not be poor.

Table 3.14. Disaggregation of Poor Households in the BVI

<table>
<thead>
<tr>
<th>Poverty Category</th>
<th>No</th>
<th>%</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>No one Working</td>
<td>190</td>
<td>17%</td>
<td>Virtually all these HH had no secondary education and were BVI HH</td>
</tr>
<tr>
<td>Elderly on their own</td>
<td>150</td>
<td>14%</td>
<td></td>
</tr>
<tr>
<td>1 parent family</td>
<td>20</td>
<td>2%</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>20</td>
<td>2%</td>
<td></td>
</tr>
<tr>
<td><strong>someone working</strong></td>
<td>910</td>
<td>83%</td>
<td>13% had someone who was unemployed</td>
</tr>
<tr>
<td>1 parent family</td>
<td>220</td>
<td>20%</td>
<td>2/3 of these are non BVI Households</td>
</tr>
<tr>
<td>Large (5+ persons)</td>
<td>290</td>
<td>26%</td>
<td>Virtually all had 2+ workers</td>
</tr>
<tr>
<td>Small with children</td>
<td>230</td>
<td>21%</td>
<td>Over half had 2+ workers; around 1/3rd were non-BVI HH.</td>
</tr>
<tr>
<td>Small without children</td>
<td>170</td>
<td>15%</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>1100</td>
<td>100%</td>
<td></td>
</tr>
</tbody>
</table>

3.6.2 The Working Poor

(a) General

Statistically speaking, the working poor constitute the largest sub-group of the poor in the BVI – over 80% of poor households have at least one person working. Over half of these have 2 or more workers and only one in 7 have someone who is unemployed. The clear implication is that the primary issue is of inadequate income/ low wages rather than lack of employment per se.
Over half the poor working households consist of either one parent or large (5 or more persons) households; virtually all the latter sub-group had 2 or more workers in each household. Both these sub-groups are traditionally associated with poverty due to low income earning potential in the case of one parent families and high dependency ratios in the case of large households.

On the other hand, 45% of poor working households are small (up to 4 persons) with or without children. Over half of these had 2 workers. This sub-group exhibits a lower level of educational attainment than other working poor households – 25% only have primary education compared with 11% for large/ one parent households – implying that a significant proportion of this category will be employed in less skilled and lower paid occupations.

Employment characteristics of the working poor were presented in Tables 3.8 and 3.9. These showed greater concentrations of the working poor in clerical, sales and unskilled occupations but little relationship in terms of industrial sector. Anecdotal evidence however suggests that those in the lower paid occupations in the hotel/ domestic service sectors are more likely to be poor, not least because these sectors have the lowest wages and are prone to layoffs during the low season. Poor working households also tend to have substantially higher ratios of non-workers to workers.

(b) Gender Differentials in the Workplace

Table 3.15 summarises the employment characteristics of working men and women.

There is little difference between men and women in terms of the participation rate (very high in both cases) and the unemployment rate (very low in both cases). The incidence of part-time working aoko varies little. There are major differences in terms of occupations although these mainly result from traditional gender variations with women being heavily represented in clerical, sales and service occupations and men in skilled manual occupations (including construction and driving). Women are also more heavily represented in the professional, technical and managerial occupations although the data does not permit a disaggregation of these occupations by seniority – women are likely to be less well represented in the more senior positions.

By and large, these conclusions on gender differentials also hold for workers in poor households although it is noticeable that unemployment amongst poor women is lower than amongst poor men. Interestingly, women in one parent families have similar (if not slightly

---

33 The minimum wage is $4 per hour. Full-time employment for 9 months would however provide an income equivalent to the adult poverty line derived for this study. Many households have few dependants and have more than 1 worker.
better) employment characteristics than working women as a whole. This says much about the buoyancy of the job market in the BVI and the availability of childcare, however provided.

Table 3.15. Employment Characteristics by Gender

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Male</th>
<th>Female</th>
<th>Poor Males</th>
<th>Poor Females</th>
<th>1PF*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participation Rate</td>
<td>84%</td>
<td>82%</td>
<td>72%</td>
<td>76.0%</td>
<td>93%</td>
</tr>
<tr>
<td>Unemployment Rate</td>
<td>3.5%</td>
<td>5.4%</td>
<td>11.0%</td>
<td>6.3%</td>
<td>3.6%</td>
</tr>
<tr>
<td><strong>Occupational Categories</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Man/ Prof/ Tech</td>
<td>30%</td>
<td>36%</td>
<td>15%</td>
<td>19%</td>
<td>38%</td>
</tr>
<tr>
<td>Clerical</td>
<td>6%</td>
<td>17%</td>
<td>8%</td>
<td>25%</td>
<td>20%</td>
</tr>
<tr>
<td>Sales</td>
<td>12%</td>
<td>27%</td>
<td>10%</td>
<td>35%</td>
<td>29%</td>
</tr>
<tr>
<td>Skilled manual</td>
<td>33%</td>
<td>4%</td>
<td>29%</td>
<td>1%</td>
<td>0%</td>
</tr>
<tr>
<td>Elementary</td>
<td>19%</td>
<td>16%</td>
<td>37%</td>
<td>20%</td>
<td>13%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td><strong>Part-time Working</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% working 20-32 hours/week</td>
<td>8%</td>
<td>11%</td>
<td>10%</td>
<td>17%</td>
<td>12%</td>
</tr>
<tr>
<td>% working less than 20 hours/week</td>
<td>7%</td>
<td>4%</td>
<td>14%</td>
<td>5%</td>
<td>4%</td>
</tr>
</tbody>
</table>

* Single parent households

Although data on wages by gender are not available from the SLC, the above table suggests that gender differentials are more likely to result from the different occupations of working men and women rather than from differences in rates paid to men and women for similar jobs, i.e. manual workers tend to be paid more than secretaries or shop workers.

The above analysis indicates that women in the BVI have good access to employment, even if they are single parents (Case Study 3 below gives an example of a teenage mother earning $450 per month in a health spa) and if they are poor. There are however factors that, almost certainly, act to restrict women’s earning power. These are barriers to the highest paid occupations (although this is likely to change as girls are tending to out-perform boys at school and are more likely to take up tertiary education opportunities (2/3rds of new students at the Community College are female) and the fact that many women work in occupations that are traditionally lower paid than those where men predominate. Women are also likely to remain at some disadvantage in the job market as long as they shoulder the primary responsibility for child care and domestic duties.

It is by no means clear what impact the above factors have on poverty. Facilitating women’s access to the highest paid occupations is unlikely to benefit the poor who tend to be in low
skilled occupations. A shift in responsibilities for child care and home duties from women to men would likely only result in a redistribution of household income from men to women. Increasing relative wage rates of occupations where women predominate would increase the income of poor women but such changes may not necessarily be large enough to significantly change their poverty status. In any case, addressing these issues would require radical action on a number of fronts that is beyond the scope of this poverty assessment.

Based on the above, it appears unlikely that current employment conditions in the BVI have a significant differential impact on poverty amongst women than on men. The causes of poverty and vulnerability amongst women relate more to social and family issues which are addressed in 3.6.4 below.

(c) Cost of Living

The cost of living is high, as evidenced by the adult poverty line of $6,300 per annum. This affects virtually all living expenses including food, housing, utilities and transportation. Education is however free and most routine health care is heavily subsidised. In consequence, those on low incomes or with several dependants are vulnerable to sudden loss of income due to layoffs (seasonal or cyclical, as in the construction sector) and are ill-placed to deal with sudden emergencies such as the need for funeral expenses or overseas medical treatment. Nevertheless, the PPAs identified relatively little concern about either lack of employment or the inadequacy of wages. Few people were willing to categorise themselves as poor. Pre-occupations tended to focus on environmental or social problems.

(d) Multiple Occupations

One coping strategy to increase income is to engage in multiple occupations. The SLC found that only 6% of workers had more than one job. This is almost certainly an under-estimate and a more realistic proportion is likely to be in the range of 10-13%. This practice is almost twice as common amongst men than women. It also appears to be a successful coping strategy in that only a small minority of persons with second occupations live in poor households.

Not all those taking on second jobs would have been poor without this additional income. Many upwardly mobile, young adults are also thought to engage in multiple occupations and to use the easy availability of loans to purchase modern status symbols such as large and

---

34 Only a minority of poor households have health insurance.

35 The response to this question varied considerably between interviewers – over half recorded no one with second jobs whereas 4 (out of 22) recorded 13% to 17% of workers having second jobs. The cited range is based on those interviewers who did record second occupations.
elaborate homes, vehicles and material goods. Table 3.16 presents SLC information on this topic. It shows the proportion of income spent on accommodation (rent or mortgage) and vehicle purchase.

Table 3.16. Expenditure on Accommodation and Vehicles

<table>
<thead>
<tr>
<th></th>
<th>All households</th>
<th>Rent</th>
<th>Mortgage</th>
<th>Vehicle loan</th>
<th>All Accommodation</th>
<th>Accom. + Vehicle*</th>
</tr>
</thead>
<tbody>
<tr>
<td>% paying</td>
<td>53%</td>
<td>14%</td>
<td>30%</td>
<td>65%</td>
<td>73%</td>
<td></td>
</tr>
<tr>
<td>Median**</td>
<td>17%</td>
<td>27%</td>
<td>12%</td>
<td>19%</td>
<td>23%</td>
<td></td>
</tr>
<tr>
<td>75%ile***</td>
<td>25%</td>
<td>39%</td>
<td>17%</td>
<td>29%</td>
<td>34%</td>
<td></td>
</tr>
<tr>
<td>Poor households</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% paying</td>
<td>33%</td>
<td>Few</td>
<td>Few</td>
<td>38%</td>
<td>45%</td>
<td></td>
</tr>
<tr>
<td>Median</td>
<td>28%</td>
<td></td>
<td></td>
<td>27%</td>
<td>28%</td>
<td></td>
</tr>
<tr>
<td>75%ile</td>
<td>35%</td>
<td></td>
<td></td>
<td>35%</td>
<td>36%</td>
<td></td>
</tr>
</tbody>
</table>

* Percentage of households paying for accommodation and/or a vehicle.

** i.e. for half of those paying, the amount paid represents less than the stated percentage of their total income; the other half pay more.

*** i.e. for 25% of households paying, the amount paid represents more than the stated percentage of their total income.

The most noteworthy points are:

? A significant proportion of households (35%) pay little or nothing for their accommodation due either to inheritance or it being provided rent free. The comparable proportion for poor households is higher (55%) owing to the greater proportion of poor BVI households who are more likely to own their property;

? Those households paying mortgages tend to pay a higher proportion of their income than those paying rent. However only 14% of households currently have mortgages;

? 30% of households are making payments for vehicle loans;

? Very few poor households have mortgages or vehicle loans;

? When all mortgage/rent/loan payments are considered, the proportion of total household income that they represent has a median value of 23% for all households and 28% for poor households; and

? 25% of households making loan/rental payments pay at least 38% of their income in this way. This group comprises around 18% of all households.
Overall, the SLC data reveals that around 18% of households are paying at least 38% of their total income on accommodation and vehicle costs which could leave them financially stretched if they experienced a significant loss of income. The great majority of this group are not poor. The banks interviewed however gave no indication that personal debt is a significant problem. Additionally, the importance of credit cards as a means of acquiring goods overseas and on a daily basis also acts as a constraint to prevent defaulting. Arguably, this problem will only become serious if there is a significant recession and household incomes fall although it can have a detrimental impact on family life where children are involved.

3.6.3 The Elderly
The elderly (over 65 years) make up no more than 6% of the BVI population and only 15% of households have one or more elderly persons (Table 3.17). Virtually all non-working poor households in the BVI consist of the elderly living on their own and this sub-group makes up 14% of all poor households; 42% of the elderly living on their own are poor and these households are almost all BVI households. However the majority of the elderly live as couples or with younger relatives. Although the incidence of poverty is higher amongst the elderly than other groups, the majority of households with elderly persons will not be poor.

Table 3.17. Elderly Households in the BVI

<table>
<thead>
<tr>
<th>Item</th>
<th>Poor</th>
<th>Not Poor</th>
<th>ALL</th>
<th>Poor %</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Elderly Households *</td>
<td>33%</td>
<td>12%</td>
<td>15%</td>
<td>35%</td>
</tr>
<tr>
<td>Types of Elderly Households (% of all elderly households)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Living on their own</td>
<td>30%</td>
<td>22%</td>
<td>25%</td>
<td>42%</td>
</tr>
<tr>
<td>Living with another elderly person</td>
<td>13%</td>
<td>20%</td>
<td>18%</td>
<td>25%</td>
</tr>
<tr>
<td>Living with others</td>
<td>57%</td>
<td>57%</td>
<td>57%</td>
<td>35%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>35%</td>
</tr>
</tbody>
</table>

* As % of all poor/ not poor households

Land ownership is an important indicator of well-being among elderly BVI residents. 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’, in that while they have security, their daily disposable income is often minimal for their needs. Many are therefore dependent on the government or their families for their daily expenses. There are cases in which the elderly have been deprived of their land by unscrupulous relatives.
Family responsibility for elderly relatives is however common (see Table 3.12) and the majority continue to live with family members or be supported by them even when they are living on their own. Case Study 1 provides an example of an elderly man living in relative comfort.

**Case Study 1. Elderly Man living on his own**

Mr. R. is a 78 year old bachelor who lives alone in a three room house inherited from his parents. It is sparsely furnished and the windows and doors are in need of repair. He migrated for many years but returned to the BVI seven years ago primarily because of a visual impairment. He is partially blind, though still able to manoeuvre his way around his home.

Mr. R has no near relatives living in the BVI. His brother and two sisters live abroad. They send parcels of clothing, food items and toiletries occasionally.

His main source of support is government in the form of a monthly social security cheque of US$500.00. In addition, through the government domestic home care programme a house attendant is assigned to him three days a week to assist with household chores.

Other than visual problems, Mr. R is in good mental and physical health. His appearance and surroundings are clean and tidy. He blames himself for his impairment, attributing this to a carefree lifestyle in his youth. He does not feel isolated or lonely. Two boyhood friends visit regularly and occasionally take him into town. Friends and relatives also visit on occasion.

Mr. R does not consider himself to be poor. In addition, to the property on which he lives, his parents left other land to be divided between himself and other relatives. He plans to sell his portion and thereby improve his conditions of living. In the meantime, he is contented.

Those most vulnerable to poverty among the elderly are those living alone and with little or no family support (Case Study 2). Some retirees have not paid off their mortgages because they purchased their homes late in life after returning to the BVI. Several continue to work to cover these expenses.

Although there are inevitably health problems amongst the elderly, in general their health profile is reasonably good and attendance at clinics relatively regular. While mental health problems exist, evidence of isolation and loneliness, despair and helplessness is relatively rare.

State support is available. Social security benefits have been distributed since 1981 when the scheme started and are available to those who have paid contributions. Over time, increasing numbers of the elderly will access these benefits thereby increasing their financial independence. However the amounts are not always adequate as sole support, and tend to be
viewed as augmenting income from other sources. Civil servants receive a gratuity in the form of a lump sum on retirement. Government also provides home care for those in need although demand outstrips supply. Some elderly are also eligible for Public Assistance^{16}.

**Case Study 2. Elderly Woman living on her own**

Ms. F is an 81 year old spinster. She lives alone in a two-room house built on land inherited from her parents. The house is made of wood and is dilapidated. The roof leaks and the doors and windows are in need of repair. There is no electricity or running water.

Ms. F expresses anger at her brother who lives nearby. According to her, when their parents died without leaving a will, he claimed the several acres of land which they left and registered it in his name. She was left with only a small plot on which to build her home. In addition, she did not complete her education because she had to remain at home to take care of her siblings. She, therefore, took low paying jobs as a nanny and domestic helper.

Her only income is a monthly Public Assistance cheque of US$150.00 and a donation of US$60.00 from her church. Friends and community members contribute clothing, food and occasional funds.

Ms. F has several health problems but they are not chronic and she attends the clinic regularly for check ups. Her mental health is also good. She enjoys being outdoors and takes regular walks around the area when the weather is good. She also maintains contact with several friends. She claims that she "may be poor but not down-and-out". She also indicates that she is determined to make the best of her lot and to be "as little trouble to others as possible".

The existing trends of increasing longevity and of adult children living apart from their parents are likely to exacerbate the situation of the elderly in the future even if increasing numbers will become eligible for government or private pensions. These issues are not however unique to the BVI 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 21\(^{\text{st}}\) century.

3.6.4  **Poor and vulnerable women (adolescent mothers, single parents and victims of domestic violence)**

Table 3.18 presents data on household gender types. Around 1/3\(^{\text{rd}}\) of households in the BVI consist of women living without any adult males. The incidence of poverty is however only significant in households where women have dependants; around a quarter of this category are poor. The great majority of this sub-group have at least one person in employment that indicates that lack of employment is not the prime cause of their poverty.

^{36} The level of Public Assistance at around $150 per month is sufficient to exceed the indigence line but represents under 30\% of the poverty line.
Table 3.18. Women in the BVI

<table>
<thead>
<tr>
<th>Household Category</th>
<th>Poor</th>
<th>Not Poor</th>
<th>ALL</th>
<th>Poor %**</th>
</tr>
</thead>
<tbody>
<tr>
<td>Women living with adult men</td>
<td>58%*</td>
<td>56%</td>
<td>56%</td>
<td>16%</td>
</tr>
<tr>
<td>Women living on their own</td>
<td>5%</td>
<td>11%</td>
<td>10%</td>
<td>7%</td>
</tr>
<tr>
<td>Women living with children and other female relatives</td>
<td>25%</td>
<td>14%</td>
<td>16%</td>
<td>26%</td>
</tr>
<tr>
<td>One parent families</td>
<td>22%</td>
<td>10%</td>
<td>12%</td>
<td>30%</td>
</tr>
<tr>
<td>Men living on their own</td>
<td>12%</td>
<td>18%</td>
<td>17%</td>
<td>11%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>16%</td>
</tr>
</tbody>
</table>

* As % of all poor/ not poor households ** Poor as % of household category.

Women who left school early with few, if any, educational qualifications and who bear and raise several children with little or no income support, are particularly vulnerable to poverty. For many, the cycle of poverty begins with pregnancy during their teenage years. There is evidence of the involvement of young girls with older men and of a link between alcohol/drug abuse and pregnancy. Most withdraw from school early and this limits their employment and income earning opportunities in later years. Although withdrawal from school is voluntary, few, if any, return to complete their education after child bearing. As a result, government has recently established an Alternative Learning Programme primarily for adolescents who have dropped out of school, so that they might complete their high school diplomas. Family planning services are also available and easily accessible in the BVI. Contraception is supplied, if parental consent is given, to clients from age 13 to under 16, after which teenagers become clients in their own right. For some, a history of child abuse compounds the problem. Case Study 3 provides an example of a teenage mother.

There is considerable evidence, not just from the Caribbean, that females who have begun child bearing during their teenage years proceed to form a series of unstable unions into which additional children are born (Case Study 4). While most single parenthood arises from the voluntary departure of the father, in some cases it results from the imprisonment of the male partner and children’s father.

Although women in this situation may receive income and other support from members of their own families, their mothers in particular, this tends to decline in later years. They may, therefore, find themselves solely responsible for raising and finding financial support for an increasing number of young children. Both their child care responsibilities and their poor educational and vocational qualifications reduce their income earning capacity and they and their children often live in impoverished circumstances. Poverty may thus pass on from one generation to the next.
Case Study 3. Teenage Mother

A is 16 years old and is the mother of a nine month old baby girl. She presently lives with her mother, mother’s boyfriend and her two brothers, aged 13 and 18 years. They share a rented two-bedroom concrete house. It is comfortably furnished and is provided with electricity and running water but no telephone. The family also has a car.

A was abused when she was 13 years old and when she was 15 years of age became pregnant and had to leave school. She did not return.

Her relationship with the father of her child ended when he found out she was pregnant – ‘he just abandoned me and the baby’. She receives no support from him and is thinking of taking him to court.

A is presently working at a health spa and earns a monthly salary of US$450. However, she is required to pay a US$120 monthly fee for day care. Although she attends the health clinic because she ‘does not have to pay’, additional expenses for baby food, disposable diapers and clothing are high. Her mother helps out, but she claims that ‘things are hard’.

A argues that financial assistance from government would help to break the cycle of poverty in which women like herself are trapped. She is planning to further her education by attending courses early next year, but does not know where she will find the money for tuition and books.

Case Study 4. Single Mother

E is 33 years of age and lives with her six children from four different relationships. The children range in age from 7 to 14 years. They live rent-free in a small concrete house belonging to her aunt. The house has three bedrooms, and is supplied with running water and electricity but no telephone. It is sparsely furnished.

E receives support from her boyfriend who is the father of her last three children, but not from the fathers of the other three. She has not taken them to court to obtain child support.

She dropped out of school at age 15 when she became pregnant. However she completed her school certificates two years ago and has attended computer classes. She is presently unemployed and is concerned about not having an income of her own. When asked about her situation, she replied “I feel frustrated and sometimes cry because I cannot buy the things my children need or want”.

Describing herself and her situation, she indicates “Although I may be poor, not being able to pay bills, I do not consider myself in poverty”.
A survey of domestic violence was undertaken in 1998 under the auspices of the government\(^{37}\). The survey found little relationship between spousal violence and income poverty. However this is immaterial; domestic violence constitutes a major abuse of women’s rights and a drastic loss of well-being; it can also lead to future impoverishment. Although the survey estimate of 29% of women being the victims of domestic violence is probably overstated\(^{38}\) due to a lack of statistical rigour in the sample, there is no doubt that domestic violence is a serious problem. The survey found that around three quarters of those abused had been beaten more than once and for 30%, beatings happened at least every 2-3 months. Abused women are generally in the age group 20 to 45 years although domestic violence is by no means a recent phenomenon as some elderly respondents testified. Around \(\frac{1}{3}\) described drug/alcohol abuse by the partner as a major reason for their being abused. Around half those replying to the question, stated that they had seen their mother abused. The majority of victims are in co-residential relationships with their partners, both marriage and common law; most have several children including those born outside their present relationships.

According to the Director of the Family Support Network, women remain in abusive relationships for long periods, estimated on average at 10 years. Many women are trapped as a result of financial dependence on the abuser, particularly if he is a father and supporter of their children. Fear was also cited as a major reason for not leaving even though 90% felt that they should leave. Those who are in better and more secure financial standing may be more inclined to leave at an early stage, but many of these women left school early, often as a result of pregnancy, and are faced with low employment and income earning opportunities.

Victims of spousal abuse are more susceptible to mental than to physical health problems, and many suffer feelings of despair and helplessness. The potential impact on children is also serious. Not only can it induce the same emotional and behavioural problems that afflict their mothers but it can also lead to deviant behaviour and increase the likelihood of them becoming victims themselves\(^{39}\).

3.6.5 Children at Risk

Around half the households in the BVI contain children (under 18 years) and children make up around 31% of the population. Just under half BVIs’ children live in nuclear families,

\(^{37}\) N. Haniff, *A Study of Domestic Violence in the British Virgin Islands*, 1998. Unless stated all figures quoted are from this report.

\(^{38}\) 12% of secondary school pupils interviewed in 1999 were concerned about violence in the home; similar proportions were worried about being physically or sexually abused (PAHO, *British Virgin Islands Adolescent Health Survey*, 1999). Information on the characteristics of the abused women are however less likely to be biased.

\(^{39}\) Recent UK studies indicate that 80% of children “running away from home” do so out of fear of violence in the family home.
around 30% live with one parent (Table 3.19). The incidence of poverty is, not surprisingly, substantially higher in one parent and ‘other’ households (which tend to be larger). Overall, just under 30% of children live in poor households. The nature of poverty in the BVI, which is not associated with poor housing, lack of access to education, bad health or unemployment, means however that children in poor households are not necessarily ‘at risk’ from typical poverty factors.

Instead children in the BVI are at risk from four sets of problems that are not necessarily poverty-related: disaffection with school, unsafe sexual practices, family problems, and drug use. In many cases, these factors are related. The general characteristic of these problems is that they can easily lead to poverty in the future as well as affecting the well-being of their family.

