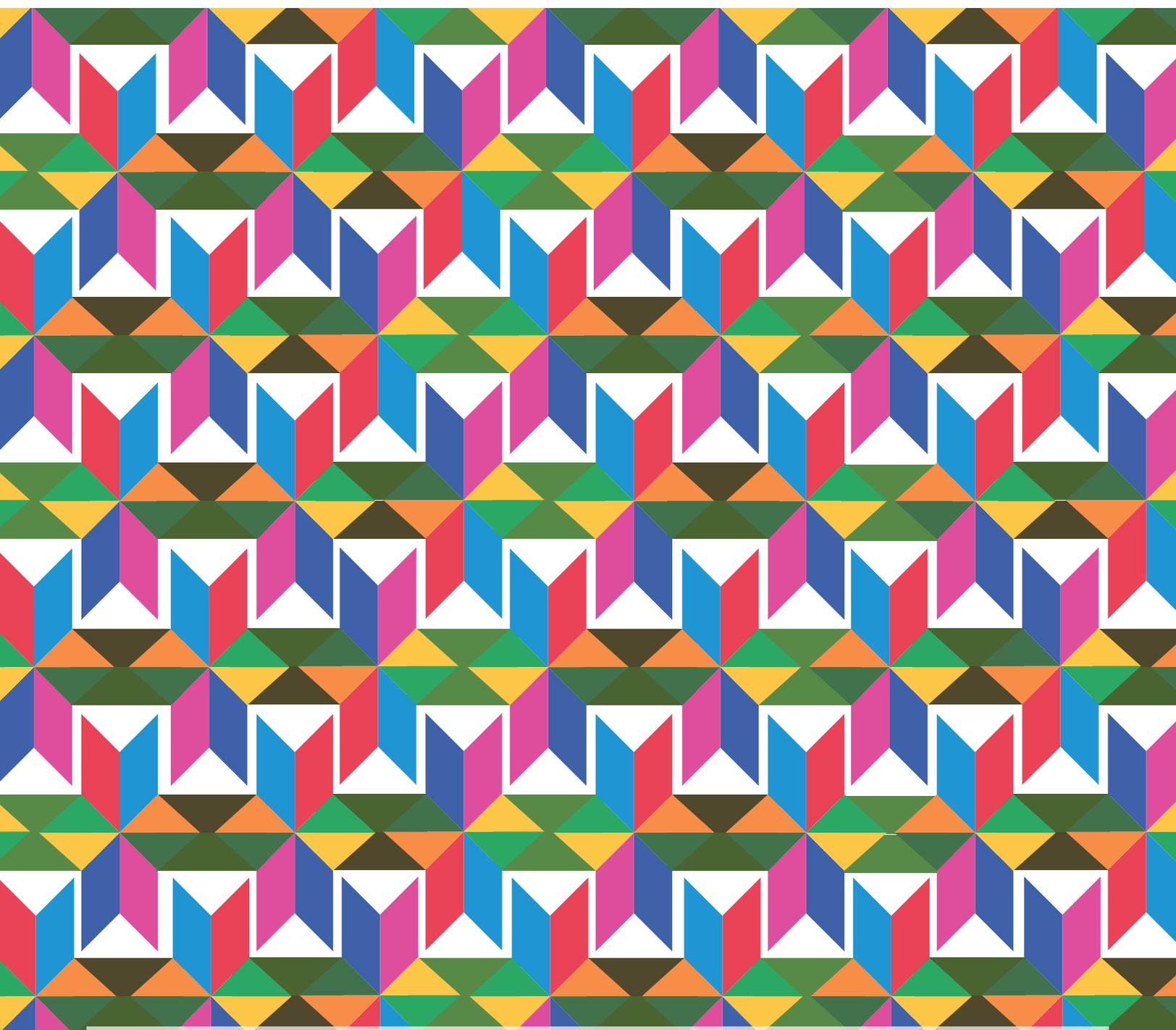


Caribbean Human Development Report

Multidimensional progress: human resilience beyond income



*Empowered lives.
Resilient nations.*



EXECUTIVE SUMMARY

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Each Human Development Report since 1990 has focused on some aspect of well-being “beyond income”. The human development approach is precisely about enlarging people’s choices – focusing on the richness of human lives rather than on material wealth or income alone. The 2016 Caribbean Human Development Report focuses on human resilience, and builds on the 2016 Regional Human Development Report for Latin America and the Caribbean. Like the larger regional Report, the Caribbean Human Development Report expands the way we think about progress and multiple dimensions of well-being, applying the human development approach to the new, holistic, sustainable development agenda, and adapting it to the needs and aspirations of Middle Income Countries (MICs) and Small Island Developing States (SIDS) alike.

The key ideas of this report are embedded in its title, Multidimensional progress: human resilience beyond income. The vulnerabilities of Caribbean states are well known: prominent among them are geographic location in a hurricane belt and earthquake zone with climate change exacerbating weather-related threats, and limited scope for economic diversification. Now, bringing the concept of multidimensional progress into the discourse on Caribbean development is an invitation to rethink building resilience in the region. Rather than focusing only on the state, this report also examines vulnerability and resilience at the household and community levels. It is important to recognize that while both state and human resilience are related, and even interdependent, they are not one and the same.



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Multidimensional progress: human resilience beyond income

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EXECUTIVE SUMMARY



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Published for the
United Nations
Development
Programme
(UNDP)

Foreword

Each Human Development Report since 1990 has focused on some aspect of well-being “beyond income”. The human development approach is precisely about enlarging people’s choices – focusing on the richness of human lives rather than on material wealth or income alone. The 2016 Caribbean Human Development Report focuses on human resilience, and builds on the 2016 Regional Human Development Report for Latin America and the Caribbean. Like the larger regional Report, the Caribbean Human Development Report expands the way we think about progress and multiple dimensions of well-being, applying the human development approach to the new, holistic, sustainable development agenda, and adapting it to the needs and aspirations of Middle Income Countries (MICs) and Small Island Developing States (SIDS) alike.