Table 3.19. Children in the BVI

<table>
<thead>
<tr>
<th>Household Category</th>
<th>Poor</th>
<th>Not Poor</th>
<th>ALL</th>
<th>Poor %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nuclear family</td>
<td>26%</td>
<td>57%</td>
<td>48%</td>
<td>16%</td>
</tr>
<tr>
<td>One parent household</td>
<td>31%</td>
<td>22%</td>
<td>24%</td>
<td>37%</td>
</tr>
<tr>
<td>With other female relatives</td>
<td>8%</td>
<td>4%</td>
<td>5%</td>
<td>45%</td>
</tr>
<tr>
<td>Other with adult men present***</td>
<td>35%</td>
<td>17%</td>
<td>22%</td>
<td>45</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>29%</td>
</tr>
</tbody>
</table>

* As % of all poor/ not poor households  ** As % of gender category.

*** Most of these will be extended or multi-generational. The adult males may not always be the father.

The detrimental impact of teenage pregnancy and domestic violence on children has been mentioned in the preceding sections. In this context, 41% of 13-15 year olds and 67% of 16-19 years olds admitted to having had sexual intercourse (Adolescent Health Survey) and most worrying, only 27% of the sexually active stated that they regularly used contraception. On the positive side, 35% were concerned about HIV/AIDs and 28% about getting pregnant. According to the SLC, there was a teenage pregnancy in around 10% of all households with children\textsuperscript{40}.

The problem of youth, particularly adolescent boys, who do not complete secondary education, and drop out of school with no examination passes or qualifications, is also evident in the BVI. Many of these young men remain unemployed and spend their days on street corners in groups of friends in similar circumstances. Although few have been rejected

\textsuperscript{40} This excludes teenage pregnancies to mothers whose children are now grown up and to immigrant mothers whose children are not with them.
by their families and are homeless, there is evidence that they are becoming involved in petty crimes, including drug abuse and trafficking\textsuperscript{41}. Reports from the Sandy Lane Centre for drug and alcohol abuse indicate that most clients at the centre are male and tend to be referred by their wives or mothers. Alcohol consumption appears to be increasingly prevalent among male youths and several are experimenting with marijuana although there are also females and school children with drinking problems; one third of those seeking assistance were aged between 12 and 21 years. Their problems can be compounded by poor literacy and unemployment. Clients tend to come from families below the poverty line although this is by no means always the case. Not only can this behaviour prevent them from achieving a sustainable livelihood in the future but it can also have a negative effect on the family as a whole.

Twelve young unemployed male participants in a focus group discussion attributed their status to early school leaving and unemployment. In this regard, they pointed to strict dress code and authoritarian practices in schools, the overly academic emphasis of the curriculum and absence of topics of interest such as black history. They also identified abusive and violent circumstances at home and single parenting with the absence of fathers as underlying causes. None, however, blamed their own parents for their condition. Governmental lack of concern and the absence of vocational programmes to train young men in the skills necessary to start their own business enterprises were also mentioned. They expressed anger specifically at politicians who neglect their constituents and appear only at election times, and indicated that they would not be exercising their right to vote.

3.6.6 Women Farmers

There are believed to be up to 100 women farmers in the BVI, two thirds of whom are elderly (55 years or over), under a third are in the 30-45 year age range\textsuperscript{42}, two thirds considered themselves to be the head of household and half lived with their husband. A large proportion was not educated beyond primary school. The majority had been farming for over 20 years. Table 3.20 summarises their income level and the relative contribution of their farming activities. Direct comparisons against SLC data are not possible owing to the absence of data on family size; nevertheless, the lowest 2 categories would almost certainly fall below the poverty line. The Table also reveals that for while only a minority rely on farming for the

\textsuperscript{41} Around 10\% of secondary school students had used hard drugs in the preceding year; the proportions for marihuana and alcohol were 18\% and 40\% respectively. However only 4\% said that any of these had caused them any problems. 6\% mentioned drug abuse by their parents. 39\% had been stolen from a store and 29\% had committed an act of vandalism. Intuitively many of these percentages appear on the high side although it is not possible from the data to gain an impression of how recurrent this is behaviour is. There is a world of difference between the occasional drink and a regular cocaine habit. At present, the Sandy Lane Centre is treating about 80 clients.

\textsuperscript{42} This section is based entirely on E. O’Neal, \textit{Women Farmers in the British Virgin Islands}, for Women’s Desk, Chief Minister’s Office, Government of British Virgin Islands (GBVI), 1999.
majority of their income, this group are heavily concentrated in the poorest category. One can surmise that without this income, this group would be on the verge of destitution.

Most of the operations were small (2 or less acres), on land that they owned and were self-financed and few kept written records; around a quarter had sought assistance from the Department of Agriculture’s extension services. Produce mostly consisted of traditional Caribbean crops – pumpkin, potatoes, peas, corn, etc. A majority of the younger and richer farmers expressed a desire to expand their operation. A quarter complained of ‘major’ problems with disease and pest control and over half those on Virgin Gorda mentioned drought as a matter of concern; other problems mentioned were stray animals and feral dogs. Most marketing was carried out either from the home or at the weekly marketplace although over 10% sold produce to supermarkets and 15% to hotels or restaurants. These farmers demonstrate that household incomes can be successfully, and satisfyingly, supplemented through small scale farming.

Table 3.20. Income of Women Farmers in the BVI

<table>
<thead>
<tr>
<th>% income from farming</th>
<th>Annual Household Income</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Up to $7,000*</td>
</tr>
<tr>
<td>Up to 25%</td>
<td>5</td>
</tr>
<tr>
<td>25-50%</td>
<td>3</td>
</tr>
<tr>
<td>Over 50%</td>
<td>12</td>
</tr>
<tr>
<td>Not stated</td>
<td>3</td>
</tr>
<tr>
<td>ALL</td>
<td>23</td>
</tr>
<tr>
<td>% over 50%#</td>
<td>36%</td>
</tr>
</tbody>
</table>

* Categories derived from monthly data in report. Source: Derived from Women Farmers in the BVI.

Women farmers essentially comprise a small sub-group of the categories of the poor described previously in that they tend to be working, elderly and sometimes without partners. Many represent a throwback to the old BVI when agriculture was the mainstay of the economy and much of the produce was sold in St. Thomas. While the income data indicates poverty, the survey produced little evidence of stress, unhappiness or loneliness. The number of farmers is likely to decline – few farmers said that their partners or off-spring contribute to farming activities, although some younger people (including Rastafarians, see below) are entering the sector.

The Department of Agriculture is intent on encouraging small-scale production. As both an occupation and income supplement, it represents considerable potential for one parent
families and the elderly whose situation constrains their mobility and ability to access regular full-time employment.

3.6.7 **Rastafarians**
The Rastafarian faith has been adopted by some nationals of the BVI and a small community lives in Virgin Gorda. They survive primarily by farming, an activity that is subsidized by the Department of Agriculture. Members of the community adamantly deny that they are poor. They associate poverty not with the absence of material possessions and income, but primarily with ignorance, illiteracy, disability and a lack of education. They also cited laziness as a “sin” and a cause of poverty. They placed emphasis on mental poverty and social isolation in which people are “poor in self-confidence, and spiritual things and lack love”. Rastafarians have however, been stigmatized and to some extent rejected by mainstream society; some of the disaffected adolescents described previously are reputed to have embraced rastafarianism. Some also come into conflict with the law as a result of the possession and use of marijuana.

Practicing Rastafarians (as opposed to those who just wear dreadlocks) provide an excellent example of a situation where poverty is defined entirely in terms of well-being with little regard to income or material assets.

3.6.8 **Mental Illness and Disability**
Mental and physical disability also correlates with poverty. Although those who are disabled generally receive adequate and affordable medical attention, many are heavily dependent on family support. Women who are without family assistance, who are unable to work or find employment, and who have young children face additional challenges. Department of Health officials stated that mental illness and depression were considered to have increased in the past few years.

3.6.9 **People living with HIV/AIDS**
Unlike in North and Latin America, the Caribbean has been experiencing an increase in HIV/AIDS cases since the mid-1990s. In the BVI, in 1996, there were 37 reported cases giving a rate per 100,000 of around 200. This is far lower than countries such the Bahamas (1,300), Turks and Caicos (1,200), Barbados (>500), St. Kitts Nevis (400) and Guyana (>500); comparable rates to the BVI are found in St. Lucia, Cayman Islands and Anguilla. Despite efforts by the GBVI, the advent of HIV/AIDS has spread to the BVI and as is the case elsewhere has been viewed with denial, stigma and fear. Those who are or are believed

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43 An occupation largely rejected by all but a few elderly farmers (see 3.6.6).
44 The recently passed Anti-Discrimination Bill contains an anti-Rastafarian provision.
to be carrying the virus or the disease are frequently rejected by their societies, communities and occasionally their families. Prevalent homophobia also means that many are stigmatized as homosexuals. The resulting unemployment and social isolation makes persons living with HIV and AIDS particularly vulnerable to poverty.

Case Study 5. Mentally-ill Woman

Ms. T is a 25 year old national of the BVI. She has been diagnosed with a schizophrenic disorder and receives treatment and medication from the local mental health service. She is also diabetic and receives insulin treatment, administered twice daily, from the Public Health Clinic without charge. At present, she lives with her two young children in a two-bedroom home provided by government for a temporary period.

Due to poor health, Ms. T was unable to complete her education. She remains unemployed by choice and receives a monthly public assistance cheque of US$150.00. This is delivered to her in the form of groceries (US$100.00) and cash (US$50.00). She complains that government does not provide proper care, in particular accommodation, for those who are mentally and physically challenged.

At present, Ms. T is unable to provide adequate care and attention for her children. However, she does not classify herself as poor. She states that she is ‘very independent’ and can take care of herself with the little assistance she receives from her family and friends.

Case Study 6. Man who is HIV positive

Mr. B is thirty years old and has been diagnosed as HIV positive. He lives with his brother in a two-bedroom house. It is supplied with electricity and running water though there is no telephone. At present, he is unemployed with no income and depends on his brother who pays the bills and buys food and other essentials. His mother also helps out on occasions.

Mr. B has been stigmatized as both homosexual and HIV positive and alienated from BVI society. This has caused him to lose his job and to be targeted with abusive comments. His efforts to find alternative work have been unsuccessful and he is attempting to establish himself as a self-employed fashion consultant and garment supplier. For now, he claims to be ‘poor like crazy’.

3.6.10 Immigrants
(a) General

As a result of its rapid economic growth, the BVI has attracted migrants from other Caribbean countries, especially, the Dominican Republic, Nevis, St Vincent, and more recently, Jamaica and Guyana. There is also a small minority of Americans and Europeans, most of whom are affluent and some of whom are retirees. In local parlance, migrants are
referred to as ‘non-belongers’ or ‘down islanders’ – both terms have acquired pejorative connotations. Based on stated nationality, just over half the adult population is immigrant, one third of whom live in mixed households. immigrants make up over 60% of current employment; although concentrated in less skilled occupations, 25% are employed in professional/management/administrative occupations and 19% work for government; a third work in hotels, restaurants and other service sectors. It is therefore evident that immigrants in the BVI do not constitute a homogeneous group.

Poverty is substantially lower in wholly immigrant households – 10% as against around 20% in mixed and BVI households due primarily to a smaller household size and lower dependency ratios. Unemployment is negligible. A high proportion repatriate\(^{45}\) money to their home countries. These facts strongly indicate that income poverty is not a major issue for the great majority of immigrants. In this sense, their characteristics and problems are very similar to those discussed in relation to the ‘working poor’ as a whole (see 3.6.2 above). In this context, it should be noted that there is little evidence that the need to pay rents imposes a more significant burden on them than mortgages do on BVIslanders.

Discussions with immigrant groups largely corroborated this conclusion. As immigrants from the Dominican Republic put it, they are ‘intentionally poor’ and their ‘poverty is self imposed’; at home they would not be poor. The desire to seek a better life and the obligation to repatriate money leads many to live in poor and cramped accommodation, as recent immigrants do throughout the world.

The issues of concern to immigrants are essentially related to non income aspects of poverty, i.e. to lack of well-being. The most important of these are described below.

(b) Workplace discrimination

There is substantial, anecdotal, evidence that some lower skilled immigrants are exploited in the workplace by having to work excessive hours, being made to pay for renewing their work permits (which should be the responsibility of the employer), by being subject to summary dismissal, and by being prevented from transferring their work permits to another employer. Although a complaints procedure via the Department of Labour exists, there is a perception, allied to ignorance, that making a formal complaint will only exacerbate their situation.

\(^{45}\) The SLC found that 40% of non-BVI households make repatriation payments while 32% of mixed households do so. The proportion of poor households making repatriations (19%) is also significant in that it implies that their incomes are such that they would otherwise be able to make some, albeit, small savings.
(c) Residential status/ Citizenship

Many immigrants do not see themselves as permanent BVI residents while others have used their position, knowledge and financial resources to secure permanent resident status or citizenship. Many have however been in the BVI for over 10 years and have found their legitimate applications for permanent residency/citizenship ignored by the authorities.

A second issue concerns children born in the BVI of non-BVI parents (or illegitimately to a BVI father of a non-BVI mother). Around 1,800 children under the age of 15 (1/3rd of this age group) are currently living in immigrant households and a similar (but slightly smaller) number in mixed households. The number of children reaching the age of majority in the coming years will increase substantially. The legal situation of these children is complex (see Chapter 5) but it appears that most have a right to citizenship, as occurs in most countries. Many of these children have known no other country and have passed through the education system in the BVI. In the present situation, they will attain the age of majority without having the right to take up employment.

(d) Gender Issues

In the Haniff report, the majority of women experiencing domestic violence were immigrants. Given that the majority of adult women are immigrant this is not unexpected. The report is however less clear on whether the perpetrators were from the immigrant community or were BVIslanders. The Family Support Network considers that domestic violence in the BVI occurs in all communities. Anecdotal evidence suggests that poor immigrant women are particularly vulnerable. This correlates with:

? Dependence on their partners or employers for their residential status;
? Lack of social capital and therefore of alternative places to live and persons from whom they might receive assistance; and
? Inability to earn an income that would support their needs and ensure financial autonomy.

The plight of this group (which includes those experiencing family/marital problems falling short of actual violence) is exacerbated by their having inferior access to the Department of Labour (if harassment occurred at work), Social Development Department (general family problems), the courts (to seek child maintenance) and the police (if they have been beaten).

46 These are complicated issues which are examined in detail in Chapter 5.
47 A sample of 94 women who had been abused gives little scope for detailed analysis.
They are however welcomed at the Family Support Network which deals with cases of domestic violence.

Immigrant one parent families, for similar reasons (lack of social capital) and lack of access to the courts and the welfare services, are particularly affected by poverty. While the incidence of poverty amongst non-BVI households as a whole is half that prevailing amongst BVI-households, this proportion is reversed for one parent households, i.e the incidence of poverty amongst poor immigrant one parent families (30%) is twice amongst comparable BVI households; over 45% of poor immigrant households consist of one parent families.

There is also anecdotal evidence that sexual exploitation (especially of domestic workers) and prostitution also occur but there are no data available.

(e) Education

Children in the BVI legally have the right to education irrespective of their nationality. Children of illegal migrants (work permit over-stayers rather than persons who entered the country illegally) do not have such a right, although it is understood that the authorities sometimes turn ‘a blind eye’.

Recent arrivals from the Dominican Republic are at a disadvantage through being Spanish speakers. This can pose problems when they start at school.

3.7 The Nature and Causes of Poverty
3.7.1 Overview of Poverty in the BVI

At present, poverty in the BVI is low by Caribbean standards, around 16% of households and 22% of the population. Indigence is almost totally absent. This speaks well of the industry and social cohesiveness of the people of the BVI and of the Government and non-government support systems that have developed along with the economy. Trends in the level of poverty in the BVI cannot be ascertained owing to the absence of comparable data for previous years. An earlier study produced an estimate of 18% but this used a different poverty criterion and, perforce, took no account of income other than from employment. Nevertheless, the rapid economic growth during the last decade (GDP per capita increased by approximately 44% between 1995 and 2001) means that poverty will almost certainly have decreased.

There can also be little doubt that, despite similar levels of poverty, the poor in the BVI are not as poor as, for instance, the poor in St. Vincent or Nevis. With a few exceptions, the poor

in the BVI do not exhibit 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. These indicators are also highly favourable: access to safe water, electricity and sanitation is universal, school enrolment for 5-16 year olds approaches 100%, life expectancy is high, infant mortality is low, malnutrition is non-existent, infectious diseases and other medical conditions commonly associated with poverty are almost non-existent.

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; 20% of poor families have cellphones and over a third have computers. Almost 30% of poor households also own some land which they consider to be developable thereby representing an asset that could provide an additional source of funds.

The poor in the BVI are working. Over 80% of poor households (rising to 95% if poor single elderly households are excluded) have at least one person working; just under half have 2 or more. Unemployment, although higher than amongst not poor households, is only 11%. The pattern of employment (in terms of industrial sector) varies little between poor and not poor. Workers in poor households tend to be less skilled but this is hardly unexpected. In this context, it should be noted that the minimum wage ($4 per hour) is sufficient for an adult working 9 months in a year to exceed the poverty line. Around 1 in 8 workers have second jobs.

The estimated level of poverty (16% of households) is also a reflection of the methodology used to derive the poverty line\(^\text{49}\). Arguably with this methodology, it is well nigh impossible to achieve a significantly lower level of poverty. It is therefore more appropriate to consider the 16% of households identified as poor by this study as being the poorest households in the BVI rather than seeing them as being absolutely poor households living in poor housing, with high unemployment and with limited access to physical infrastructure, education and health services and struggling to get enough to eat – none of which are true.

The characteristics of the most important sub-groups of the poor are summarised below. Irrespective of the categorisation used, the great majority of any sub-group will not be poor.

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\(^{49}\) The methodology for the non-food expenditure component introduces a substantial degree of relativity into the poverty line.
Statistically speaking the **working poor** (83% of poor households) are the largest sub-group. For over half these households the absence of adult men or a high number of dependants will be a major contributory factor to their poverty. Poor smaller households are also less likely to have an adult with secondary or tertiary education. Yet disposable income is high as evidenced by the high ownership rates for durable goods, the high proportion of children in private day care/ pre-school facilities and the substantial proportion (40%) of immigrant households who repatriate money to their homeland. Vulnerability is also present in a minority of more affluent households due to potential financial over-commitment on housing and vehicle purchases. This can lead to breadwinners taking up second jobs in order to make ends meet which can then have a detrimental impact on family life.

The **elderly living on their own** (14% of poor households) make up virtually all the poor households that have no one working. This sub-group has little income-generating potential and thus depends on support from the government, their families or NGOs (especially church groups and NGOs such as the BVI Red Cross). The existence of this support is fairly widespread but is frequently not enough to put them above the poverty line. The increasing trend of grown up children moving away also means that the elderly increasingly lack the physical and emotional support they need just as their physical abilities are diminishing. As with all other sub-groups, the majority of the elderly, including those living on their own, are not poor.

**One parent households** make up a fifth of all poor households although over 70% are not poor. Just under half the households with children have no adult males present; in about half of these, the parent lives on her own with her children. Even in those that are poor, in virtually every instance, one person will be working. The more serious issues relate to unstable family relationships, such as general family/ marital problems, domestic and spousal violence, single parenting, and teenage pregnancy and motherhood. In these situations, women are often left with the triple responsibility of providing family income, raising children and domestic duties. This can lead to them entering into a sequence of relationships with men in their efforts to access and secure income support. As a result, they may also become victims of abuse. This in turn, affects their physical and mental health and has a spread effect to other members of their families, their children in particular. These issues can affect women irrespective of their poverty status.

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50 UK research suggests that 80% of children who run away from home do so because of violence and that between one and two thirds of children in households where the mother is being beaten have themselves been beaten. [Based on a variety of sources compiled for BBC led initiative on domestic violence. These can be viewed on www.bbc.co.uk/health/hh/what03.shtml or by typing BBC “hitting home” into www.Google.com.](www.bbc.co.uk/health/hh/what03.shtml)
As with women, there is little evidence of children being seriously affected by lack of income – their health is good, educational enrolments are almost 100%. The main issues relate to their welfare. This is directly affected by family and domestic circumstances and suffers where there are family problems, especially violence. The absence of fathers can also have a deleterious impact, especially on male adolescents and especially where the mother is fully occupied trying to earn a living. In these cases children are ‘at risk’ of dropping out of, or under-performing at school, becoming substance abusers and engaging in petty crime, leaving them poorly placed to achieve a sustainable livelihood as an adult – currently only around 1/3rd of the enrolment at the Community College is male. Not all of these under-achievers will come from ‘problem families’. For girls, teenage pregnancy continues to be significant and invariably causes the young mother to leave school permanently, jeopardizing her future chances and those of her children.

The incidence of poverty is lower amongst migrant households (10% of households are poor) than in BVISlander and mixed (containing BVI and non-BVI adults) households (where around 20% are poor). This finding is not surprising: immigrants require work permits or fixed term contracts which are conditional upon a job, many of these jobs are skilled and command substantial salaries, and their households tend to be smaller with fewer dependants. Nevertheless, 29% of all poor households in the BVI consist entirely of immigrants. Amongst the poor households, immigrants feature significantly in two sub-groups: they make up two thirds of all poor single parent households and over a third of small poor working households. The former group reflects a greater vulnerability of immigrant single parents to poverty than their BVI equivalents. The latter group indicates the concentration of immigrants in lower paid and less skilled occupations even if their presence in the BVI reflects a belief that they are better off than in their home countries – around 20% of this group still manages to repatriate some of their earnings.

The issues facing immigrants in the BVI, as with women and children, are primarily related to their well-being: insecurity regarding their residential status, exploitation at the workplace, vulnerability to family break-down and domestic violence, lack of access to support systems related to employment protection, child support and general welfare. Workplace and residency issues primarily affect poorer immigrant groups. The more affluent have the connections, the knowledge and the financial resources to avoid these problems. Of more general concern are the increasing numbers of children born in the BVI of non-BVI parents who will attain their age of majority in coming years; at present, they cannot secure employment without work permits.

Other groups identified as vulnerable to poverty were women farmers, Rastafarians, HIV/AIDS sufferers and the mentally ill. These sub-groups are few in number.
3.7.2 The Causes of Poverty in the BVI

(a) Current Poverty

The heterogeneous nature of the poor on the island means that poverty (income and non-income) in the BVI has several causes and which are not mutually exclusive. Causes of poverty have a strong correlation with the characteristics of poverty:

- **Inadequate wages:** In a situation where employment is high, inadequate wages rather than lack of employment will be a major cause of relative poverty. In this context, poor households will always be those where workers are concentrated in the lower paid unskilled and service sector occupations. In any society, these jobs will exist;

- **No or little income-earning potential due, in the BVIs’ case, primarily to age;**

- **Male absenteeism:** In the event that male-female partnerships terminate, women often have to raise children on their own, frequently without adequate or regular child support. This can result in a deterioration of their and their children’s living standards, personal well-being and family life in general. Lack of a father figure is also a recognised cause of deviant male behaviour during adolescence. In many cases, the starting-point is teenage motherhood which almost invariably leads to a curtailed education leaving them with limited employment opportunities.

- **Unequal treatment of immigrants** in terms of access to labour complaints procedures, the courts and general welfare services as well as insecurity regarding their residential status.

Throughout this assessment, it has been stressed that poverty is not only due to lack of income but also to lack of well-being. Often lack of well-being and income go hand in hand, but not always. In the BVI, the main causes poverty relate not to the absence of basic needs or even income, but to the family- and nationality-related situations described above. Even if households affected by the above problems are income-sufficient at present, they are likely to suffer from psychological pressures and could well become impoverished in the future.

(b) Future Poverty

The principal determinant of future poverty (income and non-income) in the BVI will be the health of the economy. As long as the economic growth is maintained, unemployment will remain low and enable the great majority of households to achieve a sustainable livelihood. A strong economy will also enable government revenues to provide the basic services and safety nets that will both mitigate the impact of poverty on vulnerable households and prevent these situations arising.