The key ideas of this report are embedded in its title, Multidimensional progress: human resilience beyond income. The vulnerabilities of Caribbean states are well known: prominent among them are geographic location in a hurricane belt and earthquake zone with climate change exacerbating weather-related threats, and limited scope for economic diversification. Now, bringing the concept of multidimensional progress into the discourse on Caribbean development is an invitation to rethink building resilience in the region. Rather than focusing only on the state, this report also examines vulnerability and resilience at the household and community levels. It is important to recognize that while both state and human resilience are related, and even interdependent, they are not one and the same.

Vulnerabilities are increasing in the Caribbean. The region faces growing multidimensional poverty. There has been persistent low growth and an erosion of human development gains over the past decade – as evidenced

by deteriorating regional human development indicators and multidimensional poverty data. Poverty and unemployment rates, especially among youth, are high, and stand above the regional average for Latin America and the Caribbean as a whole. Public social protection and health expenditures, which contribute to resilience and adaptive capacity, measured as a proportion of GDP, lag behind the population weighted average of 13.2 percent for Latin America. They also lag, except for Barbados and Trinidad and Tobago, behind the worldwide average of 8.6 percent.¹

Economic growth is insufficient on its own for lifting and keeping people out of poverty. Thus, measures to target and address key sources of vulnerability and deprivation and to strengthen adaptive capabilities, as in the areas of education, health, training, employment opportunities, and social protection, are of critical importance. Available data show that real GDP growth for the Caribbean region averaged 2.04 percent between 1971 and 2013, as compared to 3.57 percent for Least Developed Countries (LDCs) and 5.99 percent for developing countries in Asia.²

For Middle Income Countries, “development” does not expire at a GDP threshold. Inequalities, discrimination, and longstanding exclusions –including on the basis of gender and ethnicity – require policy attention. The Caribbean is faced with a dual challenge: to boost **inclusive economic growth**, and to build **multidimensional progress** which contributes to eradicating poverty in all its forms, tackling vulnerability at the state, household, and individual levels, and ensuring sustainability.

The “multidimensional” focus of this report builds both on past work on human development and on the more recent and pioneering policy work on multidimensional poverty in the region. The explicit measurement of acute deprivations has inspired a generation of

policymakers to also think about policy in a multidimensional and integrated fashion. There is now an interest in addressing multidimensional challenges above the poverty line – to include issues such as the quality of work, social protection across the life cycle, systems of care, use of time between men and women, citizen security, and freedom from shame and humiliation, among others.

All of this relates to the 2030 Agenda for Sustainable Development, including the Sustainable Development Goals (SDGs). Last year, 193 heads of state signed an historic and universal agreement which will shape the development conversation for the next fifteen years. If there ever was a “multidimensional” moment, this is it.

This report relates to the UN development system’s efforts to mainstream, accelerate, and provide policy support on SDGs to Member States. An innovation in the report is a tool to tackle poverty in its multiple dimensions, providing an SDG entry point for each country according to their specific needs.

This year’s report is timely, both because it addresses the vulnerabilities and key strengths of Caribbean countries, and because it kick-starts a new development conversation for Middle Income Countries and Small Island Developing States around the world. Human Development Reports are at their best when they document good practice, measure progress, and push the frontiers of how we think about development in a changing world. This Caribbean Human Development Report should be no exception in its capacity to engage stakeholders across a rich empirical, and conceptual policy debate – and one which will be seminal to our work for at least the next fifteen years.



Helen Clark
Administrator
United Nations Development Programme
(UNDP)

Presentation

Latin America and the Caribbean is a diverse region and does not follow a single pattern of development. This Report is separated into two volumes which share the same narrative: the Regional Human Development Report – the first volume – covers the entire region, while deepening the analysis on Latin America; and this current Caribbean Human Development Report – the second volume – approaches the multidimensional challenges of sustainable development and human progress taking into consideration the particularities of the Caribbean.

We see **multidimensional progress** as a space for development regulated by certain limits: “nothing that diminishes the rights of people and communities or jeopardizes the environmental sustainability of the planet can be regarded as progress.”

The high and increasing exposure of Caribbean countries to hazards, combined with very open and trade dependent economies – suffering from limited diversification and competitiveness – portrays a structurally and environmentally vulnerable region. This Report is an invitation to go beyond the traditional notion of vulnerability, focused on states, and to carefully analyze the multiple dimensions of vulnerabilities and resilience of peoples, households and individuals.

After decades of persistent and volatile low growth, human vulnerability has increased. Most CARICOM countries have had a negative evolution in the HDI ranking over the last five years. Jamaica and Dominica, two extreme cases, have fallen 23 and 10 positions respectively. In this regard, the report lists three challenges.

When the human development results of the Caribbean are situated in a context of slow, volatile and low economic growth, high unemployment and under-employment especially among youth and women, a clear picture

emerges which shows the deep interconnectedness between human progress and the inability of the state to cope. The first challenge is that, despite the very high indebtedness and the fiscal constraints affecting the region, governments should be able to implement combined public policies and interventions that foster inclusive growth while putting in place the necessary targeted policy measures to prevent erosion of human development gains to build resilience of the most vulnerable groups and drive advancement for Caribbean peoples.

To protect the achievements, resuming economic growth will not suffice. This Report shows that **social protection** throughout the life cycle; expansion of **systems of care** for children, elderly and persons with disabilities; broader access to **physical and financial assets**; and continuous improvements in **labour quality** – particularly in the case of young people and women – are vital.

In addition, many forms of exclusion transcend income and are associated with unequal treatment, discrimination, violence or stigmatization based on ethnicity, race, skin colour, identity and sexual orientation, gender, physical or mental disability, religion, migrant status or nationality. Closing material gaps is not enough to eradicate these forms of exclusions. A level playing field for citizenship requires implementing **protection policies, affirmative action, empowering citizens and recognizing individual and collective rights**.

The second challenge is to move towards a new public policy framework that can break sectoral and territorial silos and provide social protection throughout the life cycle. Part of the responsibility lies with States, which should generate and coordinate sustainable financial resources for public policies; but part also lies with the citizens, to the extent that it is necessary to build a culture of resilience and prevention in each household and community. The

third challenge is to adapt the 2030 Agenda for Sustainable Development to the priorities of each country in the region.

Sustainable Development Goals (SDGs) represent an invitation to adopt a new way of building resilience and integrating economic, social and environmental dimensions worldwide, including peace and justice.

Like many in Latin America and the Caribbean, we believe that the challenges of sustainable, holistic and universal development are not resolved by crossing a given income threshold. There is no "graduation" from the development challenges unless appropriate answers are provided to the multiple dimensions that allow people to live a life they have reasons to value.

We believe that one of the main assets of this Report comes from its comprehensive approach to development challenges, given the multi-causal nature of the problems identified. We squeezed the quantitative analysis to the extent possible; and we went further: we challenged its findings, by combining them with perceptions generously shared by citizens of nine countries in the Caribbean region.

The efforts of our own development experts, working from seven country offices and from the Regional Hub of the United Nations Development Programme (UNDP) in Panama – as well as dozens of academics and opinion leaders in the region - are reflected in this Caribbean Human Development Report. Their dedication and joint efforts are truly appreciated.

In an effort to generate practical proposals, specific case studies of public policies in the region were undertaken; challenges faced by national and local institutions were analyzed; success stories were identified, as well as barriers to holistic integration. May this section reflect our sincere gratitude to governments and public institutions in the region for having shared their knowledge and enriched our analysis. A special thanks to the members of the Advisory

Panel of this Report for their comments, suggestions and guidance: Marlene Attzs, Mikael Barfod, Jocelyn Dow, Annicia Gayle-Gedes, Didacus Jules, Mario Michel, Shantal Munro-Knight, Keston Perry, Jennifer Raffoul, Manorma Soeknandan and Alvin Wint. The content of this Report does not necessarily reflect their views.

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List of abbreviations and acronyms

| | |
|---------|---|
| CARICOM | Caribbean Community |
| CBR | Correspondent Banking Relationships |
| CDB | Caribbean Development Bank |
| GDP | Gross Domestic Product |
| HDI | Human Development Index |
| ICT | Information, Communication and Technology |
| LAC | Latin America and the Caribbean |
| MDGs | Millennium Development Goals |
| MPI | Multidimensional Poverty Index |
| ODA | Official Development Assistance |
| OPHI | Oxford Poverty and Human Development Initiative |
| PAHO | Pan American Health Organization |
| SDGs | Sustainable Development Goals |
| SIDs | Small Island Developing States |
| UNEP | United Nations Environment Programme |
| UOPES | National Observatory for Social Poverty and Social Exclusion in Haiti |
| WDI | World Development Indicators |
| WHO | World Health Organization |

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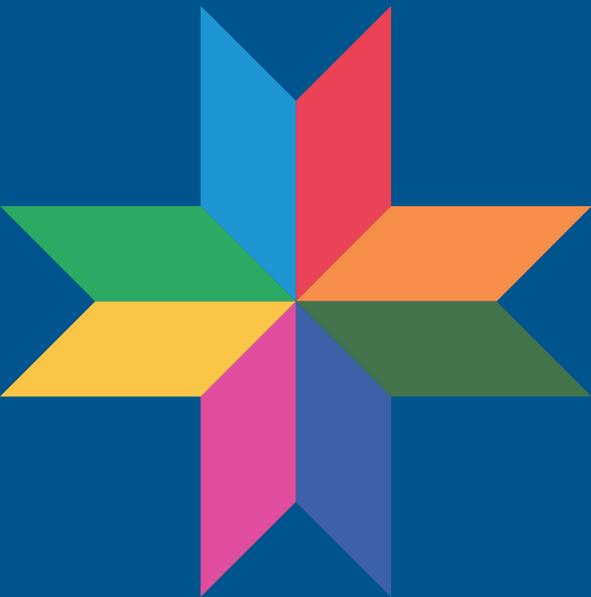
Annex 2

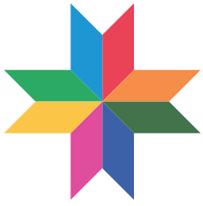


Executive Summary

“What is progression? I don’t think anybody can say they start to progress in 2005 and they continue all through without stopping. In some cases you go low and you go again.”

Woman, focus group, Antigua and Barbuda





Executive Summary

Chapter 1 – A new paradigm for assessing vulnerability, embracing Human Development

“Only good choices are free, bad ones always come with a cost.”