A second determinant of future poverty will be how the BVI addresses the almost worldwide, and probably irreversible, phenomenon of household separation that is resulting in increasing
numbers of the elderly living on their own and having to fend for themselves, and increasing single parenthood or serial monogamy.

The third determinant of future poverty will be the trend in the family-related problems described above. There is much evidence that income-sufficient households affected by these problems become impoverished in the future. As the education, health and welfare of children are affected so poverty is passed from one generation to the next – today’s victims of domestic violence, teenage mothers, children in abusive households, dropouts and drug users will be the poor of tomorrow. Again these problems are by no means typical of the BVI; they are to be found throughout the Caribbean as well as in Europe and the United States, often in more acute form.

The final determinant of future poverty in the BVI relates to the status of immigrants. Many migrants have been resident in the BVI for many years. They provide over half the labour force and are thus an integral component of the national economy. If they are discriminated against in the workplace and in other ways, the potential for social disruption increases, particularly if large numbers of BVI-born children do not have the right to work.

3.7.3 Implications for Poverty Reduction

Based on the above, policies and programmes for poverty reduction need to focus on:

? continued economic development;

? tackling the issues which give rise to unstable family patterns: male absenteeism, single parenthood, domestic violence, teenage pregnancy, drug abuse. In particular, there is a need to increase male responsibility (financial and emotional) for their offspring;

? 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; and

? ensuring that non-nationals, once accepted into the country, have equal access to government services for employment protection, child support and social welfare. Uncertainty and ambiguity over their rights to residency/citizenship also needs to be clarified.
4 Institutional Framework for Development

4.1 Overview
This Chapter describes the activities of Government and non-government institutions and agencies in the BVI involved directly or indirectly with poverty reduction and support to vulnerable groups. The emphasis is on those institutions and agencies that are involved in the provision of health and education services, social welfare programmes and the provision of safety nets for the poor.

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

Section 4.7 contains an overview of these activities in terms of the main sub-groups of the poor and the vulnerable identified in the Chapter 3 and indicates those areas where improvements could be made in order to strengthen their poverty reduction focus.

4.2 Economic Development

4.2.1 Development Planning Unit
The Development Planning Unit (DPU) is a department under the Ministry of Finance. Its main goal is to assist the Government in developing and reviewing economic, social and developmental policies and programmes that accommodate integrated development. In this connection, the DPU serves as the Government’s primary source of analysis and advice on broad social, economic, spatial and environmental affairs.

Besides the preparation of major national development plans, the DPU provides a full range of national statistical services, project cycle management services, development aid management, advice on matters pertaining to science and technology, advice on matters pertaining to energy, and the range of manpower planning services.

The DPU is staffed with professionals in demography, statistics, economic development, planning and project cycle management. Reports, documents and papers produced include tourist activities, external trade, government finance, prices, employment, money and banking, national income, balance of payments, health, education, vital statistics, crime prevention and justice, social security and welfare, women and children, public sector investment, population, etc. The DPU also produces monthly reports on the Consumer Price Index and quarterly reports on Economic Indicators.
4.2.2 Programmes and Policies

The National Integrated Development Plan (NIDP)\(^5\) is a major output of the National Integrated Development Strategy (NIDS) that has been adopted by the Government of the British Virgin Islands to promote the sustainable development. The Plan identifies the main development objectives and challenges, and determines the optimal policy framework for promoting development.

Notwithstanding the impressive growth of the economy over the last decade, the BVI remains a very open economy that is vulnerable to external factors. An important objective of the NIDS is to reduce the vulnerability of the territory by increasing the efficiency and resilience of the economy. To achieve this in the medium term, the main strategic goals include:

- The promotion of the private sector as the main engine of growth;
- The maintenance of macroeconomic stability;
- The enhancement of international creditworthiness;
- The promotion of greater international competitiveness; and
- The diversification of economic activity.

Within the productive sectors, the NIDP recommends that policies be introduced:

- To expand and upgrade the range of products and services that are provided by the two leading industries of financial intermediation and tourism;
- To maintain the international competitiveness of these industries; and
- To diversify the production base, by promoting those activities that create economic linkages between sectors.

Key components of fiscal policy will be to stimulate the level of savings by:

- Generating a level of surplus of recurrent revenue over expenditure to facilitate the domestic financing of necessary public sector investment, and
- Introducing specific instruments to promote a higher level of savings among individuals and in the private sector.

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51 ‘The National Development Strategy’ and ‘The National Integrated Development Plan – Main Report’ can be viewed at [http://dpu.org/Plans/NIDS.htm](http://dpu.org/Plans/NIDS.htm). This site also contains a number of the Research or Background Papers that were used in the preparation of the final document.
Other policies to promote private sector development include the decreasing levels of regulation and increasing the quality of the supporting physical infrastructure, the efficiency of the public service, the nature of relations between the public and private sectors, the quality of human resources available, and the sustainability of the environment.

The NIDP also calls for encouraging the development of small and medium enterprises (SMEs) to form linkages between the leading industries and the rest of the economy, also thereby reducing economic vulnerability. Support for SMEs should facilitate a higher level of local expenditure by tourists and operators of firms providing offshore financial services.

Another key measure to facilitate economic diversification is to focus on the agriculture and fisheries sub-sector. In 1997, equivalent full time employment was 180 in agriculture and approximately 300 in fisheries. As employment and income opportunities increased in tourism, professional services, and other sectors, agriculture and fisheries have become less attractive for private sector investors in general, and young people in particular. Nonetheless, Government has targeted both sectors since the late 1980s as part of the strategy for economic diversification, food security, environmental preservation, and reduction in the level of imports. The NIDP calls on the Government to continue to support these sectors, but sees Government’s strategic role as regulator and facilitator, rather than engaging in direct production and marketing.

Accordingly, the NIDP calls on the Government to put in place a framework of incentives and structures that encourage BVI islanders to engage in agriculture and fishing, including:

- An examination of the costs and benefits of reducing duties on agricultural and fisheries inputs, and exemption of both sectors from income taxation to encourage investment and employment;
- Consideration of options for transferring ownership and management of the BVI fisheries complex to local fishermen (which could include the transfer on an equal basis of shares at minimal cost to all local fishermen);
- Promotion of agriculture and fisheries as part of the micro-enterprise scheme and other sources of soft credit; and
- Review and enhancement of current extension services with the view to target services geared towards promoting the production of high value crops and products (for example, organic produce, poultry and livestock, tree crops, and other products demanded by the domestic market and the hospitality sector in preference to imports).
4.3 Health

4.3.1 Programmes and Policies

(a) General Health Programmes

There are no specific health programmes for the poor as these groups are incorporated into all primary and secondary health services provided in the BVI. However, with regard to vulnerable groups and in accordance with the 1976 Public Health Act, free health care is provided at point of use for full-time school children, nursing mothers, the elderly, the mentally ill, health workers, fire fighters, the police, prisoners and prison officers. A free health check for children is also provided - firstly for pre-school, once in primary and once in secondary school. Despite a high use of private health services the Government is still the main provider of acute medical and surgical services.

The majority of primary health care is available through district health clinics. Doctors attend all clinics and mainly serve the elderly and others who are exempt from medical fees. Home visits are also co-ordinated through district clinics. The clinics target mothers and children providing growth, nutrition, developmental surveillance, immunization, family life education, and sexual health counselling programmes. All district clinics have transport services which facilitates accessibility for residents. Specialist district clinics, mostly on Tortola, offer community mental health, dental health, environmental health, health education and community nutrition.

The Adina Donovan Home is also managed by the Department of Health. Demand for residential care for the elderly far exceeds capacity (the home has 27 beds available). In discussions with health officials and others, additional residential care services were identified as being needed in the short to medium term. Involvement of the private sector in aged care was thought to be a viable option.

A reform of the management of health services was undertaken in the mid 1990s which was fed into the NIDS process. Health priorities set out in NIDS are to improve hospital services, strengthen primary health care services, instigate health and lifestyle education programmes and preventative initiatives, and enhance all aspects of environmental health. Since 1995 the Government has acted on proposals emanating from this review: a new hospital is under construction; a community health project has been carried out in Virgin Gorda; the Health Education Division has commenced implementing education programmes prioritising prevention of AIDS and sexually transmitted diseases and other chronic conditions (e.g. cancer, heart disease and diabetes) as well as the CFNI-devised Project Lifestyles programme.

Vendors selling snacks outside schools, have been encouraged to sell healthier items (with less fat and less sugar) thus encouraging a healthier lifestyle which will lead to less reliance on public health services later. The Department of Health would like to expand this initiative to Tortola, Jost Van Dyke and Anegada.
aimed at promoting exercise and better nutrition amongst primary school-children; the National Drug Advisory Council is specifically geared to reducing drug abuse.

National committees to tackle AIDS were established in 1988 and 1994 but were discontinued. A new report, 'Situation and Response Analysis of HIV/AIDS in the British Virgin Islands', was prepared in 2002. It identified an increasing incidence of HIV/AIDS arising from factors such as multiple partnering, a mobile population due to immigration and tourism, the early onset of sexual activity, drug use, and prostitution. The Ministry of Health and Welfare has acted on this report by re-establishing a national committee and approving the appointment of an AIDS/HIV co-ordinator who will have overall responsibility of coordinating prevention and education programmes across government departments. Initial emphases are expected to be: renewed public awareness campaigns targeted at the young and sexually active, measures to reduce the stigmatization of those living with the disease, and the initiation of longer term programmes for the care of the latter.

(b) Environmental Health

Problems with untreated sewage primarily affect recreational water activities rather than potable water supplies. However with a reliance on desalinated potable water, groundwater, and a significant tourism industry based around water activities, the treatment of sewage needs to be tackled. Solid waste management, particularly rubbish collection, has also been raised as an issue at workshops and in the PPAs (Chapter 3). NIDS recognises the need to improve sewage disposal activities along with protecting watersheds, improving drainage systems and strengthening legislation and town planning practices to redress this situation. More specifically, NIDS prioritises improving solid waste management and controlling the discharge of raw sewage to coastal waters. In this latter respect, the Central Environmental Laboratory (CEL) has been established to monitor sewage discharges by undertaking water quality surveillance and to attend to other environmental health problems.

(c) Mental Health

Two services introduced since the 1995 health review and which assist vulnerable groups are the Mental Health Services Unit and the Sandy Lane Centre. The Mental Health Services Unit (MHSU) is based in Tortola and consists of a Director/psychiatrist, psychologist, three psychiatric nurses, an assistant nurse, occupational therapy aide and office assistants. Regular clinics are also held on Virgin Gorda, Jost Van Dyke and Anegada.

In the recent report “Assessment of Mental Health Services in the British Virgin Islands”, Ministry of Health, September 2001, improvements proposed are summed up in the core vision statement which is:
“The Mental Health Unit is a coordinated service for all psychiatric clients including those with substance abuse problems.

- It must integrate expanded intensive and comprehensive outpatient treatment with the Community Health Clinics.
- It must entail a fully functional psychiatric unit within Peebles Hospital.
- It must include educational and mental health promotion for the community at large.”

Core services provided by the MHSU are family support (education and therapy), homecare/support (medication, personal care, social contact), community outreach, marital counselling, supportive counselling (problem solving, life management, relationship issues) which accounts for around 50% of nursing staff’s time, crisis intervention, emergency room care, detoxification services for the Sandy Lane Centre, court appearances, assessments for schools and the Social Development Department as well as Technical Advice to the Ministry of Health and Welfare.

In discussions with Department of Health officials mental illness and depression were considered to have increased in the past few years. Similarly there were concerns about teenagers and young adults using drugs and abusing alcohol. This had generated problems with violence and crime putting pressure on MHSU, the Sandy Lane Centre, the Police, and public health services. The need to extend the MHSU was also highlighted.

(d) Drugs and Substance Abuse

The Sandy Lane Centre works in close collaboration with the MHSU and also deals with vulnerable individuals. The Sandy Lane Centre provides individual counselling, group therapy and family counselling for drug addiction/alcohol dependency. The Centre runs a series of 6-week intensive programmes (two to three times a year) as well as daily group therapy classes. It also provides courses on nutrition, education and relaxation. In discussions with staff at the Centre the following needs were identified:

- While the centre meets the demand for assisting individuals there was no back-up available outside office hours;
- Homelessness amongst those with substance abuse/alcoholism is a problem and there is a need for a halfway house or shelter to redress this situation;
- There is an identified need to address the educational needs of those adolescents who have dropped out of school either because of educational difficulties and/or substance abuse. The Centre formerly ran literacy and numeracy classes but funding was removed and the classes taken over by Department of Education. The new system is
not considered to be successful as it is not geared to those with special needs. The Centre would like to recommence education classes.

Education programmes in the community should be expanded particularly parenting skills programmes, and education programmes in schools to discourage drug dealers from being role models. The Centre already runs a programme where adolescents who have been through a detoxification programme give talks in high schools on the downside of drug addiction and effects it can have on a young person’s life.

The National Drug Advisory Council (NDAC) also addresses health concerns for vulnerable groups via organising outreach programmes and developmental programmes on drug prevention. Activities undertaken by NDAC include:

- Running summer day care programmes, lecturing at schools and other community organisations to advise on drug prevention and the like;
- Intensive publicity campaigns (e.g National Drug Prevention Week);
- Undertaking informal surveys on drugs (including one in the BVI High School) and co-ordinating the analysis of the outcomes; and
- Co-ordinating activities with Sandy Lane Centre, the Community Agency on Drugs and Addiction (CADA), the National Youth Council, the Police as well as with the Public Health Department.

In discussions with NDAC representatives it was stated that while there was a link between poverty and drugs and alcohol, substance abusers were not just from poor backgrounds. In their opinion issues linked to drug and alcohol abuse were related to lack of activities for youth to get involved in, limited employment opportunities for youth – particularly the untrained, difficulty in accessing training programmes and lack of family stability. There was also concern that a few pocket areas existed where drugs seem more prevalent. Two reports indicated that adolescents had tried drugs at a reasonably young age and that there was a need for on-going education on drug prevention. In light of these reports and their experience the following improvements to drug prevention programmes were identified:

- The need for a national strategy on drugs and drug prevention. There is still a difficulty in culturally accepting the drug problem thus it tends to be hidden. A national strategy would assist in co-ordinating efforts of all agencies dealing with drug and substance abuse.

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53 NDAC, A Rapid Situation Assessment of the Status of the Drug Problem and Interventions, 2002 and PAHO, British Virgin Islands Adolescent Health Survey, 1999
4.3.2 Effectiveness of Programmes

Morbidity and mortality information indicates that the BVI 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 lack of food. Environmental health problems that do exist (from inadequate sewage treatment and irregularly collected solid waste) are gradually being addressed.

Existing health programmes have been successful in significantly improving the health and life expectancy of residents. Primary health clinics are accessible and respond to the community’s health needs. Programmes are moving towards preventive measures rather than remedial but funding for secondary health services will still be required. Education programmes on drug prevention, sexual health, and HIV/AIDS prevention are occurring but need to be targeted to those most at risk; the unattached sexually active population, including adolescents. Comprehensive health education is not yet fully incorporated into the high school curriculum.

Mental health services are comprehensive and are tackling drug and substance abuse as well as prevention via community education (through NDAC). They are however, affected by under-funding.

There is a heavy reliance on overseas trained medical personnel; they are generally offered two-year appointments which entrains a high turnover of staff. This has raised some ongoing concerns over obtaining and funding highly specialised medical personnel. Longer-term appointments and work permit dispensations could assist in this regard.

The most significant issue for the health service is the potential introduction of a national health insurance. Around 92% of public health services are funded by central government consolidated funds with only 8% recouped from user charges. A portion is provided by the Social Security Board (SSB) through a range of health related benefits (sickness, maternity, work related illness benefits) and funds for ad hoc improvements to public health facilities. According to NIDS and representatives within the Department of Health the Government is investigating national health insurance schemes that would reduce reliance on government

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54 Department of Health, Annual Report of the Director of Health Services, 1998
funds. There is also a need to reduce the vulnerability of the significant minority of, especially poor, uninsured households, to the financial burden of medical emergencies that require overseas treatment.

4.4 Education

4.4.1 Programmes and Policies

There are no specific education programmes geared to the poor and vulnerable as government education programmes are targeted to all students. A major overhaul of the education system was undertaken in 1988 as a result of around one in three primary school students failing to achieve a primary school leaving certificate. Low pass rates in secondary school were also linked to poor teaching standards in primary schools. Around a third of teaching staff were qualified at that time. Implementation of the recommendations of the 1988 Review of the Education system has improved education achievements. Trained teacher levels doubled to 70% by 1998 and literacy rates now approach 100%.

Priorities for education programmes and policies are set down in the NIDS Education Background Paper. These are:

? Improvements to facilities particularly for the BVI High School on Tortola with overcrowding becoming such a problem that some students are commuting to Virgin Gorda to attend the high school there;

? Continued upgrading of the high school curriculum to incorporate business, vocational and technical subjects with technical subjects to be more geared towards international standards;

? The implementation of management systems notably planning, evaluation and monitoring;

? Continued upgrading of academically qualified teachers and concentrating on what and how subjects are taught as well as the curriculum itself, and making teaching materials and text books more affordable;

? Improving literacy and numeracy in primary and high schools;

? Moving specially challenged students into mainstream education; and

? Addressing male marginality particularly the declining numbers of adolescent boys completing high school and their poor results in CXC exams.\(^5\&^6\)

\(^{56}\) NIDS, Background Paper – Education and Training, 1998
Department of Education officials also supported the above priorities particularly improving literacy and numeracy in primary and in high school, the widening of school curriculum to include vocational courses. The Department is very aware of improving education standards and ensuring students have the skills to compete in an internationally competitive employment market.

4.4.2 Effectiveness of Programmes

The comprehensive review of the education system emanating from the 1988 review has had an impact on expanding curricula, increasing levels of trained teachers, introducing a tertiary education facility and continuing a review of education services to keep the BVI in line with the skills required in a globally competitive employment market. NIDS outlines priorities for education over the next few years which progress the achievements of the last decade.

The service sector economy, low unemployment rates and the internationally-based businesses operating in the BVI have facilitated the retention of tertiary and professionally educated residents. Immigration to augment the service sector is the key demographic trend rather than the loss of trained residents abroad as occurs in many other Eastern Caribbean States. There are however concerns that a balance needs to be achieved between the skills and education being taught and employment market requirements. Reliance on immigrants to fulfil technical and managerial positions is evidence that improvements to the education system are still required and that greater emphasis should be given to widening the scope and quantum of vocational courses particularly for those who are less academically inclined.

There are also concerns that the prevailing literacy standards are inadequate for the current demands of the labour market. With regard to vulnerable groups emphasis has been placed on improving literacy and numeracy for school-aged children and introducing vocational courses into the school curriculum particularly to redress concerns over adolescents (especially male) dropping out or otherwise under-performing at school 57.

No specific programmes to financially assist poor families with school costs exist nor have school feeding programmes been introduced. This is mainly because poverty is not viewed as a significantly serious problem to warrant such government action. However, there is a concern that problems affecting household vulnerability and susceptibility to poverty in the future, often originate during childhood and adolescence. The incorporation of life skills and health education into the school curriculum is seen as a desirable course of action.

57 Female enrolments for the H.L. Stoutt Community College are double that for males.
4.5 Government Support Services and Safety Nets

4.5.1 Social Welfare

The Government policies for social welfare activities are ‘to build a socially cohesive, thriving community through integrated social and economic policies which seek to strengthen community relations, minimise social tensions, strengthen families and eradicate poverty’ and to “establish a policy and institutional framework which will promote the rights of poorer and more vulnerable members of society, enhance their livelihood opportunities and increase their access to social services”

The government departments charged with implementing this objective are the:

- Social Development Department within the Ministry of Health and Welfare;
- Office of Gender Affairs within the Chief Ministers Office; and
- Social Security Board.

There are also strong links with the Ministry of Education and the Department of Health.

These government welfare agencies and departments primarily deal with issues affecting children, juveniles, the elderly, the disabled, poor families and gender. Key programmes and policies are outlined below.

4.5.2 Social Development Department

The key government department overseeing social welfare is the Social Development Department (SDD). Their prime responsibility is to assist poor and vulnerable individuals and groups. Divisions within SDD are as follows:

- Virgin Gorda Branch
- Elderly Services
- Rainbow Children’s Home
- the BVI Services for the Disabled
- Youth and Community Development Branch
- Social Casework/ Public Assistance.

58 NIDS, Background Paper on Social Welfare Policy in the BVI, 1998
(a) Elderly Services

Seven senior citizen centres, including one on Virgin Gorda, organise activities such as daytrips and daytime activities (3 days a week) for senior citizens. At the moment 268 senior citizens attend the 7 centres on a regular basis.

Domestic Home Care Programme – around 40 elderly persons receive home care Monday to Friday. Care provided includes household chores and hygiene but not medical treatment. Those receiving care are unable to afford any assistance and are usually referred by relatives or concerned neighbours. SDD undertakes an assessment to determine eligibility for this programme. Where feasible the family are requested to contribute to the costs of the care. The home carers’ training is undertaken by the BVI Red Cross who ran the service until it was taken over by SDD 6 years ago. In discussions with SDD officers increasing demands are expected to be made on this programme in the short term.

Meals on Wheels – 40 recipients (including disabled) receive between 3 to 5 meals per week. Depending on individual or family circumstances beneficiaries are requested to pay $10 per week. Again requests are made to SDD and an eligibility assessment undertaken on a case by case basis.

(b) Rainbow Children’s Home

This home is a residential facility for children who are neglected, abused or abandoned. This division also co-ordinates foster care. In 2001, 27 children up to 16 years of age were in care – either in the Home or in foster care. The Rainbow Children’s Home is for long-term stays and is used as a last resort when foster care is not an option. In discussion with SDD officers it was stated that there is an increasing demand to use this facility. Officers also indicated most children in care come from low income families where the mothers were struggling to keep a family together in financially and emotionally difficult times. SDD is experiencing difficulties fostering children as foster parents don’t always want older children (13+), or children with emotional or physical disabilities. SDD officers admitted that the Rainbow Children’s Home itself has had difficulties in recent years and better trained and more staff were required to deal with problem children. This was corroborated in interviews with NGO and other government department representatives.

(c) Services for the Disabled

This programme was recently placed under SDD from the Department of Health. The programme provides services for the disabled via:

? An employment opportunity programme where 15 disabled persons form part of an employment programme folding bills, restringing chairs etc;
assistance for independent living and residential care; and

a day treatment programme.

Demand for all the above services outstrips supply (particularly assistance for housing to enable independent living). The programme is investigating setting up a self-financing laundry service run by disabled to serve a growing demand for such services in the tourism sector. It is having difficulties with finding a suitable location and gaining funding. Those disabled within the employment programme are given financial support of $10 per day. Whilst the programme benefits those who have left school SDD officials thought more could be done for those still in school. More also needed to be done to widen the opportunities for them upon leaving the formal education system as at the moment there was a perception that they would have nothing to do.

(d) Youth and Community Development Division

This division runs:

The Adult Continuing Education Programme provides assistance to unemployed and school dropouts in continuing their education. It has strong links with the Department of Education although classes are held outside the school environment.

The Sunflower Programme is an after-school programme for children where a range of activities is organised in six different communities. Activities include craft, computer and sport activities as well as tutorials to assist with class work. The programme is for 6 to 16 year olds and has had up to 380 school children in the programme. It has recently been transferred to the Department of Education. It is apparently not as popular as it once was. The reason given is that it is now seen as an extension of school offering limited academic activities. The SDD officers considered the programme (when run through SDD) as one of its success stories.

The Apprenticeship and Job Placement Programme is aimed at the unemployed. It programme provides training within the business community (via work experience or specific training exercises). Several participants have been offered employment by employers after completing their apprenticeship/training. The programme primarily offers office skills/secretarial placements and training as well as boat maintenance/mechanics apprenticeships.

The Income Generating Skills Training focuses on young mothers who have limited or no income and are having difficulties supporting their children. Training within the Skills Training Centre includes craft, sewing and business development. Some tourist shops sell the products made in the Centre. The programme is meant to be self-financing.
The Life Skills programmes entail organising seminars and workshops for young people to educate and enlighten them on self-development. Parenting classes are also held.

The Mentorship Programme has recently commenced and is geared to linking children with community representatives.

The Community Youth Councils have been set up in larger communities (with varying degrees of success) to assist in co-ordinating services and activities for youth.

The Spotlight Programme targets the unemployed, particularly those who have dropped out of high school, who are looking for work but do not have any skills. The programme offers courses in computer skills, woodwork/carpentry, craft, sewing, art, steel pan making, tuning and playing, as well as adult literacy and numeracy classes. Most courses are held in the evenings and are geared to laying the foundation for adults' creative ability by introducing them to skills and techniques to foster entrepreneurship. Programmes last for 4 months (2 have been held thus far) and have been very popular with attendees. SDD officers are concerned that future funding for the programme will be reduced. They also identified a need to assist graduates from this programme via an “Entrepreneurial Fund” by providing some financial and business advice assistance to start up business. The Commercial Development Bank have tried to help in the past offering assistance to those finishing apprenticeships (beauticians, welders and the like) but there is a need for additional government funds.

(e) Social Case Work

This is the basis of most of the work undertaken by SDD. Case work involves individuals and families on a range of issues. SDD has five social workers plus a director and a deputy to oversee all case work. Case work typically involves dealing with children not attending school, situations where families are unable to cope with children’s behaviour, and those on low incomes and having problems with living expenses. SDD have close working relationship with the Office of Gender Affairs, Department of Education and School Counsellors as well as the Department of Health. Within this remit SDD prepare psycho-social reports for the courts, are involved with care and protective intervention, foster care and adoption services, counselling and referral services, institutional care and probation and rehabilitation services.

(f) Public Assistance

Public assistance (PA) is provided for a range of needs such as victims of house fires; hurricane damage; for building houses; emergency assistance for medical services, food, clothing and furniture; funeral grants; assistance with utility bills; and other ad hoc situations. This programme has been running for over 100 years. SDD must do an assessment for each
grant requested which is proving to be very time consuming. Monthly assistance provided for those considered indigent consists of up to $250 for families and $100 for singles. During 2002, 193 persons received such benefits. Most public assistance goes to the elderly. The overall budget for all public assistance $400,000 per year which includes both the welfare grant and other payments such as for rents, for which there is an increasing demand as rents tend to be high. In one SDD officer’s experience it is mostly young women seeking assistance with housing. Under the public assistance programme SDD give $1400 for the burial of the indigent.

Concerns relating to public assistance are: the absence of assessment criteria; the lack of long-term assessment to prevent the recipient from continuing to receive assistance when they no longer need it; and the apparent politicisation of some decisions. Clear eligibility criteria operating in a transparent decision making process were identified as requirements to redress this situation.

4.5.3 Office of Gender Affairs (OGA)

The Office of Gender Affairs (formerly known as the Women’s Desk) is located within the Chief Minister’s Office. Its vision is to enhance the development of the British Virgin Islands in an atmosphere of gender equality and mutual respect.

To achieve this vision OGA has responsibilities to implement policies and programmes that promote gender equality. It acts as a co-ordinating agency for programme development throughout other government departments and agencies. OGA operates within the frameworks set down within the Convention on the Elimination of Discrimination Against Women (CEDAW) and the Beijing Platform for Action. Whilst it is not specifically tasked with reducing poverty it does have a remit to assist vulnerable individuals and groups by ensuring that policies and programmes are not discriminatory nor gender unaware. Most services are provided through other agencies. Achievements to date include:

? Commissioning research into domestic violence: as a result of this report, which revealed that a substantial proportion of women in the BVI had experienced some form of physical abuse in their lifetime, and the ensuing public and political outcry, the OGA set up the National Domestic Violence Co-ordinating Committee in collaboration with representatives from Attorney General’s office, the police, NGOs, Family Support Network (see below) and medical representatives. The aim of the Committee was to

59 Assistance is graduated from $150 for a family of two to $250 to a family of 5 plus.

improve inter-agency working relationships and methods for reporting and dealing with domestic violence issues and victims/perpetrators.

? A review of current laws to ensure they address gender equity. The OGA have assisted in the preparation of the Domestic Violence (Summary) Proceedings Act, 1996, which made it easier for applicants to obtain restraining orders and also assisted in the review of the Criminal Code 1997 which increased penalties for rape and indecent assault against girls under 16.

? Initiating gender programs, promoting human rights and organising seminars and workshops. The OGA initiated a seminar to encourage more women to stand for public office and initiated a programme on Responsible Fatherhood.

? Assessment and referrals of individuals to appropriate agencies. For example, OGA assists victims of sexual harassment in the work place to lodge complaints with the Labour Department; and

? Act as an advocate for the victims of domestic violence.

OGA has a close working relationship with SDD on issues such as child abuse, child maintenance issues and domestic violence.

In discussions with OGA officials, their programmes, particularly in assisting vulnerable groups, were considered to be successful. Of particular note was the assistance in raising awareness of domestic violence issues, changing legislation to better protect victims, and to setting up interagency committees to more comprehensively handle the legal, medical and social aspects of domestic violence.

4.5.4 Social Security Board (SSB)

The other key governmental social development function is social security. Social security was established in 1982 and is co-ordinated by Social Security Board (SSB). Funding of social security is via mandatory contributions for all those employed in the private sector and within government. The SSB does not have a direct remit to address poverty but, by definition, does deal with groups requiring financial assistance due to maternity, sickness, old age or disabilities. SSB’s activities are strictly regulated by statute and they are required to reconcile payments with income.

Contributions from gross salaries are 4.5% from the employer and 4% from employee up to a maximum of $1950 per month. The total social security revenue in 2001 was $12 million. Social security provides sick pay, maternity benefit, old age pensions, compensation for injuries at work, disability benefits/ pensions and funeral expenses. Benefits such as pensions, maternity and sick pay reflect employee’s pay and/or length of contributions to SSB. The most important beneficiary groups are:
Pensioners: around 470 recipients receiving an average pension of $45-70 per week. Persons aged over 80 receive little or no pension as they were unable to contribute to social security (not yet established) during their working life. Persons must now work and thus make contributions for ten years to qualify for a pension - previously it was 3-5 years. In principle, anybody can qualify for pension benefits including “non-belingers” however the length of time required to make contributions in order to receive pensions would exclude those who worked in the BVI for less than 10 years. Total outgoings for pensions are around $1.5 million per annum. Around 200 people qualify for survivors’ pensions that is approximately $6,000 per week in total.

Sick pay recipients: About 840 recipients have received a one-off payment of $500 each.

The pregnant: approximately 290 recipients have received a one off payment of $2,000 each.

The work-injured: 110 recipients having received up to $2,000 each (including medical expenses).

Disability pension: only 7 recipients.

A Social Donations Fund exists (totalling $100,000 per year) which is discretionary and can be used for socially desirable activities. In discussions with SSB officials activities funded had included equipment for the intensive care unit at Peebles Hospital, improving health clinics and ambulance services as well as purchasing computers for schools. Discussions with Department of Health officials revealed that contributions from SSB for health equipment and from funding some medical services was an essential to keeping public medical services up to date. The limited funds recouped for medical services (estimated at around 8% of total outgoings) was primarily from social security payments. Without this money, the public health service would require more funding from central government sources. SSB officials indicated that a school-feeding fund had been mooted and discussed with the Social Development Department but had not yet been progressed.

Improvements identified by SSB officials included:

? Improved database to obtain a full picture of those receiving benefits;

? Clearer rules for those receiving benefits, particularly public assistance; and

? The investigation of a national health scheme as the lack of national health insurance has meant that SSB plays an important role in financing health care in the BVI.

Whilst social security works well for those who have contributed and are entitled to benefits there are gaps for those outside the system. The lack of unemployment benefits for those not
contributing to Social Security funds (such as school-leavers who are not employed) and for some current employees and older residents who were unable to contribute to pension funds as social security did not then exist are two such examples. Similarly disabled are unable to receive contributions if they are unable to work and are thus reliant on Public Assistance as outlined above. Those working part time (either by choice or by necessity) are only able to contribute 4.5% of their wage and could be financially vulnerable during illness or upon reaching retirement age.

4.5.5 Effectiveness of Programmes

The key government welfare service, the SDD, has instigated numerous support and safety nets programmes. However, the long-term effectiveness of some initiatives is questioned by SDD officers and other government and NGO representatives. Concerns are raised that safety nets for the poor and vulnerable are being dealt with in the form of immediate tangible aid. Such an approach did not address the root cause of the problem nor facilitate developmental or preventative support to redress beneficiaries’ situations. The politicisation of public assistance was also raised as not necessarily assisting those in need and pulling social worker resources away from genuine safety net cases. Other programmes, particularly those relating to adult education, job placement and care for the elderly, were viewed as successful and meeting a need. The difficulty would be expanding these programmes to cater for increasing demand when budgets were being restricted. The popular Spotlight programme had already been reduced because of insufficient funds.

Appropriately trained and additional staff are required to manage SDD programmes, and in particular the Rainbow Children’s Home. In discussions with NGO representatives there were also concerns that confidentiality of those seeking public assistance was often breached by SDD staff. Improvements in the management, increased specialised staff and maintenance of confidentiality of clients is seen as a priority if social welfare programmes are to be more effective in the short and medium term.

OGA and SSB programmes were targeted and key in underpinning government’s preventative social welfare programmes.

In discussions with the SDD, OGA and SSB officers it was stated while beneficial initiatives and programmes had been established to address social welfare needs there were areas where programmes were deficient or non existent. These are as follows:

? Technical Schools to assist education of youth and to address the high level of high school dropouts (particularly adolescent males);

? Criteria for Public Assistance (a high priority) within a more transparent decision-making system;
Options need to be investigated for financial assistance for medical treatment as it is currently a drain on financial resources;

Assistance for working poor particularly with regard to housing;

Improved interagency cooperation on domestic violence issues including child abuse workshops where children act as facilitators;

Improvements for the collection of child maintenance – it was suggested that this could be taken directly from father’s pay as happens in the USA and Australia.

Regular parenting skills programmes;

Programmes to assist teenage girls who are pregnant/had babies to continue with education.

Assistance with immigrants especially low skilled/low income. More information on their working conditions rights/work permit conditions as well as information on their rights when exploited (including sexual harassment)

Funding for social welfare programmes needs to be more targeted – not just to physical structures (community centres) but to programmes. Specifically, the Spotlight Programme should be continued and expanded, and the Sunflower programme should be returned to SDD’s remit;

Additional and appropriately trained social workers to expand staff resources at SDD together with improvements in overall management and confidentiality.

4.6 Non-Government Organisations (NGOs) Support Services and Safety Nets

4.6.1 General Programmes

NGOs are also actively involved in social welfare and development. Primarily focusing efforts on youth, the elderly, and families church groups such as the Christian Council (representing a range of church groups) 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 NGOs 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. Key NGOs and their activities are described below.

4.6.2 Family Support Network (FSN)

FSN was established in 1989 as volunteer organisation under the umbrella of the BVI Christian Council to assist families in distress. It focuses on domestic violence issues. The increasing awareness of problems associated with domestic violence has led to the FSN now
receiving some annual funding from government sources. It is still reliant on donations and funding through the Christian Council. A full-time social worker co-ordinates all activities. Key programmes are:

? Emergency assistance with regard to counselling;
? Individual and family counselling;
? Group counselling (have set up a women’s group);
? Advocacy and case management;
? Assistance with seeking Public Assistance/Legal Aid/Probono work; and
? Emergency accommodation – temporary (within hotels or guest houses).

FSN is part of the Domestic Violence Coordinating Committee (see above) and works closely with the hospital and police. In discussions with the FSN co-ordinator, it was pointed out that whilst FSN has been successful in providing a support service to victims of domestic violence there have been difficulties in providing on-going assistance especially where co-operation of other government departments is concerned. Victims of domestic violence or failing relationships often need emergency, financial and legal assistance quickly. FSN has frequently experienced problems accessing public assistance funds (no criteria and slow to react) and legal aid (inadequate funding). Difficulties are particularly acute with immigrant clients. The demand for services had placed strains on FSN and more preventive programmes were needed. Improvements in the effectiveness of FSN’s activities include the need to:

? Initiate education programmes within schools on domestic violence and on financial management (this was corroborated by Department of Education’s School Counsellor co-ordinator);
? Provide emergency shelter as at the moment FSN is reliant on the goodwill of some tourist establishments to provide emergency accommodation. A permanent arrangement is seen as a necessity and a priority; and
? Increase political support for domestic violence actions so as to gain financial support for FSN’s and other preventive and supportive programmes.

In outlining the activities of other organisations and government departments which had links to domestic violence and family breakdowns, the following needs were identified:

? Transparency and clarity for public assistance (eligibility criteria) and for legal aid. With inadequate legal aid funding, a legal aid clinic is considered more appropriate;
? Need more resources within the Social Development Department particularly trained social workers;
A link between legal action and education programmes such as like those occurring in the USA where batterers attend a batterers group as part of serving the “sentence” for domestic violent crimes;

Improved youth resources particularly a technical/vocational high school curriculum to teach practical and life skills; and

Improved registering of information so that key organisations can share information (as also suggested by Health Department officials).

4.6.3 The BVI Christian Council

Christian Council co-ordinates activities among 6 religious denominations. It also has associations with other religious groups within the BVI. It provides a fellowship between denominations which enables the Christian Council to keep a finger on the pulse of what is happening in the country and thus act as a forum and a lobby group for progressing concerns and ideas to decision-makers. Politicians and government officials often request feedback from the Christian Council on social issues and policy. Pro-poor activities undertaken by the Christian Council include:

helping individuals on a case by case needs basis such as giving assistance for immediate needs such as clothing, food, temporary shelter, assistance with bills (sometimes), and assistance in gaining help with relevant government or other organisations;

the setting up of the Family Support Network (now partly funded by government) and continued support for this service; and

providing emergency funds (offered by some churches) such as a medical emergency fund (if people have to be flown off the island to be treated).

Most assistance offered through the various church groups within the Christian Council goes to children and young adults primarily dealing with cases of child neglect, child abuse, lack of child maintenance, and lack of family support. The Council also assists families that are experiencing difficulties with finances including the working poor and, in particular, low skilled low paid immigrants (non-belongers). The high cost of living in the BVI (particularly with regard to rent and food) creates difficulties for single parent households with low incomes and the unemployed, many of whom are forced to seek immediate financial and social support.

The current system of addressing each situation on its merits and responding immediately to a situation was considered to be working. Other needs were identified which could assist in dealing with vulnerable individuals, families and poverty include:
clearer criteria for receiving public assistance;
more support and more appropriately trained personnel in the Social Development Department and at Rainbow House;
clarification of laws with regard to immigrants as there is a lot of confusion over rights, what they are able to do, rights to access social welfare services, property rights and the like; and
clearer criteria for obtaining legal aid as well as increasing its budget.

4.6.4 The BVI Red Cross
The Red Cross co-ordinates numerous projects and programmes mostly geared to assisting children and the elderly. Specific programmes for the elderly include:

- Assisting around 30 older elderly “shut ins” with general assistance such as obtaining medicines/prescriptions, letter writing, running errands;
- Provision of a food basket in disasters or emergencies;
- Helping to make houses secure particularly for the elderly living alone;
- Assisting with feeding programmes particularly meals on wheels;
- Training home carers although carers now operate under the management of SDD.

The BVI Red Cross is having difficulties coping with the increasing numbers of elderly requiring assistance.

Programmes offered for children include:

- Assisting with some activities at Eslyn Richez school for physically handicapped children. This school was originally started by the Red Cross but is now government run;
- Purchasing wheel chairs and other equipment when the family cannot afford them;
- Organising outings and walks for disabled children; and
- Running courses/workshops for children to build self-esteem, awareness and values.

Immigrants are also assisted by the Red Cross through the Red Cross shop where clothes, house items for are sold at low cost. In discussions with the co-ordinator of the BVI Red Cross, the high cost of living was identified as exacerbating poverty and vulnerability. Immigrants were particularly vulnerable as they were often in low skilled/low income jobs and because of current immigration law preventing the purchase of property are forced to rent placing a strain on their financial resources. The Red Cross is also on occasion requested to
assist immigrants being exploited in the workplace. Clarification on immigrants’ rights and improved access to government departments for assistance were identified as steps needed to help improve this situation.

4.6.5 **Youth Council**

This organisation mostly undertakes community projects and is geared to youth needs rather than to the poor and vulnerable. In the past the Youth Council has run workshops/programmes on topics youth have to deal with such as AIDS/HIV. All posts within the Youth Council are voluntary and they are currently having difficulties in getting youth involved in activities. Youth Council representatives visit schools to inform students of its activities. Providing facilities such as basketball courts is cited as a needed improvement as is the provision of technical/trade courses in high schools or as part of adult education courses, as not all youth are academically minded.

4.6.6 **Immigrant Groups**

Several of the immigrant communities have formed associations to provide social activities and assistance to needy members. Four of these groups were interviewed: the Nevis Alliance Progressive Society (NAPS), the Guyanese Society, the Vincentian Society and the Asociacion de Dominicanos Unidos (ADU) who represent the Santo Domingans. Several common themes emerged:

- The heterogeneity of the immigrant communities in terms of length of residence, occupations, and family type (with and without children);
- There is a major emphasis on social activities designed to keep the community together;
- Advice (and sometimes advocacy) is provided on issues relating to immigration, work permits and employment disputes;
- Occasionally financial assistance is provided for emergencies such as medical and funeral expenses, trips home for family matters and assistance with rent payments;
- The need to clarify the position of non-belongers in terms of residential status, work permits (especially difficulties in transferring them from one employer to another), access to welfare services and benefits (including social security) and the right to employment for non-belonger children completing their education;
- Areas of concern were the difficulty of successfully progressing employment disputes through the current procedures and the inability of most non-belongers to purchase property. One group considered that, in fact, the situation was improving and that examples of discriminatory behaviour were decreasing; and
Specific to the Santo Domingan community is the issue of language. They recommended that TEFL should be introduced to assist Spanish-speaking children in becoming integrated into the school system.

Notwithstanding the above, the immigrant groups emphasised that the majority of their members were living and working successfully in the BVI with a minimum of problems and that those problems that did exist were mainly concerned with non-belongers in the least skilled and lowest paid occupations, e.g. construction and tourism, where seasonality and the casual nature of work is also a factor that leads to fluctuating incomes.

4.6.7 Effectiveness of Programmes

NGOs, in providing flexible assistance, are able to target assistance to the needs at hand, and are thus effective in assisting vulnerable groups and individuals. All NGO representatives however, indicated that programmes could be improved if government services were either expanded, made more transparent and accessible, and some security provided (in the case of non-belongers/ those on work permits). The lack of publicity material about government services and lack of clarity of public assistance criteria were consistently raised. Many elderly, youth and families in financial difficulties were helped by NGOs particularly in cases where there is an absence or misdirection of government assistance.

4.7 Implications for Future Poverty Reduction Programmes

This review has revealed an extensive range of existing policies and programmes that bring direct or indirect benefits to the poor and the vulnerable populations in the BVI. The most important of these programmes are those related to health and education.

Health care is heavily subsidised and is available to all, irrespective of nationality. Allied to the availability of safe water and proper sewage disposal, the health of the great majority of the population is excellent and morbidity from diseases and infections commonly associated with poverty in other countries are almost entirely absent.

Education is compulsory between the ages of 5 and 16 years, is free and is legally available to all but a very small minority of children whose parents do not have valid work permits. Enrolment rates approach 100%.

The government departments responsible for health and education also undertake a wide range of additional programmes in respect of health education, after school facilities for children, pre-school education, adult education and other post-school services which are available to anyone who wants them.

These agencies together with the Social Development Department, the Office of Gender Affairs and NGOs also implement a comprehensive series of programmes targeted at the poor
and the vulnerable. Beneficiary groups include school drop-outs and other disturbed children, the elderly, victims of domestic violence, substance abusers, those in acute financial need, the mentally ill and single parents. Of the most vulnerable sub-groups identified in Chapter 3, all bar one, are targeted by one or more programmes, almost all of which have been established for several years. The one major exception is AIDS/HIV yet a National HIV/AIDS strategy is currently being formulated, approval for the appointment of a national HIV/AIDS co-ordinator has been obtained, and a national committee has been established.

Future policies and programmes have been formulated on a sectoral basis as part of the National Integrated Development Strategy (NIDS) process. This process culminated in the preparation and approval of the National Integrated Development Plan (NIDP). Its Strategic Vision of the territory is that of:

A society that is globally competitive and socially cohesive; that is able to satisfy the basic needs of its people; that upholds the principles of equity, human rights, and good governance; that manages the natural resources of the territory in a sustained and integrated way; that generates self-confidence among the people; and that maintains the unique cultural identity of the territory.

As befits its name, the NIDP covers all economic and social sectors. Considerable emphasis is placed on measures to reduce the causes of potential poverty and social vulnerability and to support those who, for whatever reason, find themselves in these situations.

The BVI therefore have a wide range of existing programmes targeted at the poor and the vulnerable and a comprehensive series of policies to address these issues in the future. In this context, it is considered that there is little need for major new strategy or policy formulation exercises related to poverty reduction. Nor, given the scope of current programmes, will there be a need for many completely new initiatives. Instead the emphasis should be on highlighting the issues of greatest concern and prioritising activities to both prevent and mitigate these problems. Based on the findings of this and the preceding Chapter which investigated the characteristics and causes of poverty/vulnerability in the BVI, the issues that need the most urgent action are:

- Public awareness and education campaigns related to HIV/AIDS, safe sexual practices, family breakdown and marital responsibilities, domestic violence and substance abuse;
- Improving the support services available to victims of the above (including the management of such services), especially women and children;
- Investigating and acting on the reasons for male adolescent underachievement and disaffection;
Reviewing the level of, and criteria for, Public Assistance;

Continued improvements to education curricula particularly in terms of vocational and technical education;

Clarifying the residential status of long-term immigrants and their BVI-born children; and

Reducing the discrimination faced by some, generally poorer, immigrants, in terms of access to employment complaints’ procedures, the courts and welfare services.
5 Governance and Legal Aspects

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

- a review of the Constitution of the BVI and selective investigation of its statutes and regulations;
- discussions with the Office of the Attorney General and the Deputy Governor;
- interviews with other agencies of the Government of the BVI; and
- comments received at the workshops in July and November 2002.

In undertaking this review, the emphasis was on the following topics that were deemed to have the greatest potential impact on poverty and/or human rights issues:

- governance and public safety;
- citizenship and belongers;
- access to the justice system/family law and support mechanisms;
- land occupation and tenure;
- environment and natural resource management and protection;
- implementation of UN human rights protocols; and
- the relationship between human rights protocols and poverty.

5.2 Governance and Public Safety
5.2.1 The Legislature
Since the BVI are a foreign overseas territory of the UK, the head of the Government is the Queen, represented in the BVI by an appointed Governor. Executive functions are divided between the Governor and an Executive Council. The Governor has specific responsibility for the ‘conduct of business’ of external affairs, defence, including armed forces, internal security, including the Police Force, the terms and conditions of service of persons holding or acting in public offices, and the administration of the courts.

The Executive Council (the cabinet) consists of the Chief Minister, two other Ministers appointed on the advice of the Chief Minister, and the Attorney General, who is ex officio and appointed by the Governor.
The Legislative Council makes the laws of the BVI, subject to Royal Assent. It would be unusual for the Governor to withhold Royal Assent. LEGCO consists of 13 elected members and the Attorney General; 9 of the 13 are elected by district and the other four are elected at large. The Government is single tier; there are no municipal governments.

5.2.2 The Public Service Development Programme (PSDP)

The NIDS Main Report states that:

“Good governance is of such importance that the future of many countries depends on it. Our (BVIs) situation is not unlike that in other parts of the world where our democratic institutions remain the key to political stability, and efficient, open and honest public administration remains essential for the economy to operate effectively and for democracy to function.”