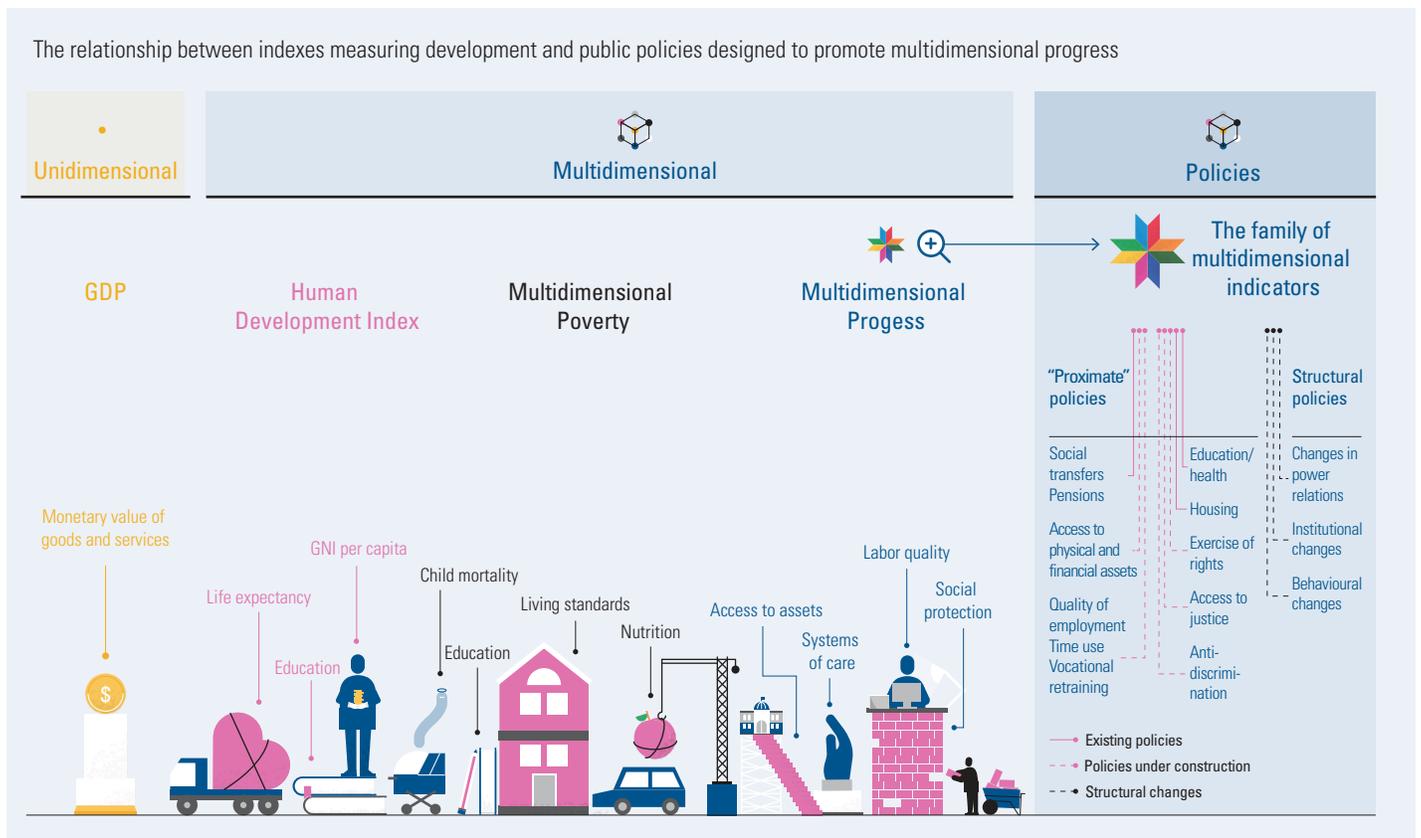
Sir Arthur Lewis, St. Lucian Nobel Laureate

Today, in a fragile economic context, the Caribbean is faced with a dual challenge: to boost **inclusive economic growth** and to build **multidimensional progress** that

can contribute to eradicating poverty in all its forms, tackling vulnerability at the state, household and individual levels and generating sustainability. This Report focuses on the specific human development challenges of the Caribbean in a holistic and inter-connected manner. This Report probes the specific circumstances and deep structural challenges that continue to hinder the Caribbean regarding its wide, progressive agenda for human development and economic transformation. It focuses on the challenges of upper-middle

FIGURE 1

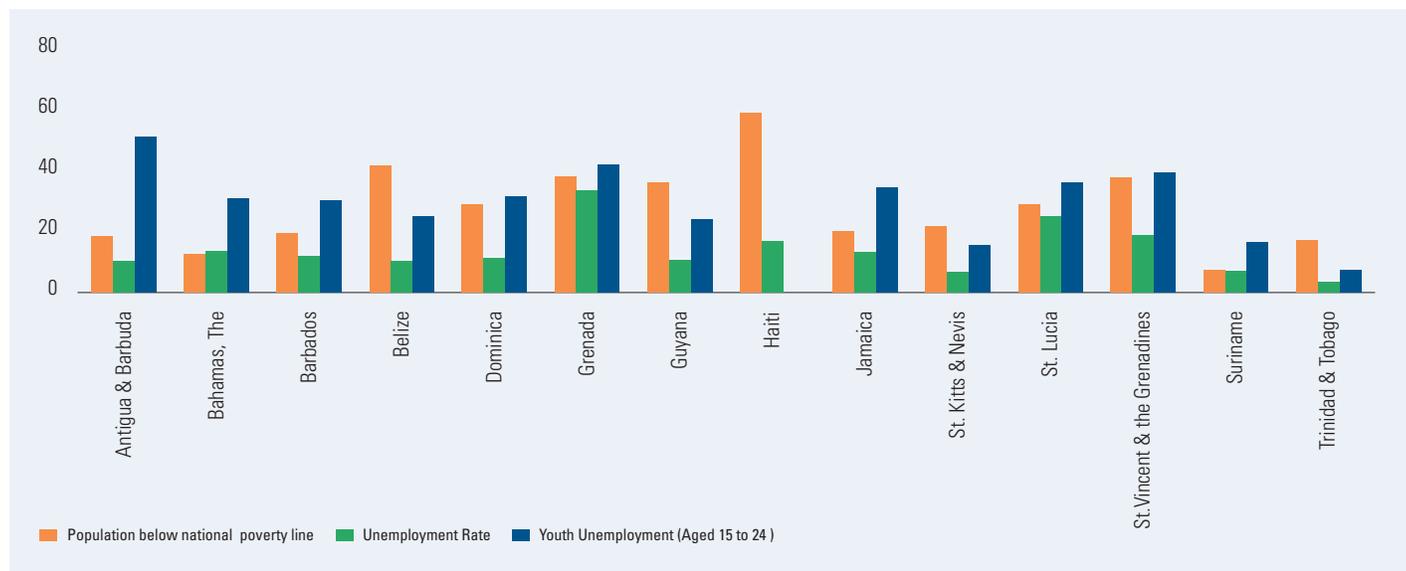
The set of multidimensional development indicators: from measurement to practice



Source: Latin America and Caribbean Human Development Report (2016).