The PSDP was developed to foster this objective. The PSDP mission is ‘to improve and develop the Public Service so that it becomes more oriented to identifying and producing results. The PSDP will bring about a culture of outstanding service to the public so it becomes the norm …’. Specifically, ‘the public must also [have] access to accurate and timely information’.

PSDP achievements to date include the publication of ‘service charters’ (in the form of illustrated pamphlets) for all government departments summarising their responsibilities, objectives, contact points and responsibilities towards the public. Numerous handouts have also been produced by Social Development Department, the Bureau of Gender Affairs and the Human Rights Co-ordinating Committee providing easy to understand descriptions of common problems (e.g. depression, parenthood, safe sexual conduct), the procedures for seeking child maintenance through the magistracy, and basic human rights.

The PSDP represents a major commitment to open and transparent government, to improving access of the public to government services and to raising public awareness of their basic human rights.

5.2.3 Public Safety

(a) Crime

The Commissioner of Police considers that the crime rate is low as is the rate of acquisition crime and that these reflect the low level of poverty on the islands. These statements are largely borne out by the PPAs undertaken for this project (see 3.5.9). There is employment

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for those who wish to work. Furthermore, he does not detect massive resentment between ‘haves’ and ‘have-nots’. Non-belongers are able to live and send money home, and belongers have a strong family support network.

(b) Community Policing

Community policing is being introduced through the establishment of consultative groups in 6 locations in order to improve crime prevention and detection and to enhance community and public relations. They meet with community groups. The most significant concern raised is the lack of amenities for young people.

The Commissioner also cited inefficiencies of waste disposal, leading to derelict vehicles and other scrap littering residential yards as leading to the appearance (as opposed to the reality) of poverty.

5.3 Citizens and Belongers

5.3.1 General

The issues of citizenship and belonger status are complex and difficult not least because the terms ‘belonger’ and ‘non-belonger’ are not defined in law. In this section, they are used to denote those who are ‘deemed to belong’ and ‘not deemed to belong’ to the BVI, respectively.

Belonger status is important. It confers the right to vote and to work; most non-belongers need a work permit. Sales of property to non-belongers may only occur by permission of the GBVI, which involves a lengthy process of establishing serious attempts to sell to belongers and investigation of the non-belonger. A license permitting a sale to a non-belonger may be subject to conditions, including that the non-belonger may not rent out the property. Citizenship, not belongership, confers the right to a British Overseas Territory citizen (BOTC) passport.

5.3.2 Categories of Resident and Immigrant Status

Table 5.1 contains a table of categories of residence and immigration status (governed by the Constitution and the Immigration and Passport Ordinance, Cap. 130), and a description of the criteria for admission to each category.

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62 This group is sometimes referred to as ‘down islanders’ when it refers to nationals of other Caribbean countries.
5.3.3  
**Citizenship**

Citizenship status (governed by the *British Nationality Act*, 1981) refers to whether or not an individual is a BOTC of the BVI. A BOTC who obtained that status by birth, naturalization or registration in the BVI is ‘deemed to belong’ to the BVI.

**Table 5.1. ‘Belonger’ and Immigration Status Categories**

<table>
<thead>
<tr>
<th>Category</th>
<th>Rights and Privileges</th>
<th>Criterion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Belonger</td>
<td>All rights and privileges – voting, own property. Pays lower fees for trade, business licences. Must be a BOTC to get a passport.</td>
<td></td>
</tr>
<tr>
<td>Permanent Resident under a Certificate of Residence</td>
<td>Does not need permit to live or work. (For a Government employee, this obtains only in respect of his Government employment.)*</td>
<td>Not under Immigration nor Labour Department control (except for * at left)</td>
</tr>
<tr>
<td>Non-belonger employed by government or person otherwise ‘entitled to land’</td>
<td>Non voting, needs licence to own property, licence may be subject to conditions. Pays higher fees for licences, higher land tax and stamp duty on purchase of property.</td>
<td>Under Immigration and Labour Department control</td>
</tr>
<tr>
<td>Temporary immigrant</td>
<td>As above for “non-belonger”. In addition, requires entry permit to live and work permit to work, permits must be renewed annually at least</td>
<td></td>
</tr>
</tbody>
</table>

Source: Based on review of statutes and discussions.

5.3.4  
**Status of Children**

The issue becomes even more complex when it involves children (Box 1). Taken together, the various criteria contained in Box 1 indicate that all children born of Commonwealth citizens in the BVI prior to 1<sup>st</sup> January 2001 are deemed to belong and are eligible for BOTC. This is analogous to the practice in many parts of the world, where children are eligible for citizenship of the country of their birth. Children born in the BVI of non-belongers parents after January 1<sup>st</sup> 2001 no longer have this right.

In this context, it should be noted that there are currently (based on the SLC) around 3,700 children aged between 2 and 17 years resident in mixed and non-BVI households. Many of these are likely to have been born in the BVI of Commonwealth citizens. These children will reach the age of majority over the coming years and will need their citizenship to be regularised<sup>63</sup>.

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<sup>63</sup> This issue was raised in the NIDS Draft Report on Poverty, 1998.
Box 1. Belonger and BOTC Rules for Children

1. A child born in the BVI of a belonger parent is a belonger and BOTC. This includes the common law child of a belonger father. (This latter point has not always been the accepted view, but the current legal opinion is applied retroactively.)

2. A child born in the BVI as from 1st January, 2001 of a parent who is not under Immigration Department control is a belonger and a BOTC.

3. A child born in the BVI before 1st January, 1983 is a belonger and BOTC.

4. A child born in the BVI before 1st January, 2001 of a parent who is a Commonwealth citizen, whatever the parent’s immigration status, is deemed to belong.

5. A child born in the BVI of a BOTC mother or a legitimate child of a BOTC father is a BOTC.

6. Although a BOTC is normally deemed to belong, a BOTC by descent, born abroad, is not necessarily deemed to belong.

7. A child born in the BVI (or resident, even if not born in the BVI) who is not covered by any of the above rules has no BVI status, and is in the position of a ‘temporary immigrant’. He or she may apply to the Governor for registration as a BOTC. This is an entirely discretionary matter (and the Governor is said to have significantly ‘slowed up’ on the registration of such children in 2001.) If successful, the child also becomes a belonger.

8. While under the age of 18, children may be named in the grant to the parents of a Certificate of Residence or of belonger status and in that case, have the same status. (A person under that age may not in his/her own right be granted a certificate that he/she is deemed to belong, but there is no stated legal barrier to a certificate of residence being granted to a minor.)

Source: As for Table 5.1.

5.3.5 Status of Spouses

The status of non-BVI spouses of BVI citizens is as follows:

? Non-belonger women who married belongers by birth, immediate descent, naturalisation or certificate between 1967 and 2001 are thereby deemed to belong, provided they were not divorced before 1st January 2001.

? A non-belonger who married a belonger since January 1, 2001 may, after five years of marriage and residence in the BVI, apply for belonger status. That person is not required to first have a Certificate of Residence or comply with other conditions which other applicants must satisfy. A prison sentence of 1 year or more for a criminal offence will, however, take away this right. It is said that the Immigration Department may ‘go easy’ on applications for entry and residence permits for such spouses.

As with children, the rules for non-BVI spouses has been tightened after 1st January 2001, presumably to prevent marriages of convenience.

5.3.6 Becoming a Permanent Resident

To achieve permanent resident status (hold a Certificate of Residence), a person must apply at the Immigration Department. The application is referred to a Board of Immigration
appointed by the Minister. The Department then passes on their recommendations to the Minister. The Executive Council, after considering the advice of the Board as presented by the Chief Minister, rules on applications for Certificates of Residence. It can take many years before an application emerges from the Immigration Department and is submitted for a ruling by the Executive Council. There are reputed to be ‘hundreds’ of applications outstanding.

5.3.7 Becoming a Belonger and/or BOTC by Application
The rules for application for belonger status are:

? A person may apply to the Governor in Council (Executive Council) for belonger status if he or she:

(a) has resided in the BVI for 10 years
(b) has held a certificate of residence for 1 year; and
(c) is 18 or over and of good character.

? A person not under Immigration Department control (1 year), and who is of good character and has resided in the BVI for at least 5 years (3 in the case of a spouse of a BOTC) may apply to the Governor for BOTC status. As a BOTC, that person would then be deemed to belong.

? A minor may apply to the Governor (at the Passport Office) for registration as a BOTC. As a BOTC, the minor would be deemed to belong.

5.4 Access to Justice
Lack of access to the legal system, to enable the ordering of personal and business affairs, to resolve family disputes, for dispute resolution and for criminal defence purposes can cause significant problems for poorer members of society, and in particular, victims of spousal abuse and family breakdown in need of protection and financial support.

5.4.1 Legal Aid
The BVI does not have a ‘mature scheme’. It has limited legal aid based on a Memorandum of Understanding (MOU) with the Bar Association. The scheme is one year old. It has some difficulties. There is no duty counsel system. The service is basically for criminal and family law matters. It is for persons who cannot afford legal representation.

Once a person is ruled eligible, any attorney can take the case. The plan provides a referral service. It is government funded and “comprehensive”. Under the MOU, lawyers are paid a reduced rate and thereby make a contribution to the plan. The program is administered the Social Development Department of the Ministry of Health and Welfare. An appointed board makes the determinations of eligibility.
Eligibility is based on the result of a means test, which requires statements of assets, liabilities and income, and an assessment of the case. Aid is to be granted for criminal (indictable offences and involved complex summary conviction matters), domestic, affiliation, juvenile, divorce, and any other matter that in the opinion of the Board should be assisted. The legal aid scheme is a contributory scheme so applicants with some financial resources are expected to pay a portion of the legal fees. After the Board determines eligibility by situation and it then sends the individual to the Bar Association for referral.

Of 25 applications to date, almost all were for criminal law assistance with no applications in matrimonial cases. Five were denied and are up for review; 2 applications were from non-belongers. The majority of applicants are young single unemployed males; many are from good homes and are employable. According the Family Support Network, the procedure is inherently tedious and not user friendly. Because the system does not have the capability of responding quickly to urgent domestic situations, few have applied for assistance in matrimonial cases. The real poor, as opposed to young employable men with cash flow problems, are not utilizing the system. This is consistent with the information from the Chief of Police, that poverty is not a cause of crime in the BVI.

The Government budget of $50,000 is inadequate, and it is anticipated that a more realistic level of funding would be provided for in the next fiscal year.

The Bar Association did considerable research and examined prototypes in Jamaica, Guyana and Trinidad. The bar proposed the establishment of a clinic with the more traditional lawyer client fee for services model as a less preferred alternative. For the clinic, Government would provide space, and the Bar Association would staff and equip the space, the Bar Association proposed. The Government would supply social workers. However, the Government decided to utilize the traditional lawyer client fee for services model. The Bar Association expects to recommend that the Government reconsider establishing the clinic system, in light of the budgetary needs.

5.4.2 The Magistracy

The Magistracy is the ‘grass roots’ level of the court system. Civil and family litigation affecting the poor will almost always be dealt with at this level. In addition, the Magistrate’s Court deals with most criminal charges, other than the most serious. There is only one magistrate in the BVI. We were not told that whether this results in an overcrowded docket, and if it works against the ability of the system to provide timely dispute resolution to the poor and the vulnerable.
5.4.3 **Small Claims and Family Law Claims**
The court clerk in Magistrate’s court does provide some counselling to victims and plaintiffs. The Magistrate tries civil claims of less than $10,000.

Magistrate’s Court jurisdiction includes maintenance. Maintenance can be claimed for child support or spousal support but not by elderly parents. The Office of Gender Affairs has published an excellent brochure outlining the rights of women in family law issues of maintenance, child support, custody and protection from abuse.

Maintenance hearings are not done in open court, which is commendable. The claimant fills out the form, the court does the service, and applicants do not need legal assistance. However, if one party to a maintenance dispute does have a lawyer, the party without will be at a significant disadvantage. When lawyers are not involved, the magistrate is expected to assist the parties in the presentation of their cases.

5.4.4 **Alternate Dispute Resolution**
There are no mediation or arbitration processes available to those pursuing claims in Magistrate’s Court.

5.4.5 **Juvenile Sentencing**
Juvenile sentencing is under the Juvenile Act. The magistrate sits. There is no formal probation system but the Attorney General has been instructed to prepare legislation to provide for probation. For the time being, the magistrate utilizes suspended sentences to achieve the same result. It is likely that the Social Development Department will take responsibility for the probation service in the near future.

The *Probation of Offenders Act*, Cap 61 of the Laws of the Virgin Islands, Revised Edition, 1991 allows for suspended sentences. Young persons are those under 21. Young persons 18 or older can be sentenced to prison. The Juvenile Act provides that persons under 18 may not be sentenced to prison. There are no training or reform schools, and offenders under 18 are usually remanded with a curfew to the care of parents. There are no programs aimed particularly at juveniles from poorer homes. Indeed, by all accounts, juveniles from poorer homes have a relatively low involvement in criminal proceedings.

5.5 **Land Ownership**
All land in the BVI is parcellled. Parcels are created by the Survey Department. The cadastral survey was done 1972-1974. Once people provided proof of ownership, they were registered by block and parcel numbers.
The major land ownership issue for BVI Islanders is the difficulty involved in regularizing ownership and control of family property and inheritance land. After two or three generations of inheritance of land, it is difficult and expensive to divide parcels of land and establish legal title that would enable mortgaging or conveyance. Letters of administration are required, and the actual division is done by private surveyor. It needs approval by the Town and Country Planner.

There is a procedure for obtaining title by prescription. It involves advertising, holding a hearing, and a decision by the registrar. The process can take years, lawyers are needed and there often are serious legal delays. This problem is exacerbated by poverty. A speedier procedure could enable poor elderly land owners to realise their assets and prevent them from remaining ‘asset rich but cash poor’.

Land is considered to be expensive at $20,000 to $25,000 per 1/4 acre. The Government is considering a program to provide assistance to families with large parcels of land, to help them deal with their land but there are few parcels and a high demand. However, the steep terrain makes it difficult and expensive to access and service property.

5.6 Environment and Natural Resources
The management of the BVIs’ environment and natural resources and their protection has been reviewed from the perspective of:

? environmental health risks to which residents would more likely be exposed given their status of poverty, such as regulation of pesticides, water supply and sewage and waste disposal; and

? natural resource management, which may impede or encourage development and exploitation of natural resources to the benefit or detriment of disadvantaged residents. Development and exploitation of natural resources may provide opportunities or may deprive residents of the ‘commons’, natural resources such as land, water and fisheries that would otherwise be accessible to and provide subsistence to residents.

The consultants note the emphasis placed on natural resources and environmental management in the NIDS:

Integrated development planning in the BVI must be seen against the background of the current progress in the social and economic sectors, particularly tourism. And, very critically, within the context of a fragile environment and a precariously limited resource base. With the economy expanding and with the impact of complex population growth factors, the improvement of educational and health standards, the need to sustain the natural beauty and serenity of the territory, and to utilize its natural resources of land, water and air
in a sustainable manner have become major priority issues for the Government. The aim, therefore, is to integrate economic, population, social, physical and environmental objectives in a coordinated manner to obtain a more sectoral balanced development pattern and sustainable implementation programme. (NIDS, chapter B.1)

The NIDS deals extensively with environmental management issues, primarily to advocate institutional strengthening and to entrench, as government policy, primacy to environmental and natural resource management in planning for sustainable economic growth and stability. During interviews and workshops, the following specific findings emerged:

? Water borne diseases and environmental contamination are not significant health issues in the BVI. Consequently, poor environmental health conditions do not have a significant impact on poverty.

? Building controls are firmly enforced thereby preventing problems of erosion and land slippage that, given the steep terrain, could occur if a less thorough regime were in force.

? In the BVI, subsistence farming is not a significant support for more than a minority of households (see section 3.6) due both to the availability of more profitable employment and the unsuitability of most of the land in the BVI to gardening or farming. Interviewees however expressed the view that, with government assistance and education, there is potential for households to establish themselves as small scale food producers for home consumption and income generation.

? Fishing generally is underdeveloped, and is a part time occupation for about 100 BVIslanders. There are few full time fishermen. Over-fishing is not an issue.

5.7 Human Rights Framework
5.7.1 Introduction
The United Nations instruments that apply to the British Virgin Islands are:


? International Covenant on Civil and Political Rights, 1966 (ICCPR)


5.7.2 Constitutional Framework – The Virgin Islands (Constitution) Order 1976
This is an executive order of the British Government. It establishes the form of Government for the BVI. It provides for a Governor, an Executive and a Legislature. The Constitution sets up the Public Service.

The Constitution does not contain any provisions relating to discrimination, freedom of the subject or other matters that are found in, for example, the Anguilla or Dominica Constitutions.

5.7.3 Legal and Policy Framework
It is the policy of the Government of the British Virgin Islands to monitor and prepare periodic reports on United Nations human rights issues. In 1999, the Government established the Human Rights Reporting Coordinating Committee (HRRCC) and it has functioned continually since then. In establishing this standing committee, the Government intends to accumulate relevant material on an ongoing basis, rather than waiting until a report is due and then engaging in a flurry of activity to meet the deadline.

The HRRCC reviews laws, monitors their implementation, advises Government and makes recommendations. It has the power to co-opt any person to serve on a sub-committee or otherwise provide assistance, the right to view documents of all Government agencies, and powers to compel individuals to appear and be interviewed.

In 2001, The HRRCC adopted the function of educating people on their human rights. Since then it has produced a series of pamphlets, organized town hall meetings and prepared radio spots and interviews.

5.7.4 Human Rights Reporting
The HRRCC is to make reports periodically, although no time frame is specified. To date the HRRCC has made one report. This 73 page report is a thorough dissection and discussion of the UN instruments that apply (see above) and the extent of compliance with them.

The report contains 50 recommendations for improvement of Government administration and public awareness. The report urges a higher priority to human rights issues. The general categories of recommendation are for:

- Law reform – the Report advocates law reform to adopt anti-discrimination provisions and, ultimately, the inclusion of a Bill of Rights in the Constitution;

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64 Human Rights Reporting Co-ordinating Committee, “Report Of The Human Rights Reporting Coordinating Committee”, 2000
? Action to achieve public awareness of the rights specified in the United Nations conventions;

? Training of agencies involved in law enforcement in human rights issues relevant to their areas of work; and

? A greater financial commitment by Government to monitor and implement the provisions of the conventions.

The HRRCC meets periodically to assess the implementation by Government of its recommendations.

5.7.5 Human Rights and Poverty Alleviation

We have abstracted the basic rights most relevant to the alleviation of poverty, as follows:

? Right to be free of discrimination/quality 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; and

? Right to access to some system of civil litigation and criminal justice.

5.7.6 Right to Be Free of Discrimination

The Constitution does not contain a Bill of Human Rights. This has been noted by the HRRCC. An important item in the process of constitutional review and reform is the inclusion of a Bill of Rights. The HRRCC report recommended the enactment of an Anti-Discrimination Act and this has now been passed by the Government. Overall however, the report concludes that “Racial discrimination is not a major issue for the BVI”.

5.7.7 Equality Before the Law

There are significant discriminatory provisions of the BVI law and administration that restrict the economic status and earning abilities of non-belongsers. These can be seen as legitimate actions of a small country to protect a highly valued but fragile social and economic structure. However, some of these provisions also lend themselves to overexploitation and unlawful abuse of non-belongsers.

Of greatest significance is the institutionalized discrimination that occurs in terms of employment. The Labour Code provides belongers with preferred access to employment – an employer must hire a minimally qualified belonger before hiring a non-belonger of any
level of qualification. Non-belongers are entitled to stay in the BVI only as long as they are working under the terms of a work permit; these are generally of 1 year duration irrespective of how long the person has been resident. Work permits are specific to the employer, and if a non-belonger wishes to change jobs he or she must obtain a new work permit, at the discretion of the Commissioner of Labour. There are different categories of work permits and hence of non-belongership. Some non-belongers tend to stay for a limited number of years but, many (as indicated by the SLC) have been resident for over 10 years. Many of these regulations can be construed as a legitimate response to a need to preserve the traditions and integrity of BVI society.

Non-belongers in the less skilled occupation categories such as hotels, domestic help and construction labour can suffer mistreatment and various forms of exploitation and abuse by employers such as non-payment of wages, sexual abuse, overtime without pay, making employees pay for the renewal of work permits, and preventing the transfer of work permits from one employer to another. These issues are seen as more important than overall wage levels.

The HRRCC has made efforts to educate the public of their rights to complain to Government, interviewees state and HRRCC confirms that the existing procedures for complaints leave much to be desired in terms of accessibility to the poorer immigrants. The Labour Code, administered by the Labour Commission, is the legal recourse for them, but intimidation, bias (real or actual) and lack of sophistication in practice severely restrict access to this process and the remedies that it may grant. It should be noted that the current labour disputes procedure, operated by the Labour Protection Unit of the Labour Department, focuses on mediation and there are no powers of enforcement. This has been mentioned as a shortcoming for disputes involving employees who are BVI nationals as well as for immigrant workers.

Since there are no unions or other associations of construction or domestic workers, practically speaking, most non-belongers perceive that they have little or no redress against unlawful abuse and exploitation. The HRRCC has recommended that the Government “should do more to encourage and promote the formation of trade unions for protecting workers’ rights”. It has also recommended the enactment of a revised Labour Code. This is under discussion and has been subject to debate. Some of the provisions, especially those related to non-renewable 4 year work permits, are proving controversial with employers.

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65 Those in the higher level of jobs generally have enough technical/professional skills and bargaining power to protect themselves from exploitation and abuse. Additionally, although few formal complaints of discrimination have been made to the HRRCC, most of these have been by non-belongers.

66 Some member of the immigrant groups also, on occasion, provide representation and advice.
Non-belongers also comment that, despite the legal provisions (see section 5.2), applications for permanent resident status, following the requisite period of residence (now 10 years) take many years to process; hundreds of applications are said to be outstanding.

5.7.8 **Women**

The HRRCC Report observes that “Women’s participation in the waged economy tends to be the highest in the service, sales and domestic fields which are among the lowest paid while men’s tends to be higher in the construction and certain professional fields which are highly remunerated” and that “Discrimination against women in the Virgin Islands takes place, for the most part, in covert ways. The Census 1991, for instance, revealed that women’s income earnings tend, on average, to be less than that of men, even though women, on average, tend to have higher education”\(^{67}\).

This situation can be exacerbated for poor immigrant women who, in addition to low wages and discriminatory labour practices described above can be subject to sexual exploitation. It is noteworthy that the majority of poor one parent families identified in the SLC are non-belongers implying that they could have additional difficulties obtaining child support under current magistracy procedures.

The *Report* documents many of the same findings as the study interviews have revealed. It also documents Government initiatives and their shortcomings, and makes ten recommendations for strengthening and broadening the scope of these initiatives.

5.7.9 **Freedom of Movement**

Non-belongers may not change jobs without obtaining a new work permit, even if their existing job is terminated through no fault of their own. This can prove difficult if the previous employer is unwilling to sanction the change although the Department of Immigration representative indicated that, where possible, they apply natural justice rather than have recourse to the letter of the law.

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

Numerous informants state that there are jobs in the BVI for anyone who wants to work. The minimum wage is currently $4.00 per hour. It is said to be inadequate to support a minimum standard of living and the *Report* confirms this view. However, anyone working 10 months in a year will achieve an income above the adult poverty line ($6,300) derived for this study.

\(^{67}\) These issues have been discussed in in paragraph 3.6.2(b)
5.7.11 Right to Own, Trade and Dispose of Property
Non-belongers, in general, do not have the right to own property, or that belongers may not convey property to non-belongers. The Report states that non-belongers may not purchase property other than property that is disposed by a bank, presumably as a result of power of sale or foreclosure proceedings. Although discriminatory, similar restrictions apply in many countries and their abolition can prove a major source of local discontent.

5.7.12 Right to Decent Care/Education for Children
Work permits may or may not allow non-belongers to bring their children. Children here in violation of the terms of a work permit or whose parents are here illegally do not have a right to attend school. There is however little evidence from the SLC that any children are being denied education. One informant stated that, where possible, the education needs of such children were given precedence over the letter of the law.