FIGURE 2

Unemployment is more severe among youth, with the exception of Belize, Guyana and St. Kitts & Nevis



Source: CARICOM Regional Statistical Database; 2015 Economic Review and 2016 Forecast, Caribbean Development Bank; and World Databank <http://data.worldbank.org>¹

income countries that require new metrics and new policies to move forward.

In this Report, multidimensional progress is defined as a space for human development regulated by normative limits: nothing that diminishes the rights of people and communities or jeopardizes the environmental sustainability of the planet can be regarded as progress. To achieve this progress, the definition of well-being must be expanded to include decent work, quality education, gender equality, social protection and care systems that are within reach of households, the development of safe communities, and care for the environment.

This Report contains evidence from a number of countries indicating that the factors associated with people escaping poverty are **not the same** factors as those associated with resilience to adverse economic, personal and environmental events. The former tend to be related to educational attainment and the labour market, while the latter tend to be related to the existence of social protection (in the form of social transfers or non-contributory pensions) access to physical and financial assets and access to systems of care (for children and dependents). These dimensions provide

additional information to existing multidimensional poverty measurement tools.

The insertion of the **concept of multidimensional progress** into the discourse on Caribbean development **introduces a fundamental new dimension**: importantly, it is one that is not focussed, as hitherto, on state vulnerability and resilience, and thus primarily on the constraints on state capacity, or the diminution of state attributes and assets. **Rather this perspective ensures that in examining Caribbean reality account is taken not only of state vulnerability, but that there is also a focus on human vulnerability and human resilience at the household and community level.**

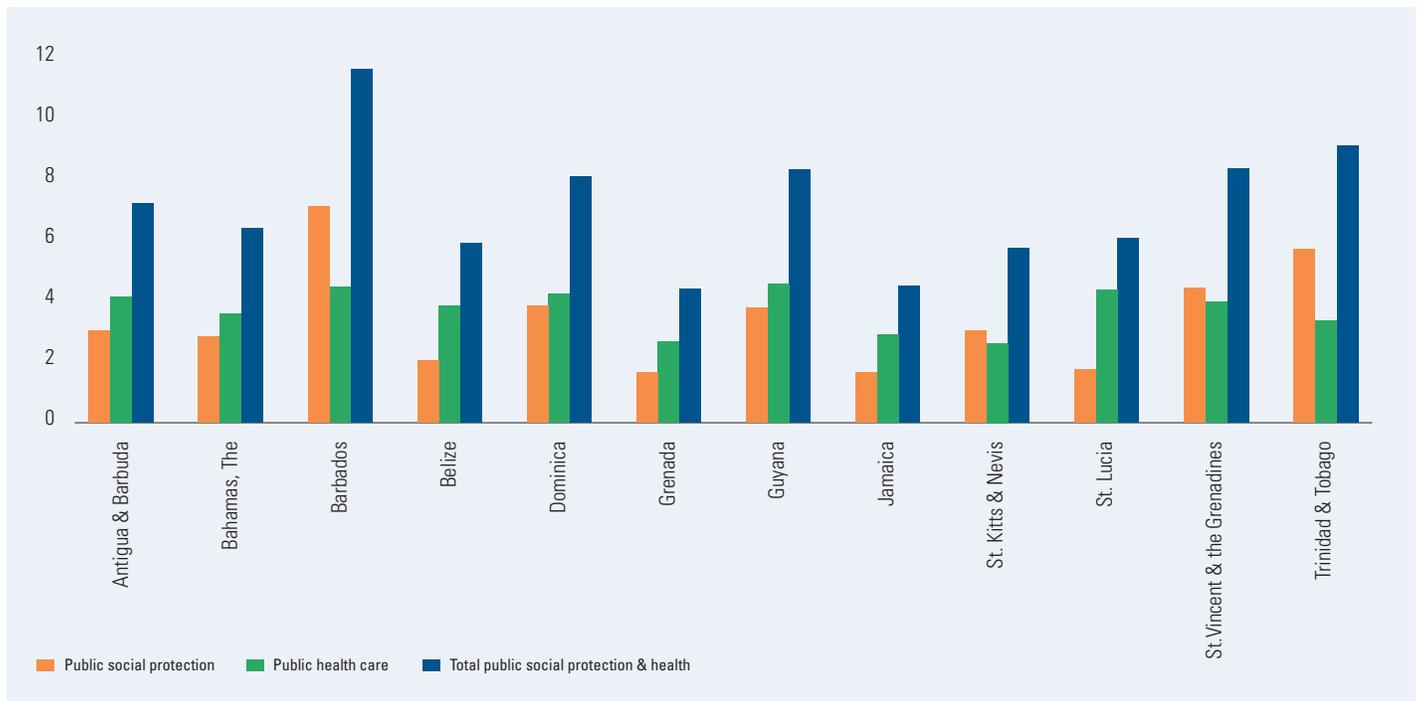
Figure 2 suggests strong evidence of increasing human vulnerability in the Caribbean.

Poverty and unemployment rates, especially among youth, remain high. Figure 3 shows that combined public social protection and health expenditures, which contribute to resilience and adaptive capacity, lag for all Caribbean countries as a proportion of GDP behind the population weighted average of 13.2 percent for Latin America and the Caribbean as a whole. They also lag, as would be expected, well behind Western Europe's 26.7 percent and,

Combined public social protection and health expenditures, which contribute to resilience and adaptive capacity, lag for all Caribbean countries as a proportion of GDP behind the population weighted average of 13.2 percent for Latin America and the Caribbean as a whole.