The HRRCC also reported that schools lack programs to integrate Spanish speaking children into the school system.

5.7.13 Right to Access to Some System of Civil Litigation and Criminal Justice (see also para. 5.4).
The BVI Bar Association, by agreement with the Government, has established a ‘rudimentary’ legal aid system. In its first year of operation the legal aid plan has shown itself to be under financed. Long delays in processing applications mean that persons in urgent and immediate need of legal assistance are unable to utilize the plan. This particularly affects women with marital, maintenance or custody issues.

5.8 Overview
Prevailing crime rates in the BVI is low and not seen as being poverty-related. The country is also generally free of human rights abuses. The legal system is comprehensive with no major gaps that could be seen as exacerbating the situation of the poor and the vulnerable. In recent years, the Government has taken a strong and proactive approach to the protection of human rights, which subsumes many poverty related issues. The Government of the BVI appears to be committed to ongoing and continuous improvement of law and institutions to better protect its citizens and residents.

One significant gap in the protection of human rights also affects some of the poorer members of BVI society, and should get priority attention from the Government. Domestic employees, hotel and construction workers (most of whom are non-belongers) are sometimes exploited and even subjected to sexual or other abuse without practical recourse. The Human Rights Reporting Co-ordinating Committee has conducted public education programs, but these individuals are the least likely to become aware of these programs, and are generally too intimidated to complain. Measures to improve this situation could include:
Drafting and enacting revisions to the Labour Code to provide that decisions of the Commissioner are enforceable, and consider strengthening the inspection and enforcement capabilities of the office of the Commissioner of Labour;

Intensifying the public awareness campaigns to ensure that they reach immigrant communities; and

Making employers aware that exploitation of the types mentioned above will not be tolerated.

Other areas of concern relate to:

the future citizenship of BVI born children of non-belongers. Increasing numbers of these children, many of whom know no other country, will attain the age of majority in coming years;

the situation regarding the education of children in the BVI illegally;

the integration of Spanish-speaking children into the education system; and

notwithstanding its recent introduction, there are signs that the Legal Aid System could be improved.

Longer term actions could include:

The establishment of a probation service;

The introduction of a Bill of Rights; and

Encouraging the establishment of trade unions/ workers’ associations.
6 Poverty Reduction in the BVI

6.1 General Considerations

6.1.1 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 the BVI. It should be noted that these goals are not country-specific.

Table 6.1. International Development Goals

<table>
<thead>
<tr>
<th>GOAL (to be achieved by 2015)</th>
<th>Regional average (mid 1990s)</th>
<th>BVI</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduce incidence of severe poverty rate by 50%</td>
<td>12%</td>
<td>Negligible</td>
<td>Not relevant</td>
</tr>
<tr>
<td>Achieve 100% primary school enrolment rate</td>
<td>94%</td>
<td>c. 99%</td>
<td>Already achieved</td>
</tr>
<tr>
<td>Achieve equal ratio of boys and girls at secondary school</td>
<td>Girl enrolment is around 95% of boys’ enrolment.</td>
<td>Male secondary school enrolment is slightly lower.</td>
<td>Already achieved</td>
</tr>
<tr>
<td>Reduce under 5 year mortality rate by 2/3rds</td>
<td>38 per 1000</td>
<td>Very low</td>
<td>Already achieved</td>
</tr>
<tr>
<td>Ensure that 90% of births are attended by skilled personnel</td>
<td>77%</td>
<td>100%</td>
<td>Already achieved</td>
</tr>
<tr>
<td>Access to safe water</td>
<td>85%</td>
<td>&gt;95%</td>
<td>Already achieved</td>
</tr>
</tbody>
</table>

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

The most important conclusion is that the BVI has essentially achieved the International Development Goals set out in the preceding Table. Poverty reduction efforts in the future should therefore concentrate on measures to maintain these achievements. The greatest emphasis needs to be on providing for those unable to help themselves and addressing problems which could lead to poverty increasing in years to come.
6.1.2 Poverty Reduction Objectives
Irrespective of the country concerned, poverty reduction strategies must embrace the following key objectives:

? The promotion of sustainable economic growth and job creation.

*Essential both to provide employment opportunities for BVI residents 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 sustainable poverty reduction as well as to achieve economic and social development objectives.*

? The elimination or reduction of the potential causes of future impoverishment.

*In most countries, there are social problems and issues (e.g. social exclusion, HIV/AIDS, household fragmentation, substance abuse) that, even if they are not directly linked to poverty at the moment, could lead to impoverishment in the future unless they are addressed.*

The emphasis given to each of these will depend on the particular situation and conditions in each country. In extremely poor countries, the emphasis would be on economic development, physical infrastructure and access to education and health services. In more affluent countries such as the BVI, where the current level of poverty is low, and the International Millenium Development Goals have been met, the greatest emphasis needs to be on providing for those unable to help themselves and addressing problems which could lead to poverty increasing in years to come.
6.1.3 *The National Integrated Development Strategy (NIDS)*

(a) **Background**

The NIDS has been developed from an iterative, participatory and multi-sectoral process starting in late 1992. Its overall objective is “to promote the sustainable development of the territory”[^68]. Specific development objectives include:

- To ensure balanced development;
- To enhance human capital;
- To ensure environmental sustainability;
- To maintain social cohesion;
- To promote good governance; and
- To ensure the meaningful participation of BVIslanders in the affairs of the territory.

(b) **The National Integrated Development Plan (NIDP)**

The NIDP is the primary output of the NIDS. Published in 1999 and since approved by government, it contains detailed policies covering all sectors. Although its planning horizon is theoretically from 1999 to 2003, the nature of the strategy and policies is essentially medium to long term.

The NIDP makes little explicit reference to poverty due to the perception, largely confirmed by this Report, that the level of poverty in the BVI is not high at present. However, the NIDP can be considered to be a Poverty Reduction Strategy in all but name. It addresses issues such as economic development, environmental sustainability, physical infrastructure, human resource development, social issues with particular emphasis on vulnerable groups, and governance. Taken together, these issues embrace the generic poverty reduction objectives presented in the preceding paragraph. Furthermore, the background papers contain specific policies and programmes targeted at the vulnerable groups identified in this Report.

Many of the policies and programmes are not new and have been in operation for a number of years. These include the provision of physical and social infrastructure, achieving near 100% coverage of these, developing programmes for vulnerable groups such as the elderly, the mentally and physically disabled, addressing social issues such as domestic violence, drug abuse, and promoting open governance.

[^68]: Unless otherwise stated, references are taken from either “The National Development Strategy” or “The National Integrated Development Plan – Main Report” both of which can be viewed at [http://dpu.org/Plans/NIDS.htm](http://dpu.org/Plans/NIDS.htm). This site also contains a number of the Research or Background Papers that were used in the preparation of the final document. Chapter 4 contains additional information, particularly relating to policies related to economic development.
It has not been possible to evaluate the extent to which NIDS/NIDP has been, and is being, implemented. Although only approved recently, the NIDS/NIDP gestation period was lengthy. During this period, many policies and programmes relating to vulnerable groups such as the elderly, the mentally and physically disabled, addressing social issues such as domestic violence, drug abuse, and promoting open governance have been implemented. There is therefore no reason to believe that, over time, further NIDS policies and programmes will not be implemented.

6.1.4 Implications for the CPA

Given the existence of the NIDS and NIDP, their all-embracing nature, their acceptance by the Government as official policy and the fact that many of the policies and programmes contained therein are already being implemented, it is not considered that the formulation of a separate Poverty Reduction Strategy would serve any useful purpose.

However this CPA will contribute to the formulation of detailed policies within the NIDP framework and to its successful implementation in three principal ways:

? The CPA has substantially increased the amount of available information on the incidence, characteristics and causes of poverty in the BVI (Chapters 2 and 3). A recurring theme in the NIDP Main Report is the need for such data and its analysis.

? The CPA has undertaken a review of current programmes related directly or indirectly to poverty reduction (Chapter 4) and of the legal and human rights aspects of poverty (Chapter 5). These reviews essentially provide a “health check” of current activities.

? The CPA will, in this Chapter, identify potential policies and programmes, that directly or indirectly, will contribute to poverty reduction. While many of these policies and programmes are implicitly or explicitly contained in NIDS/NIDP, they are considered to be of vital importance if sustainable poverty reduction in the BVI and the NIDS objective of social cohesion is to be achieved.

The proposals presented below have been developed from:

? The data and analysis contained in this report.

? Close and frequent consultation with the NAT over the year-long study programme.

? Review of the draft final report at public and government workshops in Tortola.

? Review of the draft final report by the CDB, DfID, CIDA, FAO, PAHO and other agencies at an April 2003 workshop in Barbados.

? Two independent assessments prepared by consultants retained by the CDB.
6.2  **Poverty Reduction Policies and Programmes - General**

Poverty reduction does not just involve the formulation and implementation of policies and programmes targeted directly at the poor and the vulnerable. It also involves the promotion of sustainable economic growth and job creation, and actions that seek to raise the ability of current and future households and individuals to enjoy a sustainable livelihood free from poverty. As previously described, this is just what the NIDP seeks to achieve. All NIDP proposals therefore have some implications for poverty reduction. In this section, we have focussed our attention on four general policy areas that are considered to be crucial to sustainable development and poverty reduction in the BVI:

- Economic growth and development;
- Population policy and immigration;
- Education; and
- Health.

6.2.1  **Economic Growth and Development**

Rapid economic growth over the last 20 years has been instrumental in creating jobs for BVIslanders, returning residents and migrants, enabling the great majority of residents to raise their living standards to levels comparable with many of the most developed countries in the world, and providing the Government with the revenues that it has used to fund major improvements to physical and social infrastructure, provide universal access to education and health care and develop a wide range of programmes targeted at the vulnerable.

Economic growth has been based on the twin pillars of offshore finance (which provides most of the revenue) and tourism (which provides most of the jobs). The highest priority is therefore to ensure the long term success of these two sectors. Government must continue to monitor industry trends, engage in regular exchanges with industry representatives and fast track responses to industry concerns and needs. Government must also support private sector investment in these two sectors, especially through the maintenance and improvement of basic infrastructure (roads, water, sewerage, telecommunications) and through the maintenance of a favourable fiscal and tax regime.

The Government is making every effort to ensure that the BVI continues to profit from the offshore financial sector by expanding the services provided and by meeting US and European international banking requirements. So far this has been achieved although ever more stringent requirements entail a degree of uncertainty in the long-term future of this sector.
Tourism is also an inherently vulnerable sector as tastes and fashions change and visitor numbers can fluctuate from events beyond any national control. The BVIs main attractions, its yachting and diving, are however genuinely world class. This sector’s outlook is thus more secure than in many other countries.

Recognising the potential vulnerability of these two sectors, the NIDP strongly advocates a policy of diversification through the promotion of small and medium sized businesses and the development of agriculture and fisheries. These initiatives are expected to generate employment in other sectors, encourage entrepreneurs and, in the case of agriculture, reduce dependence on imported foodstuffs. Support for agriculture and fisheries will also benefit older, often poorer, households.

Finally, the NIDP recognises the importance of macro-economic stability without which overseas private sector investment and the jobs it creates can be lost.

6.2.2 Population Policy and Immigration

The formulation of policies relating to population and immigration have rightly been accorded a high priority in the NIDP. These issues are fundamental to the overall objectives relating to economic development, environmental sustainability and social cohesion:

? **Economic development** requires labour. The economic growth over the last 20 years would not have been possible without immigration. However, an increasing number of young, educated, BVIslanders will enter the labour force in coming years. A continued high level of immigration will prejudice the availability of employment opportunities for these new entrants.

? **Environmental sustainability**: the BVI has quadrupled in population in the last 50-60 years. Virtually all the flat land has been used and new housing increasingly has to be located on steep slopes. Accommodating the current demand for new housing will not be easy. Further substantial increases in house construction will be expensive and will affect the integrity of the natural environment whether terrestrial or marine (as a result of reclamation). Unfettered population growth will therefore prejudice the environmental sustainability of the territory.

? **Social cohesion**: To date, the immigrants have been absorbed without major social problems; indeed the proportion of ‘mixed’ households has almost doubled in the last 10 years. However, some sections of the immigrant population are subject to exploitation while, on the other hand, some BVIslanders feel that they are being ‘overrun’, are losing their cultural identity and are losing out as immigrants take the best jobs. If these trends and perceptions persist, resentment on both sides will increase and social cohesion will suffer.
For the above reasons, the reformulation of population/immigration policy is essential. The NIDP’s stated policy objective in this regard is “to decelerate the rate of growth (of population and hence immigration) without constraining the development effort”. However immigration can only realistically be limited if the demand for labour remains in general equilibrium with the labour supply from the resident population. If economic growth continues at the level of the last 20 years, this will not be possible. There may therefore be a need to restrain labour intensive economic growth\textsuperscript{69} to enable the objectives related to social cohesion and environmental sustainability to be achieved. In the latter context, the Town and Country Planning Department should undertake a study of potential sites and options for new housing so that the environmental capacity to accommodate new housing, and hence population, can be quantified. The overall assessment should be subject to a full Environmental Impact Statement.

The NIDP stresses, correctly, the importance of manpower planning. We recommend an increased emphasis on forecasting the supply of labour arising from the current population over the next 10-15 years as well as on forecasting labour demand, which is subject to much greater uncertainty.

However manpower planning can only really commence after the formulation of a policy on the status of the children born in the BVI prior to 2001 of non-BVI parents\textsuperscript{70} and who have been resident in the BVI for most, if not all, their lives; at present these children cannot take up employment without a work permit. In this respect, we recommend that the Government consider a policy of granting these children permanent residency and freedom to work. This would be consistent with the government’s policies on human rights, the objectives of promoting social cohesion and the desire to reduce immigration in the future.

By the same token, consideration should be given to regularising the residential status of immigrants who have been resident for 10 years\textsuperscript{71}. Social cohesion is more likely to be achieved by integrating these long-term residents into the territory’s mainstream than to maintain their feelings of insecurity or to rely on successive waves of immigrant workers who must leave after four or five years\textsuperscript{72}

\textsuperscript{69}The review of economic prospects indicates however that economic growth may be slowing.
\textsuperscript{70}Or illegitimately to one BVI parent (generally the father).
\textsuperscript{71}This is already much longer than the residential qualification needed before naturalisation can be granted in the US and the UK.
\textsuperscript{72}It is understood that the new Labour Code which is under discussion includes proposals to this effect.
6.2.3 **Education**

A growing number of educated young BVI Islanders will enter the labour force in the coming years. In order to take up private sector jobs that are currently largely the preserve of non-nationals, they will need to be furnished not only with the necessary technical, personal and communication skills but also instilled with a sense of responsibility for the future social and economic development of the BVI. The importance of providing the right type of education is thus paramount.

Education is fundamental to the future of any country. The current system has now achieved virtually 100% enrolment for 5-16 year olds and good academic standards are being achieved. To ensure that education standards remain high, are internationally competitive and acknowledge employment and social needs, NIDP articulates five key programmes:

- **Increase the number of primary and secondary school places**

  *Overcrowding at the BVI High School and insufficient primary school places (especially Tortola) dictate that school provision must be increased. Budgets are already in place to this effect. In particular, extensions to the BVI High School are under construction.*

- **Modernisation of secondary education/ Curriculum improvements**

  *It is crucial that the secondary school curriculum provide school leavers with the skills (academic, technical, personal and communication) that are required in the current and likely future job market. The Education Department is reviewing current curricula to improve mathematics, science and information technology subjects where CXC pass rates have been poor. Vocational courses are also being enhanced to cater for the needs of the less academically inclined and to reduce the increasing problem of male adolescents dropping out of school. Department of Health education programmes related to sexual and mental health, substance abuse and diet should also be incorporated. These would directly address some of the potential causes of future impoverishment.*

- **Expansion of post-secondary education and training opportunities**

  *The H.L Stoutt College already includes vocational and technical, liberal arts and management courses to associate degree level. There are demands to expand the courses at the college for example to include tourism management courses, and those associated with the yachting industry (two of the BVIs’ major sources of employment). As with secondary education, emphasis also needs to be given to ensuring that graduates have the requisite personal, communication and IT skills that are so essential to many jobs today. NIDP also proposes fiscal measures to increase the opportunities for on the job training and work job experience. The establishment of a new vocational training facility is also proposed for the less-academically inclined.*
? Provide subsidised traineeships for new labour entrants to work in the private sector

On the job training is a most effective form of training for many areas of employment. Subsidised traineeships would provide this training and would further achievement of the objective of reducing dependence on non-nationals. There are existing programmes, the most successful of which should, following discussions with potential employers, be expanded.

? Improved teacher training

There is currently a high reliance on expatriate staff. Encouraging high school graduates into the teaching profession and continuing professional development of existing teaching staff will reduce dependence on overseas staff and contribute to the NIPD objective of reducing immigration.

? Introduction of lifelong learning

NIDP emphasises the importance of continuing education to enable those already in the workforce to upgrade their skills. Simultaneously, ‘life-skill’ programmes (e.g parenting skills, family budgeting), which now run on an ad hoc bases should be expanded and publicised. These programmes would go some way to reducing the incidence of family breakdown and prevent financial over-commitment as well as counteracting the spiritual poverty that was seen by several workshop participants as an undesirable bi-product of the recent rapid economic growth.

6.2.4 Health

The good health of the population is fundamental to sustainable development and poverty reduction. The current health situation in the BVI is, on the great majority of indicators, on a par with that found in many developed countries. NIDP clearly indicates that the Government considers that adequate health care is a basic right of all citizens and that as such, it should be accessible to all. This has largely been achieved. The future focus will be on care of the elderly, mentally and physically challenged, dental health promotion and care, environmental health, sexually transmitted diseases and accident prevention. Priorities identified during this study are to:

? Maintain the free immunisation programme and the decentralised, easily accessible, network of primary health care clinics, including the current outreach campaigns related to, inter alia, nutrition, mental health, hygiene and family planning.

These programmes form the backbone of the BVIs’ health system and provide a platform to expand community-based health initiatives.
Prioritise intensive, and innovative, campaigns to reduce teenage pregnancy and encourage safe sex.

Prepare a draft National HIV/AIDS Strategy

Teenage pregnancy is often the first step on the road to poverty. HIV/AIDS infection rates are increasing throughout the Caribbean, yet only a minority of sexually active adolescents regularly use contraception. A national HIV/AIDS co-ordinator has recently been appointed. However prevention is better than cure and early, aggressive, campaigns targeted at teenagers offer the best chance of reducing the rate of future infection. The strategy will need to address cultural and religious concerns that on the one hand restrict/inhibit dating and on the other do not support the use of birth control (including use of condoms). Together, according to recent studies, these factors have led to an increase in unsafe sex practices by forcing teenagers to hide activities, making it harder for them to get contraception, and curtailed the free discussion of issues related to safe sex.

Develop public awareness campaign on the relationship between obesity, diabetes and hypertension and the importance of exercise and nutrition.

These are arguably the main health problems at present and account for around 70% of all deaths. The link between obesity in youth and diabetes (which can have serious consequences) in later life is well known. A campaign to improve diet and increase exercise, especially amongst the young, would go some way towards reducing the long-term impact of these problems.

Examine the feasibility of a compulsory catastrophic health insurance scheme.

At present, the health care system is heavily subsidised. This level of subsidy may not be feasible in the future. The Government is therefore investigating the feasibility of introducing a National Health Insurance Scheme to ensure that adequate health care continues to be provided without over-stretching the annual budget. Whilst many people are willing and able to pay for private treatment, which is often overseas for specialist services, the living standards of those without good medical insurance, are vulnerable to sudden emergencies that cannot be treated in the BVI. A compulsory catastrophic health insurance scheme would largely remove this vulnerability by providing for specialist treatment (including trauma cases) at nominated overseas centres (in Puerto Rico, Barbados etc while offering financial exemptions for the poor and vulnerable.

Currently, while just under half the population has some health insurance; this proportion falls to 29% in poor households.
Improve solid waste management

In the main, garbage collection in the BVI is effective and thorough. However, it was identified as a problem in three of the communities surveyed. Reasons for this should be investigated and rectified. The presence of derelict vehicles was mentioned in the community surveys. They are also to be found parked on the highways where they constitute a traffic hazard. The problem is likely to increase over time as older cars are replaced. Options should be investigated for their permanent disposal.

Maintain a high level of appropriately trained medical personnel recognising that there will inevitably be a reliance on overseas personnel.

Specialist overseas trained medical practitioners will be required to ensure the BVIs’ health services are of an international standard. Currently such personnel are offered 2 year contracts which do not provide sufficient security to appointees. As a result turnover is high. Longer work contracts would reduce this turnover.

6.3 Poverty Reduction Policies and Programmes – Targeted

The policies and programmes listed in this section are directly targeted at the poor and the vulnerable. They have been categorised according to the sub-groups of the poor and the vulnerable identified in this report.

6.3.1 Target Group: The Working Poor

This group forms the majority of the poor in the BVI. In many cases, their poverty results from family circumstances, e.g. single parenthood, a large number of dependents, which either restrict their earning ability or require expenditure that is beyond their current income. However for 30% of this sub-group (i.e. small households with or without children), the major cause of poverty is low wages. Nevertheless, the large majority of households enjoy a relatively high standard of living, to the extent that few poor families in the BVI would qualify as poor in other countries. Furthermore, where, as it is here, the poverty line is partly based on relative rather than wholly on absolute criteria, there will always be workers in low income jobs who will be categorised as poor.

Investigate tax relief

One way of effectively increasing the incomes of the working poor is through measures that reduce the burden of taxation on them. Taxation policy in the BVI is also of current interest in relation to the offshore financial sector and the need to meet international standards for personal and corporate income taxes in terms of equal treatment for all taxpayers (residents as well as offshore). Government should consider the impacts of any taxation changes on the working poor and endeavour to develop a taxation system that reduces the current direct as well as indirect tax burden on them.
? Introduce a new labour code

There is an existing procedure for settling labour disputes presided over by the Department of Labour. Its recommendations are not however legally binding which was seen as putting employees involved in disputes, whether nationals or non-nationals, at a distinct disadvantage relative to employers. A new labour code where decisions are legally binding and with enhanced powers for the Department of Labour to investigate complaints, to enforce decisions and to inspect premises should be drafted and enacted. Procedures should be transparent, should be publicised and available to all workers.

? Personal indebtedness

There is a perception that indebtedness is a problem in the BVI with individuals taking on excessive financial commitments, often for ‘inessential’ items, leading to them taking on second jobs, economising on ‘essential’ expenditure, all of which increase stress both on the individual and their family. On the other hand, banks are unlikely to lend unless they believe that repayments will be made. The most appropriate measures to counter this issue are a campaign to raise awareness of potential borrowers regarding the financial and other implications of borrowing, and the inclusion of personal finance and budgeting units in adult education classes (see above under Education).

? Improve opportunities for adults to enhance their technical skills

Opportunities should be available for existing workers to upgrade their skills and hence their earning capacity. Retraining for adults and/or unemployed has also occurred particularly through the Spotlight programme run through SDD although this programme has been recently frozen due to lack of funds. Reinstating this popular programme is vital if immediate and appropriately trained resources are to be available in the competitive employment market place.

? Conduct periodic reviews of the minimum wage

At present, the minimum wage is considered adequate as it exceeds the poverty line for an adult working at least 9 months in a year. This may not always be the case and periodic reviews will enable it to be revised as and when the cost of living changes materially.

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74 Interestingly, the level of personal debt in the UK is currently featuring in the media.

75 The SLC indicates that around 15% of households could be spending over 40% of their income on payments for accommodation and/or vehicles.
Investigate options for providing affordable housing

High rents and land prices have exacerbated the financial burden on those with low wages and first time home buyers. A range of options for making affordable housing available should be investigated including concessionary financial mechanisms, government tax incentives, serviced plots and planning measures.

Investigate options for rent control

Similar to the above high rents and some examples of poor quality rental property exacerbate financial burdens for those on low incomes. No regulations exist to ensure rental property reaches acceptable living standards nor that excessive rents are charged.

Investigate the potential for expanding farming and fishing activities

The NIDS report indicated that there is some potential for the development of small scale agriculture and fishing in the BVI. Government is therefore encouraged to investigate this potential in more detail in order to: assess the financial feasibility and viability of encouraging investment in these areas; identify persons who are interested in such income producing opportunities; identify training and extension service needs; assess the requirements for marketing services and infrastructure (e.g., fish landing, cold storage). The initial emphasis should be on existing cultivators (especially women and Rastafarians) and fishermen.

6.3.2 Target Group: The indigent and the vulnerable in general

The revision of the level of Public Assistance (PA)

The current level of PA, while above the indigence line, is inadequate and cannot support a sustainable livelihood. Case Study 2 demonstrates this as the subject has their PA topped up (by 40%) by their local church.

Review criteria and legal framework for Public Assistance

The current system has no set criteria for granting public assistance. Although there is an argument that the current system provides flexibility that would be lost if formal criteria were set out, the current system has been criticised for being politicised, not transparent and not available to some groups of needy families.

Develop mechanisms to provide non-income assistance

The needs of the indigent and the vulnerable do not only involve income assistance. Other assistance can be just as valuable, e.g. home visits and home maintenance for the elderly,
employment for the physically challenged, child care for single parent families. Mechanisms and programmes should be established to enable such assistance to be provided.

6.3.3 Target Group: The elderly

? 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).

The number of elderly persons will increase in the years to come due to the changing age profile of the population and increasing longevity. It seems inevitable that this group will increasingly have to support themselves in old age. The implications of these trends need to be assessed so that provision can be made for providing the requisite housing and care.

Presently those not contributing to Social Security Authority pensions for at least a 10 year period or who were unable to contribute due to the lack of existence of the fund, do not receive an aged persons pension. This is one reason why a significant proportion of elderly persons receive the Public Assistance grant. This increases the workload of SDD and can lead to stigmatization. Providing a non-contributory pension to all those aged 65 years and over would achieve this.

6.3.4 Target Group: Families

? Strengthen legal procedures to ensure prompt and regular payment of child support.

The provision of adequate and regular child support is of paramount importance for single parents, who are predominantly women, if they are to bring up their children of a failed relationship in financial security. This is especially vital where they enter new relationships and previous partners believe that this absolves them of further financial responsibility.

? Develop initiatives to provide counselling to perpetrators of domestic violence

While improved measures to look after victims of spousal violence are essential along with general consciousness raising activities, there is a need to develop a programme to counsel and assist perpetrators to rehabilitate themselves. In this way, there is a chance that the actual problem can be reduced and not just its consequences.

? Undertake feasibility study for providing a safe house for victims of domestic violence

In many cases, victims of domestic violence need secure accommodation. At present no such accommodation exists in the territory.

? Review management practices and staffing levels of SDD

There has been criticism of insufficiently trained staff to cope with the increasing demands of managing social welfare programmes. Improved management practices, increased
specialised staff and ensuring confidentiality of existing clients and applicants would enable current programmes to be more effective.

6.3.5 **Target Group: Women Farmers**

? Ensure that current women farmers are involved in the Ministry of Agriculture’s proposed development programmes

Existing women farmers should be a priority target of the Ministry’s new programmes. (See end of 6.3.1 above).

6.3.6 **Target Group: Children at risk**

? Undertake a research/assessment programme of adolescent drop-outs in order to identify the most appropriate measures to re-integrate them into mainstream society

While the Education Department is instigating programmes to adapt education curriculum to redress this situation a wider understanding of how to integrate dropouts back into mainstream society is required.

? Ensure that properly trained and improved management structures are put in place for children already in care.

*Rainbow Children’s Home currently looks after children in care as well as co-ordinates foster care. Improvements are needed in the operation of this facility both terms of overall management and in gaining trained staff for problem children.*

? Investigate the need for a shelter for vulnerable young people

*Substance abuse, spousal violence and physical abuse can cause children to leave home. Provision of a shelter with specialist care would improve the support provided for vulnerable individuals.*

6.3.7 **Target Group: The Mentally Ill/Substance Abusers**

? Expand mental health and substance abuse programmes.

*Increasing mental health problems, in part stemming from stress and substance abuse, have placed pressure on the existing health and social welfare system. Further expansion of the MHSU and augmentation of mental health services, particularly those offered by the Sandy Lane Centre, outside of core business hours could improve the services offered and provide immediate assistance.*
6.3.8  **Target Group: Persons living with HIV/AIDS**

- Implement a strategy to address the needs of those living with HIV/AIDS

_The recommendations from the “Situation and Response Analysis of HIV/AIDS in the BVI” February 2002 need to be implemented to ensure discrimination against this group does not continue and that resources are available for their care. There are no such programmes at present._

6.3.9  **Target Group: Rastafarians**

- Ensure that Rastafarians receive nutritional advice relating to their children

_There is concern that some Rastafarian diets do not provide adequate nutrition for children._

- Ensure that Rastafarians benefit from the new agricultural development programmes.

_Some Rastafarians are already involved in fruit and vegetable cultivation and they should be encouraged. (See end of 6.3.1 above)_

6.3.10  **Target Group: Immigrants/ Non-belongers**

These proposals are in addition to the issues concerning immigration and residential status discussed in the preceding section.

- Ensure that government programmes related to open government and transparency are publicised amongst the immigrant community

- Ensure that immigrants have access to the employment complaints procedure, the courts (especially in relation to child support), and welfare services and are not discriminated against when using these services.

- Publicise the rights of non-belongers stressing their vital contribution to the BVIs’ economy.

_The above proposals will go along way to achieving equal and non-discriminatory treatment for non-nationals. Moving from implicit rules and regulations to explicit ones may increase rather than decrease tensions in the short-term. The proposed publicity campaign is aimed at minimising this issue._

- Provide enhanced English language teaching for non-English speaking children

_Some children from the Dominican Republic have problems at school due to poor English. The provision of English-language classes would counteract this potential problem._

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76 Two thirds of poor one parent families are non-belongers.
6.4 **Priority Actions**

6.4.1 **General Considerations**

The preceding list of potential policies and programmes is comprehensive. Many of the programmes are already in place and reflect current government policy to assist the poor and the vulnerable as set out in the NIDS and the NIDP. Ten years ago there were no programmes related to domestic violence, drug abuse, disaffected teenagers, and fewer activities related to public health education, extra-curricular education and welfare programmes. Social Security Board pensions would barely have commenced.

We have selected from amongst the policies and programmes described in the preceding paragraph to provide a schedule of priority actions. These priority actions have been selected based on the following general principles:

- They relate to issues, identified during the course of this study, through analysis and discussion, that are considered to be key determinants of current poverty/vulnerability in the BVI and/or that could lead to impoverishment in the future.
- Their implementation will have a substantial impact on the overall NIDS objectives.
- They will substantially improve the well-being of the larger vulnerable groups.

It should be noted that all critical NIDS/NIDP policies and programmes have not been listed here. To do so would have considerably lengthened the report, would have represented a full précis of NIDS/NIDP and would have detracted from the key poverty-related issues raised in this Report. Pre-eminent among these ‘omitted’ programmes are: maintaining the health of the tourism and offshore finance sectors, economic diversification (including agriculture and fisheries), macro-economic and fiscal stability, and the general health and education programmes as well as ongoing projects such as the improvement of sewage disposal in Long Look/East End. The proposed Actions have been categorised according to whether they will apply to the population as a whole (general); or to one or more sub-groups of the poor and the vulnerable identified described in this report (targeted).

6.4.2 **Priority Actions – General**

**Action GEN1: Formulate a Population Policy/Manpower Planning**

A population policy is essential to ensure that the BVI develops in a socially cohesive and sustainable manner. Almost inevitably this will require a reduction in immigration. Of equal importance is the need to undertake a manpower planning exercise involving forecasts of labour supply (especially) and demand over the next 10-15 years. Before this can be started, policies have to be formulated relating to the residential status of non-belongers resident for over 10 years and BVI-born children. At present these children do not a right to seek work once they have completed school. We recommend that the Government consider a policy of
granting these children permanent residency and freedom to work. This would be consistent with the government’s policies on human rights, the objectives of promoting social cohesion and the desire to reduce immigration in the future.

**Action GEN2: Housing Needs Assessment**

In parallel with the manpower planning exercise, an assessment of the availability of land needed to accommodate new housing development should be undertaken. The basis for this study will be household projections prepared from an analysis of the 2001 Census. Until this is available, simple trend projections will provide a reasonable starting point. This assessment should also include a study of the demand for, and options for providing, housing for those on low incomes. The results of this exercise will feed into the population policy so as to ensure its environmental sustainability. It should involve a full Environmental Impact Assessment.

**Action GEN3: Develop intense public awareness campaign relating to HIV/AIDS, teenage pregnancy, safe sex and condom usage**

HIV/AIDS is not yet a serious problem in the BVI although the evidence from other Caribbean countries is that it could become one. The economic, social and human consequences are potentially devastating. Teenage pregnancies are significant and an acknowledged cause of poverty. There should therefore be an intense public awareness campaign about HIV/AIDS and unprotected sex targeted at adolescents and young adults by focussing on bars and discos as well as the general media. Associated with this campaign would be a review of the availability of contraception (condoms) and whether these are available when they are most needed, e.g. after parties and discos.

It is recognised that there may well be conflicts between the explicitness of the proposed campaigns and the attitudes of some organisations, e.g. the churches, and parents. This may be unavoidable but it points to the need to both involve and educate these groups at the same time as the sexually-active are being targeted. Unless one believes that one can reduce teenage sexual activity, such explicitness is inevitable if a major effort is to be made to reduce the incidence of unwanted pregnancies (especially amongst the young), sexually-transmitted diseases and HIV/AIDS.

The Ministry of Health has started preparing an awareness campaign. In developing this programme, reference could be made to two initiatives currently being formulated by CAREC (a Knowledge, Attitudes, Behaviour and Practices study to inform the National AIDS Programme’s future health activities, messages and campaigns, and an “eductainment” project that uses theatre and music as a means to provide HIV/AIDS information to youth). However, recent reports from Barbados suggest that this softly softly approach may not be
effective and that more aggressive tactics may be required. In this context, African initiatives should be examined for their relevance in the Caribbean: amongst these are the loveLife programme in South Africa and Uganda’s, less explicit, strategy of changing community of sexual behaviour.

Action GEN4: Develop a programme for secondary school children to provide education in life skills and personal and societal responsibility

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 other persons (inside or outside the family), anti-social behaviour, and crime. A co-ordinated programme of ‘life skills education’ aimed at older secondary school pupils should be introduced. It would include topics such as sex education, family planning and safe sex (use of contraception by both parties), nutrition and fitness, personal budgeting and finance, job hunting, communications skills, parenting, and social responsibility.

Concerning HIV/AIDS and sexual practices, a number of initiatives are being developed (see GEN3 above). However, as mentioned in a recent report from Barbados as well as Africa, it is one thing to make people aware of HIV/AIDS but quite another to get them to change their behaviour. The Barbados report questions the effectiveness of the more softly softly approach. Yet the impact of AIDS can be so devastating that every effort should be taken to prevent it. It is therefore strongly recommended that TV documentaries on the impact of the AIDS situation in Africa be obtained and shown with the message that this could happen here if sex is carried out unprotected. Another approach to be considered is bringing in persons who are HIV positive or drug abusers to demonstrate the impact that these can have on their personal and social life.

Throughout these classes the emphasis has to be on raising adolescent awareness about the long term repercussions of their actions – the refrain needs to be ‘Whatever you do, think before you act’. Specialist training will be required as discussing several of these topics can cause embarrassment amongst pupils.

77 Guardian, 22 May 2003.
78 The Nation, April 2003, Barbados
Action GEN5: Develop an adult-oriented programme to provide education and consciousness raising in parenthood and personal budgeting

Similar to GEN4 but targeted at adults in order to improve parenting skills, increase paternal responsibilities and raise consciousness about domestic violence and personal finance and budgeting. Emphasis would be on increasing male responsibility for their offspring. These programmes could be linked to ante-natal classes and, possibly, the distribution of handouts by banks and other organisations providing credit stressing the need for prudence.

Action GEN6: Increase range of vocational education and introduce curricula improvements

Not everyone is academically inclined nor does every job require advanced academic qualifications yet basic numeracy and literacy are critical in virtually any occupation. Current reviews of school curricula should be implemented so that school-leavers achieve an agreed minimum standard of literacy and numeracy.

A successful Technical Vocational Education and Training (TVET) programme is vital for the future development of the country. It will provide youth with the technical skills to gain employment, run businesses, operate equipment and deal with the needs of clients. It will also help achieve higher educational retention rates, especially of adolescent males. Courses at secondary and tertiary levels, should be geared to sectors for which there is proven demand, e.g. boat maintenance and captaincy, IT, accountancy, and the hospitality/tourist industry. In the longer term, a dedicated vocational training facility could be constructed. Taken together, these programmes will lead to a reduction in the BVIs’ dependence on migrant labour.

GEN7: Introduce Subsidised Traineeships

The introduction of sponsored traineeships for school-leavers and those undertaking vocational education courses (GEN6) would ‘top off’ their academic or vocational qualifications by providing them with the job experience to enable them start fulfilling careers in the private sector in the BVI. This will both improve the ability of new labour force entrants to take up job opportunities and reduce the dependence on migrant labour – a major NIDS objective.
Action GEN8: Assess demand for school places

Some schools are currently overcrowded. An assessment should be made of the future demand for school places. In the short-term, this should be based on the results of the SLC and the 2001 Census. This assessment would then need to be reviewed in the light of the results of the manpower planning study (GEN1) that would also include population projections.

Action GEN9: Investigate Feasibility of Introducing Catastrophic Health Insurance Scheme

Medical emergencies requiring overseas treatment represent a major financial hardship to the substantial proportion of families who do not have health insurance as well as on the government who, in the case of the poorest families, has then to take up the financial burden. A compulsory catastrophic health insurance scheme would largely remove this vulnerability and the Government should investigate the feasibility of such a scheme as soon as possible. It should be noted that Anguilla is currently developing such a scheme that could serve as a model. A compulsory catastrophic health insurance would also represent the first step in the creation of a compulsory comprehensive national health insurance scheme for the BVI.

6.4.3 Priority Actions – Targeted
(a) The Working Poor

Action WP1: Introduce New Labour Code

The existing procedure for settling labour disputes presided over by the Department of Labour does not have any power of enforcement. A new labour code should contain enhanced resources for the Department to investigate complaints, to enforce decisions and to inspect premises. Procedures should be transparent, should be publicised and available to all workers irrespective of their nationality.

Action WP2: Investigate Changes to the Taxation System

It is recommended that Government undertake a study of taxation approaches and their effects on the poor as a progressive tax system is an efficient way of raising the effective incomes of the low paid. The study should also examine the effects on economic efficiency and financial criteria. Note should be taken of the experience in the Cayman Islands and Bermuda, two other British Overseas Territories in similar circumstances (vis a vis the offshore financial sector), where approaches include the use of payroll taxes and value added...
taxes. The study will therefore need to include a regional review along with econometric modelling to evaluate the impact of potential tax regimes.

(b) **The Indigent and the Vulnerable in general**

**Action IV1: Revise the level of Public Assistance**

The current level of Public Assistance is inadequate for food and other basic needs. A survey of the income needs of current recipients would provide the basis for fixing a more suitable level. A target level would be somewhere between the indigence and poverty lines assessed for this study. In this context, Case Study 2 is of relevance as the interviewee’s PA is ‘topped’ up to the tune of $60 by her local church giving her total of $210 per month although this is still inadequate as she also receives contributions in kind. Table 6.2 outlines indicative financial implications of this policy under different scenarios.

**Table 6.2. Implications of Raising the Level of Public Assistance**

<table>
<thead>
<tr>
<th>Monthly Amount of PA</th>
<th>Population receiving PA</th>
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<tbody>
<tr>
<td></td>
<td>200 people (c. 1%)</td>
</tr>
<tr>
<td></td>
<td>Current situation*</td>
</tr>
<tr>
<td>$150</td>
<td>$360,000</td>
</tr>
<tr>
<td>$200</td>
<td>$480,000</td>
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<tr>
<td>$250</td>
<td>$600,000</td>
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</tbody>
</table>

**Increased Government Expenditure required**

<table>
<thead>
<tr>
<th>Monthly Amount of PA</th>
<th>200 people (c. 1%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$0</td>
</tr>
<tr>
<td>$150</td>
<td>$120,000</td>
</tr>
<tr>
<td>$200</td>
<td>$240,000</td>
</tr>
</tbody>
</table>

* i.e. around 200 people receiving an average of $150 per month.
** i.e. To include all households earning less than the PA amount. Estimates in these columns are high as, in practice, these households would have some income and would only need ‘top up’ PA.
# See text.  
Source: Consultants’ Estimates

**Action IV2: Eligibility Criteria for Public Assistance**

The absence of formal, transparent criteria has been frequently raised during the research for this project. A starting-point for this task could be a review of Public Assistance applications refused in the past year to identify the reasons for rejection and, in particular, whether applications were refused on other than financial grounds.
**Action IV3: Undertake Assessment of the Special Needs of the Indigent and Vulnerable**

The BVI are a small and generally affluent country. The number of severely poor and vulnerable households is limited – under 200 people receive Public Assistance. These individuals and other client households of the Social Development Department (and other agencies such as the Sandy Lane Centre and the Family Support Network) will each have very different requirements – the needs of the elderly will bear little in common with the needs of one parent families or victims of domestic violence. In this context, a case by case or personalized approach to providing assistance to these individuals and households is considered to be both desirable and feasible.

The basis for this approach would be a series of needs assessments of all households/individuals who receive public assistance and/or who form part of SDD’s social work case-load, together with any other households identified as particularly vulnerable by NGOs or other agencies. The objective of these assessments would be to assess how the quality of life and income generating potential of these households could be increased through assistance in terms of housing, home maintenance, utilities, transportation, child care, education, companionship (for the elderly) and employment. Particularly for the elderly, non-financial assistance may be just as important as direct or indirect income support.

These needs assessments would be administered by SDD using a simple checklist type questionnaire designed to provide both the respondent’s and the interviewer’s perceptions of what types of assistance, other than that provided by SDD itself, would be most beneficial. In some cases, there may be little that can be done other than the grant of PA and or counselling. Unless the resources are available for a concerted survey programme, these assessments should be made as and when new applications for Public Assistance are made, new clients are first interviewed, and existing clients are visited.

**Action IV4: To develop targeted assistance programmes for the indigent and the vulnerable**

The results of the needs assessments would be used in three ways:

- to develop targeted assistance programmes aimed particularly, but not limited to, households with children and the elderly. The former would concentrate on assistance in terms of education (e.g. subsidised school meals or uniforms, day care), health, parenting advice for mothers, help with keeping up their education, etc. Programmes for the elderly would emphasise non-income support such as home visits, home maintenance, exercise classes, dietary advice, transport to shops and clinics, outings, participation in oral history classes at school and meetings.
to identify persons who have skills to offer but are constrained from seeking regular employment (e.g. persons who are physically challenged, single mothers whose time is constrained by the need to look after children)

to put the poor and the vulnerable in touch with other agencies and organisations (e.g. NGOs) which could provide specialised advice and assistance.

(c) The Elderly

The actions proposed under IV1-4 will provide considerable assistance to the elderly. The following actions specific to the elderly are also proposed.

Action ELD1: The Care of the Elderly

Almost certainly people will be increasingly dependent on their own financial resources during their old age. A long term (10 years) assessment should be made of these requirements and would involve the following: estimating the number of old people over the next 10 years (including the number of ‘old’ elderly, over 75 years), assessing how many are likely to be living on their own (by comparing 1992 and 2001 Census data on households with elderly people), an actuarial review of the level of pensions likely to be provided by Social Security in relation to the indigence and poverty lines, evaluating options for their care including the provision of sheltered housing by government, and non-profit or with-profit organisations.

Action ELD2: Introduce Non-Contributory Pensions for BVIslanders not qualifying for contributory pensions

This policy would provide a non-contributory pension to those BVIslanders who retired too early to be eligible for the Social Security pension. It would replace PA for those receiving it. This policy would reduce the workload of SDD, eliminate the stigmatisation that is sometimes associated with PA. This is essentially a temporary measure as the number of recipients will decrease as more and more qualify for the contributory scheme. A similar scheme has recently been introduced in Anguilla.

The cost of this scheme will depend on the eligibility criteria and the level at which this pension is set. At present, there are around 720 BVIslanders aged 65 or over, around half of whom are poor. 470 already receive a Social Security pension (see 4.5.4). Of the remaining 250, around 150 already receive PA (SDD estimates that most PA claimants are elderly, see 4.5.2(f)) which leaves around 100. Assuming that the non-contributory pension is set at $45 per week (the minimum amount currently paid, see 4.5.4), the total cost annual cost would be around $234,000. However this estimate does not allow for ‘topping up’, i.e. to cover the difference between current PA payments and the new pension level. PA for a single person is
$100 per month (although some receive more, see Case Study 2) compared to around $200 for the new pension – a difference of $100 per month. With 150 PA recipients, the cost of ‘topping up’ would be around $150,000 annually. An indicative annual cost for this programme is therefore $350-400,000.

6.4.4 **Unstable Family Relationships**

The actions proposed under IV1-4 will provide considerable assistance to the vulnerable families. The following actions are also proposed.

**Action FAM1: Ensure that the legal aid system can deal with child support cases**

Adequate and regular financial support for children in ‘broken’ families is a sine qua non for their future economic and social prospects. The streamlining of legal aid applications for such parents could help ensure that such support is provided. The establishment of a legal aid clinic system should be considered. This proposal is of paramount importance for non-BVI single parents who are disproportionately affected by poverty and who make up the majority of these households. Procedures should also strengthen the rights of fathers to see and help bring up their children.

**Action FAM2: Combating family breakdown and domestic violence**

The following actions are recommended to reinforce existing consciousness raising campaigns and victim support services provided by SDD and the Family Support Network:

? Training specialist social workers and counsellors in domestic violence and to act as mediators in cases of family breakdown.

? Developing a programme to provide counselling to perpetrators of domestic violence – essential if the problem and not just its consequences are to be reduced79.

? Initiating a research study of male attitudes and perceptions in order to better understand the reasons for the breakdown of relationships, lack of responsibility for their offspring and physical abuse.

? Securing the co-operation of the police in investigating cases of domestic violence and in compiling relevant statistics.

? Undertaking a feasibility study for a safe house for battered women and their families.

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79. In some parts of the US, perpetrators now have to undergo a compulsory counselling and rehabilitation programme as part of their sentence.
6.4.5 *Children and Adolescents at risk (see also FAM2 above)*

Many of the proposed actions described in the preceding paragraphs will entrain direct or indirect benefits to vulnerable children. The following are however targeted directly at this sub-group.

**Action CH1: Review operation and management of Spotlight and Sunflower Programmes**

These programmes are seen as filling a clear need – the provision of after school and training activities for young people. Currently the Sunflower Programme is seen as being less effective under Department of Education control than when it was run by SDD. The option of transferring it back to SDD should therefore be investigated.

The Spotlight Programme, which targets the unemployed in general but particularly those who have dropped out of school, provides a wide range of vocational activities designed to foster technical and entrepreneurial skills. It has proved popular but there is concern that its funding is under threat. The initial requirement is that funding for the current programme should be secured. Subsequently, a re-evaluation of its effectiveness should be carried out with a view to its expansion and to linking Spotlight’s activities to the proposals for apprenticeships (GEN7) and for expanding vocational education (GEN6). Simultaneously the feasibility of establishing an “Entrepreneurial Fund” to enable people to start their own businesses should be examined.

**Action CH2: Undertake research into adolescent and young males**

Male under-achievement at school, often followed by anti-social behaviour (e.g. vandalism, crime and substance abuse), has been identified as a growing concern in the BVI, as it has elsewhere. There is also a perceived unwillingness on the part of some males 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 that concentrates on male attitudes and perceptions (especially young adults) would assist in redressing the balance and reducing these problems in the future. This research must however be participatory in nature and action-oriented so that it both involves the young men and leads to the development of programmes that prevent their alienation from mainstream society.