FIGURE 3

Public Health Care and Social Protection Expenditure in the Caribbean lag for all Caribbean countries as a proportion of GDP behind the population weighted average of 13.2 percent for Latin America and the Caribbean as a whole



Source: World Social Protection Report 2014/15, ILO.
 2010 data for: Barbados, Dominica, Grenada, Guyana, St. Kitts & Nevis, St. Lucia, St. Vincent & Grenadines and Trinidad & Tobago
 2011 data for: Antigua & Barbuda, The Bahamas, Belize and Jamaica

notably, except for Barbados and Trinidad & Tobago, behind the world-wide average of 8.6 percent (2010 -2011).²

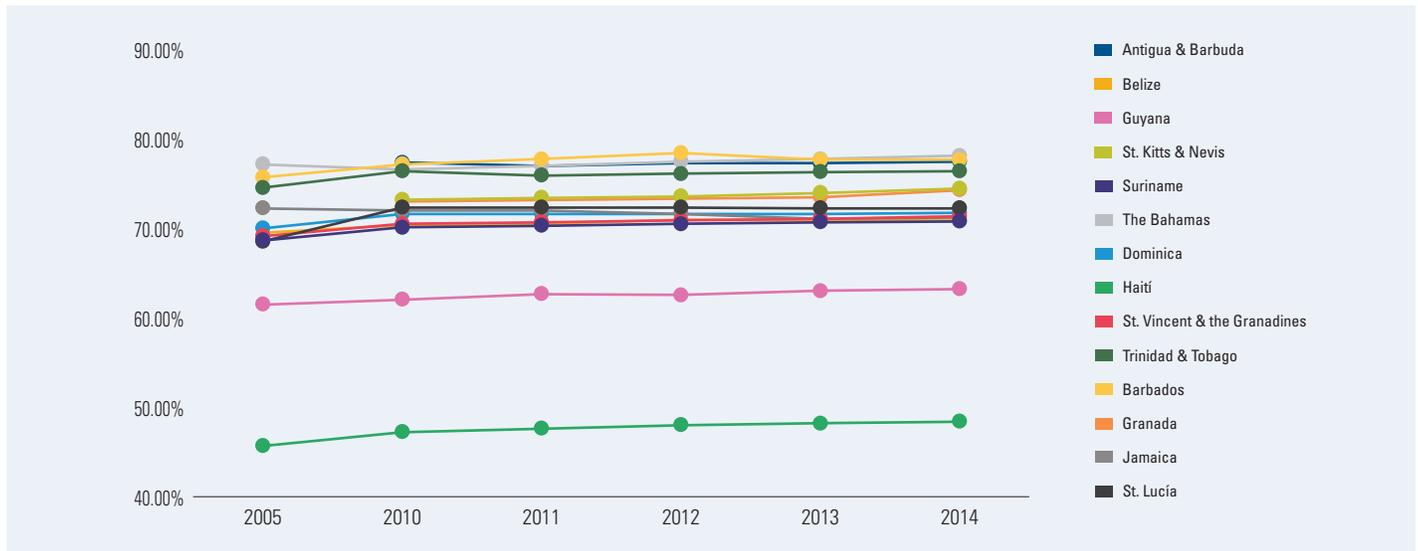
At the core of the multidimensional perspective on progress is the recognition that economic growth and income accretion are insufficient for lifting and keeping people out of poverty. As a consequence, measures to target and address key sources of vulnerability and deprivation and to strengthen adaptive capabilities, such as in the areas of education, health, training, employment opportunities, and social protection are of critical importance. In this regard, the Caribbean faces a distinct challenge amongst developing countries since poverty as traditionally measured, and growing multidimensional poverty, which takes account of the near-poor and vulnerable, exist alongside persistent low growth, and the incipient erosion of the human development gains that have been long regarded as the region's strong suit relative to other developing countries.

Policies insufficiently oriented towards protecting and consolidating human development gains - even during the period that was in large measure coterminous with the pursuit of the Millennium Development Goals by the global community - have begun to erode the region's human development gains and its relative standing in this important area. Figure 4 indicates this retrogression over the past decade or more - retrogression that the region must act decisively to halt and reverse.

Most CARICOM countries have had a negative evolution in the HDI ranking over the last five years. Jamaica and Dominica, two extreme cases, have fallen etc. 23 and 10 positions respectively. This fact becomes more relevant considering that, since 2008, there has been a deceleration in the growth of all three components of the Human Development Index in most regions of the world.

FIGURE 4

Caribbean HDI Rank and Performance



Source: Prepared by the authors based on UNDP Human Development Report 2015.

The Caribbean and the SDGs

The holistic and multidimensional nature of the SDG agenda require an integrated approach capable of moving beyond narrow bureaucratic mandates to encourage coordination and efforts to achieve strategic goals specific to each country. The process of grouping SDG targets into clusters is not random. It begins with the identification of a strategic objective established by government policy.

When grouping the targets into clusters, two temptations arise. The first is the temptation to make selections based on narrow sectoral mandates. Rather than choosing two or three SDGs, it is more effective to link various targets, corresponding to many more SDGs, with a single political strategic objective — for example, “no one is left behind” — to include targets that address actions linked to education, health, the fight against poverty and various other dimensions. The second temptation is to break down the 2030 Agenda, gap-by-gap, sector-by-sector. In this case, identifying a critical mass of interventions has a greater impact than promoting dozens of actions with a low level of funding, high territorial dispersion and high

bureaucratic fragmentation. If political decision makers can increasingly and persistently focus their attention on strategic and structural matters, there will be a better chance of achieving sustained impacts.