**Action CH3: Strengthen management and staffing in child services**

There is an immediate need to improve the functioning of the Rainbow Children’s Home and to assist problem children currently residing in the Home.
6.4.6 Immigrants/ Non-Belongers

Proposals to enact a new Labour Code with strengthened employment dispute procedures (WP1) will benefit non-belongers as will some other measures targeted at vulnerable households. The following recommendations are however targeted directly at migrants. As one informant put it “We have every right to decide who comes to the BVI, but once here everybody should be treated equally and fairly”. At present, this is not always the case. The following proposals will serve to overcome this real, or perceived, discrimination, will improve the human rights of poorer immigrants and will make it easier to achieve the overall NIDS objective of social cohesion.

Action IMM1: Clarify the rights of non-belongers

The following areas need to be addressed: citizenship, especially for long-standing residents and the children of wholly or partly non-BVI households born in the BVI; employment protection; access to social services and child maintenance mechanisms; and the eligibility of children with one BVI national parent (whether born in or out of wedlock) for Public Assistance.

Action IMM2: Ensure equal access to government agencies by immigrants

This will require action on two fronts: ensuring that the agencies responsible for the various services provide non-discriminatory access; and secondly, implementing an outreach programme to ensure that non-belongers are aware of these rights. This programme should include: publicising these rights and entitlements by means of fliers and media advertisements; redrafting selected PSDP charter documents to explicitly include non-belongers; and strengthening the links between government and the immigrant community by means of public meetings and discussions with representatives of migrant groups. These would be used to identify in detail current grievances and discuss possible solutions, e.g. simplifying residential and work permit application procedures, providing information packs for new arrivals outlining their rights and the government services available to them, enforcing building codes on rental property, and introducing TEFL classes for non English speaking children.

Action IMM3: Implement public awareness campaign to relating to non-belongers

In parallel with IMM1/2, a campaign should be launched to promote awareness of the immigrant community and, in particular, their crucial contribution to the economic well-being of the BVI, the fact that many have been resident in the BVI for many years, their entitlements as residents of the BVI, their human right to be free from discrimination, and the importance of resolving these issues if the overall NIDP objective of social cohesion is to be attained.
6.4.7  Target Group: Drug Abuse

Action DR1: Increase Assistance for Drug Abusers

An immediate step should be to enable 24 hour access to the facilities provided by the Sandy Lane Centre. Subsequently, the provision of overnight shelters and the construction of a permanent residential facility should be investigated.

6.4.8  Other

Action OTH1: Review garbage collection in Long Look, Long Bush and the Purcell Estate

The community surveys in these three locations revealed inadequate garbage collection with much uncollected refuse littering streets, verges and house plots. This should be remedied.

6.4.9  Summary of Priority Actions

Table 6.3 contains a summary of the proposed priority actions. Many of these are not new programmes or policies. They are however considered to be those that are most urgently needed in order to achieve the NIDS objectives of social cohesion and assistance to vulnerable groups. It is considered that virtually all the proposed actions could be implemented over the next two to three years, particularly as many of the recommendations affect different agencies. Those shown in **bold** are however deemed to merit the highest priority.

As previously mentioned, the Table omits some crucial NIDS/P policies as they are considered to be fully committed. Paramount amongst these are the government’s commitment to maintaining the strength of the twin pillars of the BVIs’ economy – tourism and offshore finance – as well as agricultural diversification and the maintenance of basic health, education and physical infrastructure programmes.

**Table 6.3. Priority Poverty Reduction Actions**

<table>
<thead>
<tr>
<th>Target Group</th>
<th>Ref.</th>
<th>ACTION</th>
<th>Lead Agency(ies)</th>
</tr>
</thead>
<tbody>
<tr>
<td>General</td>
<td>GEN1</td>
<td>Undertake manpower planning study to provide basis for formulation of population policy</td>
<td>DPU</td>
</tr>
<tr>
<td></td>
<td>GEN2</td>
<td>Housing Needs Assessment</td>
<td>TPCD</td>
</tr>
<tr>
<td></td>
<td>GEN3</td>
<td>HIV/ AIDS/ Sexual Health Awareness Campaign</td>
<td>Health / OGA/ Media</td>
</tr>
<tr>
<td></td>
<td>GEN4</td>
<td>Education in life skills for children</td>
<td>Education/ Health</td>
</tr>
<tr>
<td>Target Group</td>
<td>Ref.</td>
<td>ACTION</td>
<td>Lead Agency(ies)</td>
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<td>------------------------------------------------------------------------</td>
<td>----------------------------------------</td>
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<tr>
<td></td>
<td></td>
<td>Adult-oriented programme to provide education and consciousness raising in parenthood and personal budgeting</td>
<td>SDD/ FSN</td>
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<tr>
<td>GEN5</td>
<td></td>
<td><strong>Vocational education at secondary and tertiary levels.</strong></td>
<td>Education</td>
</tr>
<tr>
<td>GEN6</td>
<td></td>
<td>Subsidised traineeships</td>
<td>Labour/ Finance</td>
</tr>
<tr>
<td>GEN7</td>
<td></td>
<td>Demand assessment of school places</td>
<td>Education</td>
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<tr>
<td>GEN8</td>
<td></td>
<td>Feasibility of catastrophic health insurance</td>
<td>Health/ Finance/</td>
</tr>
<tr>
<td>GEN9</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Working Poor</td>
<td>WP1</td>
<td>Introduce new Labour Code</td>
<td>Labour</td>
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<tr>
<td></td>
<td>WP2</td>
<td>Investigate Changes to the Taxation System</td>
<td>Finance/ DPU</td>
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<tr>
<td>Indigent/ Vulnerable</td>
<td>IV1</td>
<td><strong>Revise the level of Public Assistance</strong></td>
<td>SDD/ DPU</td>
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<tr>
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<td>IV2</td>
<td>Eligibility criteria for Public Assistance.</td>
<td>SDD/ Attorney General</td>
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<td>IV3</td>
<td>Needs Assessments</td>
<td>SDD</td>
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<tr>
<td></td>
<td>IV4</td>
<td><strong>Targeted assistance programmes</strong></td>
<td>SDD/ Education/ Health/ NGOs</td>
</tr>
<tr>
<td>Elderly</td>
<td>ELD1</td>
<td>Study of the medium terms needs of the elderly</td>
<td>DPU/ Health/ Social Security/ SDD</td>
</tr>
<tr>
<td></td>
<td>ELD2</td>
<td>Non-contributory pensions</td>
<td></td>
</tr>
<tr>
<td>Unstable Family Relationships</td>
<td>FAM1</td>
<td>Legal Aid system and child maintenance</td>
<td>Attorney General</td>
</tr>
<tr>
<td></td>
<td>FAM2</td>
<td>Combating family breakdown and domestic violence</td>
<td>OGA/ SDD/ FSN/ Police/ Public Works</td>
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<tr>
<td>Children at Risk</td>
<td>CH1</td>
<td><strong>Review operation and management of Spotlight and Sunflower Programmes</strong></td>
<td>SDD/ Education</td>
</tr>
<tr>
<td></td>
<td>CH2</td>
<td>Undertake research into adolescent and young adult males</td>
<td>SDD and others</td>
</tr>
<tr>
<td></td>
<td>CH3</td>
<td>Strengthen management of, and staffing in, child services</td>
<td>SDD</td>
</tr>
<tr>
<td>Immigrants</td>
<td>IMM1</td>
<td><strong>Clarify the rights of non-belongers</strong></td>
<td>Immigration/ PSC/ Labour/ SDD/ Attorney General/ Education/ NGOs/ Media</td>
</tr>
<tr>
<td></td>
<td>IMM2</td>
<td><strong>Ensure equal access to government agencies by immigrants</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>IMM3</td>
<td>Implement public awareness campaign to relating to non-belongers</td>
<td></td>
</tr>
<tr>
<td>Drug abusers</td>
<td>DR1</td>
<td>Increase assistance to victims of drug abuse</td>
<td>Heath, NDAC, Sandy Lane Centre</td>
</tr>
<tr>
<td>Other</td>
<td>OTH1</td>
<td>Improve garbage collection in selected communities</td>
<td>Environmental Health</td>
</tr>
</tbody>
</table>

The proposals essentially fall into three categories:

- Those with a direct short-term impact on the poor and the vulnerable, e.g., revising the level of public assistance (IV1), enacting a new Labour Code (WP1), the introduction
of non-contributory pensions (ELD2) and catastrophic health insurance (GEN9), and addressing issues related to non-belongers (IMM1/2).

Those which primarily involve investigations and studies to be undertaken in the short-term but whose impact would be felt over the medium and long-terms, e.g. formulation of a population policy (GEN1), the HIV/AIDS and immigrant public awareness campaign (GEN3, IMM3), the demand study for new school places (GEN8), the review of the tax system (WP2), the needs assessments of the indigent (IV3), the reviews of the Spotlight and Sunflower programmes and the elderly (ED1).

Those whose implementation would be phased over a number of years and which would then continue as long as they are deemed to be effective, e.g. the assistance programmes for the vulnerable (IV4), education in life skills (GEN4), introducing traineeships (GEN7), expanding vocational education (GEN6), strengthening of child support and maintenance procedures (FAM1), combating domestic violence (FAM2) and drug abuse (DR1), and tackling the problems related to adolescent/ young males (CH2).

Taken together, the proposals contained in Table 6.3 represent a comprehensive series of recommendations that will have a substantial impact on poverty reduction over the short, medium and long terms.

6.5 Implementation, Monitoring and Resourcing

6.5.1 Implementation

The Permanent Secretary of the Ministry of Health and Welfare has indicated that this report will be tabled to the Legislative Committee of the BVI who will consider it and decide how to proceed. Given that many of the proposals contained in this document reflect the views of the National Assessment Team, proposed programmes or NIDS policies, there is every reason to believe that many of the recommendations will be implemented.

Given the fact that many of the proposals essentially represent extensions to existing policies and programmes, a number of which are already under consideration, the implementation of the proposals is not expected to require major institutional changes. The essential requirements are considered to be the following:

- **Strengthening of inter-departmental mechanisms**: inter-agency co-ordination relating to the poor and vulnerable is already good. However these inter-departmental mechanisms will need to be strengthened to enable the proposed case by case approach to assisting the poor and the vulnerable to be established and a variety of assistance to be delivered to these households.

- **Strengthening of links between government agencies (especially SDD) and NGOs**: the NGOs already play a key role providing assistance to the poor and the vulnerable.
NGOs should be involved in preparing needs assessments for vulnerable households not already clients of SDD, and in formulating the targeted assistance programmes - a task that will benefit from the experience gained by NGOs from their own programmes. In this way, examples of best practice can be assimilated and replicated into the new programmes. NGOs are also likely to be the optimal agencies for the delivery of some of the targeted assistance programmes.

? The institution of an ad hoc working group including government and representatives from the migrant community: this group would be responsible for defining, prioritising and delivering the programmes targeted directly at the migrant community.

? establishment of working groups related to HIV/AIDS, drug abuse, adolescent drop-outs and domestic violence: these working groups would include representatives of NGOs, church groups and the police as well as government agencies. They would be responsible for developing campaigns and other programmes aimed at preventing these social ills and at improving the care of those already affected by them.

? The strengthening of the Social Development Department: As the agency at the forefront of dealing with poor and vulnerable households, a significant number of the proposals will involve this agency. The recruitment of additional staff, all of whom should have training in social work and some of whom should be specialists (e.g. domestic violence, drug abuse, adolescents), is thus seen as unavoidable. Non-staffing issues that need to be addressed are procedures to improve client confidentiality and a review of funding mechanisms where it is considered that the effectiveness of programmes could be improved by the allocation of specific funding streams.

6.5.2 Monitoring

Monitoring of both the social and economic evolution of the island as a whole and of targeted poverty reduction programmes is essential. Effective monitoring is best achieved through the identification of relatively few, easily obtainable, key indicators using data routinely collected by government agencies rather than by continually undertaking sample household surveys which are resource hungry and are often seen as unnecessarily intrusive. The Development Planning Unit is responsible for government statistics. However it is hampered by limited resources, in particular when it comes to undertaking primary data collection. Emphasis should therefore be given to obtaining selected information held by the following government departments:

? The Department of Health particularly in relation to STIs/ HIV/AIDS so that information on the characteristics (e.g. age, sex, place and method of transmission) can be analysed in order that awareness and assistance programmes can be adapted as necessary.
The Department of Labour so that information on work permits can be used to estimate migration. In this context, information on permits not renewed would provide an indication of migrants leaving the island. Information on the nature and resolution of labour disputes would also be beneficial.

The Social Security Board so that trends in the eligibility of pensions and the coverage of the system can be monitored.

The Police so that crime and especially that committed by adolescents and young adults can be monitored.

Social Development Department so that trends in public assistance can be monitored. Data should be provided in more detailed form so that the age, sex and basic household characteristics can be identified.

This information would serve the following purposes:

To disseminate to other government departments not responsible for its collection but with responsibility for some of the proposed poverty reduction programmes.

To monitor the socio-economic evolution of the territory.

To provide for the ever-increasing demands of regional and international development agencies.

We therefore recommend that the Development Planning Unit enters into discussions with the above agencies to identify the data which would be of greatest value and which is obtainable without significant additional resources being necessary.

6.5.3 Resourcing

Accurate resourcing of the above programmes cannot be done at this stage as, in most cases, investigation will be necessary to develop the programmes, to assess the impacts of the programmes on the poor, to identify costs and to assess financial and economic feasibility.

It is generally anticipated that these investigations would be undertaken by government officials as part of their ongoing duties and would have negligible short-term financial implications. Several of these programmes will have longer-term financial implications related to the implementation of recommendations arising from these investigations.

The financial implications of increasing the level of public assistance and providing non-contributory pensions have been estimated (Table 6.2 and ELD2). These are, almost certainly, the programmes with the greatest short-term financial implications although the provision of a safe house for victims of domestic violence will also incur a significant cost.
Bearing the above in mind, Table 6.4 provides an assessment of the short-term financial implications of the programmes proposed in Table 6.3. The Table includes estimates for the cost of recruiting additional personnel to carry out the investigations and the additional tasks envisaged by the proposals. The cited costs are inevitably indicative – much will depend on which programmes can be implemented using existing personnel thereby avoiding the need for additional recruitment or outside expertise.

**Table 6.4. Financial Implications of Priority Poverty Reduction Actions (indicative)**

<table>
<thead>
<tr>
<th>Ref.</th>
<th>ACTION</th>
<th>Financial Implications</th>
<th>Cost estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>GEN1</td>
<td>Undertake manpower planning study to provide basis for formulation of population policy</td>
<td>None if undertaken by DPU.</td>
<td>$30,000 (if done by outsider)*</td>
</tr>
<tr>
<td>GEN2</td>
<td>Housing Needs Assessment</td>
<td>None – would be undertaken by TCPD</td>
<td>None</td>
</tr>
<tr>
<td>GEN3</td>
<td>HIV/AIDS/ Sexual Health Awareness Campaign</td>
<td>Would need preparation, printing of materials and staff time.</td>
<td>Not assessed but unlikely to be significant.</td>
</tr>
<tr>
<td>GEN4</td>
<td>Education in life skills for children</td>
<td>Additional staff required to develop and teach this course.</td>
<td>$15,000 per annum**</td>
</tr>
<tr>
<td>GEN5</td>
<td>Adult-oriented programme to provide education and consciousness raising in parenthood and personal budgeting</td>
<td>None. Assumed ot be undertaken by same person as GEN3.</td>
<td></td>
</tr>
<tr>
<td>GEN6</td>
<td>Vocational education at secondary and tertiary levels.</td>
<td>Planning would be done by education officers.</td>
<td>Not assessed</td>
</tr>
<tr>
<td>GEN7</td>
<td>Subsidised traineeships</td>
<td>Cost will depend on personnel required to teach new course. Dependent on number of beneficiaries and degree of subsidy</td>
<td>Not assessed</td>
</tr>
<tr>
<td>GEN8</td>
<td>Demand assessment of school places</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>GEN9</td>
<td>Feasibility of catastrophic health insurance</td>
<td>None in long term as it would be self-financing.</td>
<td>$30,000 (as for GEN1)</td>
</tr>
<tr>
<td>WP1</td>
<td>Introduce new Labour Code</td>
<td>Negligible unless additional staff member required</td>
<td>None</td>
</tr>
<tr>
<td>WP2</td>
<td>Investigate Changes to the Taxation System</td>
<td>Outside expertise likely to be required. Negligible in the long-term as it would be self-financing. Extra personnel would be required.</td>
<td>$90,000 (as for GEN1 but 6 person months)</td>
</tr>
<tr>
<td>IV1</td>
<td>Revise the level of Public Assistance</td>
<td>Dependent on future level of PA</td>
<td>c.$120,000 minimum (Table 6.2).</td>
</tr>
<tr>
<td>IV2</td>
<td>Eligibility criteria for Public Assistance</td>
<td>Dependent on whether eligibility for PA is significantly increased.</td>
<td>Probably around $1 million annually#</td>
</tr>
<tr>
<td>IV3</td>
<td>Needs Assessments</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>Ref.</td>
<td>ACTION</td>
<td>Financial Implications</td>
<td>Cost estimate</td>
</tr>
<tr>
<td>------</td>
<td>--------</td>
<td>------------------------</td>
<td>---------------</td>
</tr>
<tr>
<td>IV4</td>
<td>Targeted assistance programmes</td>
<td>Dependent on content and coverage of proposed programmes. Would depend on the balance between re-orienting existing programmes, expanding these or creating new programmes.</td>
<td>Cost of programmes not assessed but two additional social workers*** assumed-$60,000 per annum.</td>
</tr>
<tr>
<td>ELD1</td>
<td>Study of the medium terms needs of the elderly</td>
<td>Review would cost little but could easily result in long-term government expenditure</td>
<td>$30,000 if done by outsider (GEN1).</td>
</tr>
<tr>
<td>ELD2</td>
<td>Non-contributory pensions</td>
<td>Dependent on level of pension and eligibility criteria</td>
<td>Around $350-400,000 annually</td>
</tr>
<tr>
<td>FAM1</td>
<td>Legal Aid system and child maintenance</td>
<td>Depends on whether legal aid budget needs increasing.</td>
<td>Not assessed</td>
</tr>
<tr>
<td>FAM2</td>
<td>Combating family breakdown and domestic violence</td>
<td>Staff recruitment and training and, eventually cost of safe house.</td>
<td>$30,000 annually for new staff member**. Cost of safe house not assessed.</td>
</tr>
<tr>
<td>CH1</td>
<td>Review operation and management of Spotlight and Sunflower Programmes</td>
<td>Dependant on results of proposed reviews.</td>
<td>Not assessed</td>
</tr>
<tr>
<td>CH2</td>
<td>Research into Adolescent and Young Adult Males</td>
<td>Say 50 case studies/ focus groups @ $50 each +$2,500 for analysis and reporting</td>
<td>$5,000 (over and above staff –time).</td>
</tr>
<tr>
<td>CH3</td>
<td>Strengthen management of, and staffing in, child services</td>
<td>New specialist staff member probably required.</td>
<td>$30,000 annually for new staff member**</td>
</tr>
<tr>
<td>IMM1</td>
<td>Clarify the rights of non-belongers</td>
<td>Negligible</td>
<td>None</td>
</tr>
<tr>
<td>IMM2</td>
<td>Ensure equal access to government agencies by immigrants</td>
<td>Unlikely to be significant.</td>
<td>Not assessed</td>
</tr>
<tr>
<td>IMM3</td>
<td>Implement public awareness campaign to relating to non-belongers</td>
<td>Would need preparation, printing of materials and staff time.</td>
<td>Not assessed but unlikely to be significant.</td>
</tr>
<tr>
<td>DR1</td>
<td>Increase assistance to victims of drug abuse</td>
<td>Could be substantial if 24 hour purpose-built facilities are to be provided and staffed.</td>
<td>Not assessed.</td>
</tr>
<tr>
<td>OTH1</td>
<td>Improve garbage collection in selected communities</td>
<td>Unlikely to be significant</td>
<td>Negligible.</td>
</tr>
</tbody>
</table>

* Assuming 2 months @ $15,000 per month.

** Assuming one person half time in relevant agency @$30,000 per annum. This is approximately the mid-scale salary of senior professionals (but not department heads) in the government

*** These appointments would be for general social work and would be involved in all aspects of SDD’s current workload and the proposals contained in this report.

# To achieve a minimum per capita income of $250 per month. Based on Table 6.2 but allows for current incomes.
6.6 **Outside Assistance**

It is unlikely that the BVI will be a candidate for significant financial assistance from external sources. However agencies such as the UK Government and CDB, are potential sources of technical assistance. In particular, the UK Government is committed to improving technical and institutional capacities in the Overseas Commonwealth Territories. Programmes that could attract such assistance are:

- Investigations into the needs and aspirations of young men (could be part of a Caribbean-wide study).
- Public awareness campaigns to combat HIV/AIDS and unsafe sexual practices (should be part of a Caribbean or OECS-wide initiative).
- Training of specialist workers in drug abuse, domestic violence, counselling, working with adolescents.

6.7 **Concluding Remarks**

The BVI have developed rapidly in recent years. This economic growth has been accompanied by a major expansion in infrastructure, education, health and social welfare services. The great majority of BVIslanders and a comparable number of non-belongers from other countries have shared in the wealth and the services provided by this growth. Poverty is very low and indigence is negligible; few poor families in the BVI would be considered poor in many other countries; crime is low. Tensions between BVIslanders and non-belongers are not significant – the proportion of mixed\textsuperscript{80} households has doubled in the last 10 years.

This study identified a number of sub-groups of the poor population. There are government and non-government programmes targeted to improving the conditions of everyone of these groups bar one –HIV/AIDS sufferers, and an HIV/AIDS strategy is currently being developed. These programmes, alongside the essentially free basic education and health programmes, are well-managed and effective. True, there are problems of under-funding, lack of trained staff, and unmet demand but where would one not find this?

Small states are particularly vulnerable to changing economic circumstances, however the combination of the US dollar, British territorial status, a government intent on retaining the international community’s seal of approval for its offshore banking sector and world class

\textsuperscript{80} That is households consisting of at least one adult BVIslander and one adult non-belonger. These households now constitute 20% of all households.
yachting and diving allied to proximity to the US makes the BVI far less vulnerable than most. Many island and much larger countries have no robust economic sectors, let alone two.

With continued economic growth, even if at a lower level than in preceding decades, income poverty is likely to remain at its current low level. The challenge lies in successfully addressing a number of essentially social issues that lead to loss of well-being amongst certain sub-groups of the population now and could lead to impoverishment in the future. These issues include the increasing numbers of the elderly who need assistance to care for themselves, the threat of HIV/AIDS, single parenthood, domestic violence, and drug abuse. Several of these are contributory factors to adolescent under-achievement and anti-social behaviour. They are all problems of concern throughout the world and which the BVI have started to address. Specific to the BVI context is the issue of long-term immigrants and their children which needs to be faced and dealt with.

This Report sets out a series of recommendations designed provide a solid basis for poverty reduction in the future. The challenge will be to implement these recommendations. The majority of the recommendations could be implemented (or at least instigated) over the next 2-3 years (many affect different agencies and few involve significant short-term finance) but their impact is intended to be long-lasting. There are however likely to be some human and/or financial resource constraints, particularly in the Social Development Department, in which case, a prioritisation will need to be established. If the momentum provided by existing policies and programmes is maintained and the priority actions described above are implemented, the attainment of the National Integrated Development Strategy objectives of reduced vulnerability, sustainable economic growth and social cohesion will be that much closer.
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<thead>
<tr>
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<tbody>
<tr>
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</tr>
</tbody>
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<table>
<thead>
<tr>
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<tbody>
<tr>
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</tr>
</tbody>
</table>
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<th>Title</th>
<th>Year/Url</th>
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<tbody>
<tr>
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