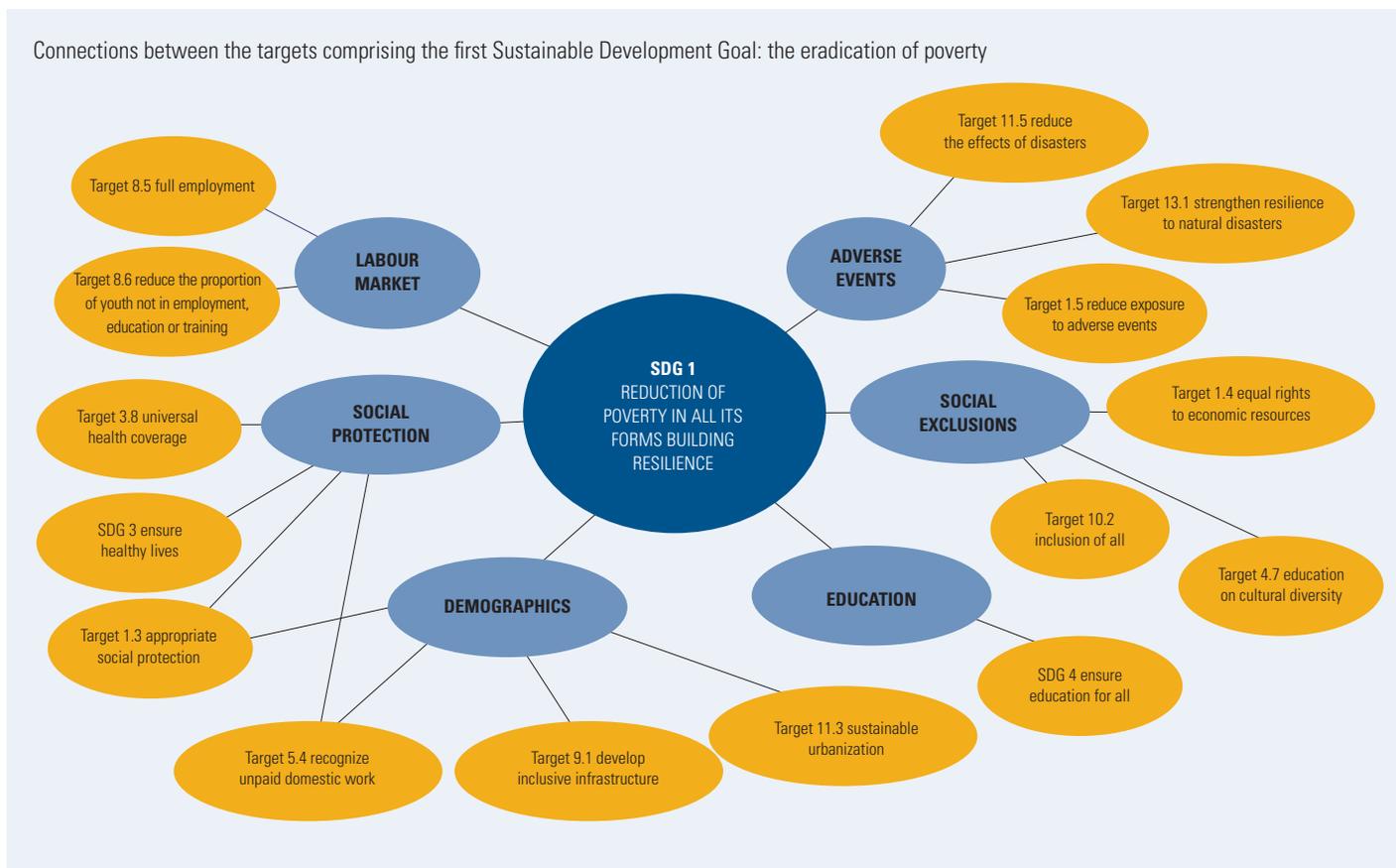
For example, an approach focusing on the eradication of poverty should use data on income poverty and multidimensional poverty, as well as long-term trends illustrating a structural situation characterized by the presence of hard exclusions. In order to make progress on poverty eradication, 20 to 30 targets are set linked to employment, social protection, gender equality, the prevention of natural disasters, climate change, and access to assets that can strengthen people’s capacity to weather a crisis.

Understanding how targets are interconnected helps guide policymakers to identify the specific challenges that require political actions to achieve the desired results. This approach also makes it possible to monitor those targets that contribute to the achievement of the specific agenda in each country. Ultimately, it enables areas to be identified where there are structural problems that need to be addressed through democratic dialogue, the creation of a consensus, the strengthening of institutions, and so on.

The process of grouping SDG targets into clusters is not random. It begins with the identification of a strategic objective established by government policy.

FIGURE 5

The achievement of the goals and their targets requires interventions based on an integrated focus that enables the connections and synergies between these targets to be identified, in line with the specific priorities of each country



Source: Prepared by the authors based on the correlation of indicators carried out according to data taken from household surveys.

Note: The grouping of the Sustainable Development Goals (SDGs) is not restricted to the connections discussed here.

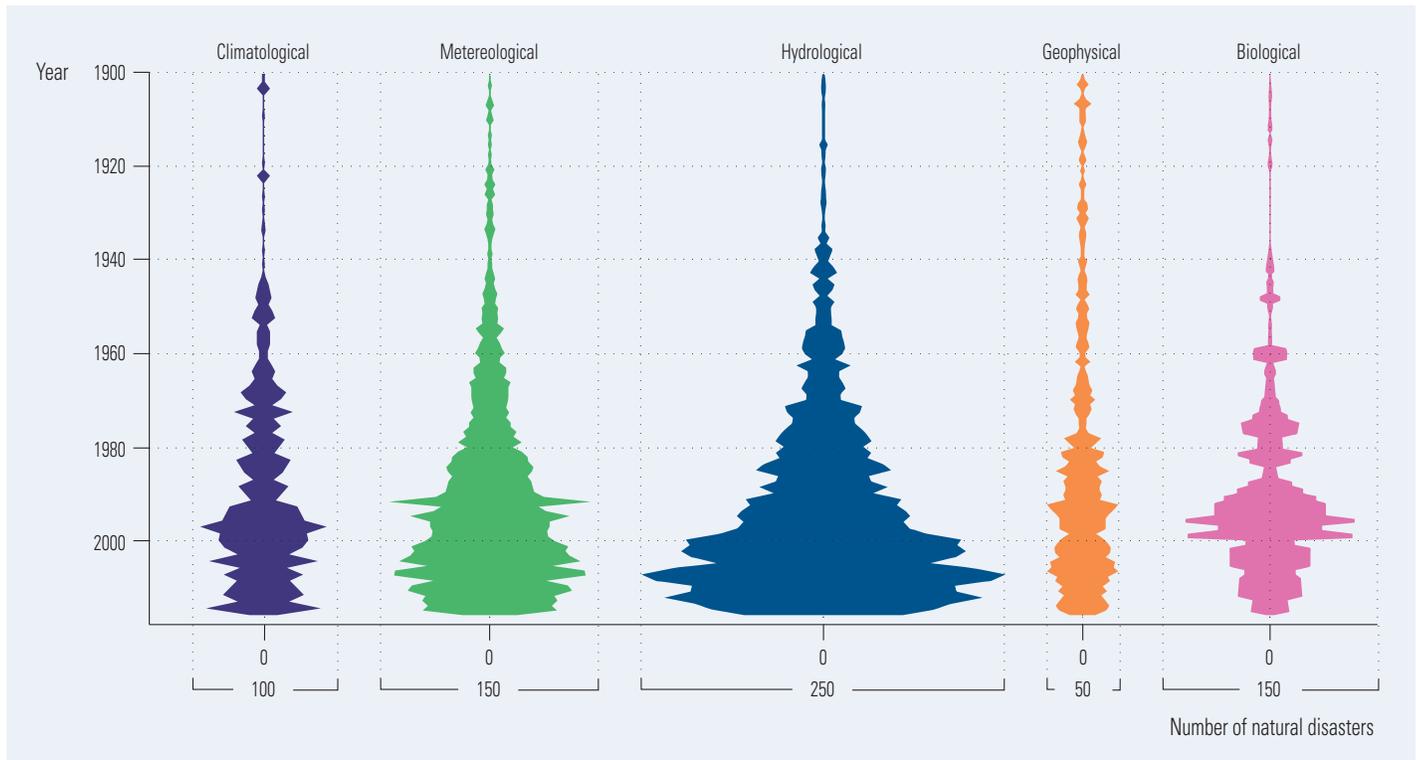
The definition of clusters of targets will provide a starting point for the inter-sectoral and inter-territorial coordination of policies. Exercises to accelerate achievements by eliminating obstacles to specific targets can be used to expand the impact of a group of targets. The definition of clusters of targets will also clarify the action of sectoral ministries, sub-national government levels and specialized agencies providing real political support. Political dialogue, coordination and the exchange of information will be essential throughout this process. Only a holistic, inter-sectoral agenda makes it possible to address the inter-connections behind a critical mass of policy interventions.

Chapter 2 – Profiling human vulnerability in the Caribbean: who are most vulnerable and why?

In principle, everyone is vulnerable to some adverse event or circumstance. However, the degree to which people are exposed to social, economic or environmental hazards depends on their capabilities to prevent and absorb a given shock, which change over a life cycle. Vulnerability and exposure are dynamic, varying across temporal and spatial scales. The 2014 *Human Development Report* showed that many people face overlapping structural constraints on their ability to cope –for example, people who are poor and from a minority group, or women with disabilities. Social, economic and

FIGURE 6

Between 1901 and 1910 there were 82 recorded natural disasters, but between 2003 and 2012 there were more than 4,000



Note: The main types of disasters include extreme temperatures and droughts (climatological), storms (meteorological), floods (hydro logical), earthquakes (geophysical) and epidemics (biological).
Source: CRED 2013.

environmental vulnerabilities may differ in their origins, but their consequences tend to be interrelated and mutually reinforcing.

Economic vulnerability is deeply analyzed in the 2016 *Regional Human Development Report for Latin America and the Caribbean*, which pays special attention to people who, despite being above the poverty line, have not become part of the middle class (measured in terms of US\$10 – US\$50 per day). The Report covers the factors associated with the risk of falling back into poverty and the types of macro and micro policies and mechanisms that should be put in place to prevent it, developing the concept of baskets of resilience. The current Report will look at these transitions in chapter 3.

Environmental vulnerability, along with those arising from political, economic, physical, health, and other insecurities are covered in the 2014 *Human Development Report*, which highlights that intensity of natural and human-made disasters has increased dramatically over the last decades, impairing human capabilities and threatening human development everywhere

– especially in the poorest and most vulnerable areas. The Caribbean region’s high exposure and vulnerability to natural hazards has resulted in tremendous costs in terms of loss of human lives, productive assets, physical infrastructure, output supply and product demand especially in agriculture and tourism. The Caribbean Development Bank’s estimates of the monetary impact for the 1988-2012 period accounted for over US\$ 18 bn.

Social vulnerability often results in, or is the result of, discrimination and violation of social, political, civil or cultural human rights. Some key vulnerable groups are identified in this report which present an opportunity for developing targeted public policy aimed at building human resilience. While there are many other vulnerable groups, the Report focuses particularly on: women, elderly, young males, children in exploitative labour conditions and street children and people with disabilities. Indigenous and Maroon groups received attention albeit not comprehensively. These groups reveal deep complexities especially when vulnerabilities add-up and make it very difficult to

Intensity of natural and human-made disasters has increased dramatically over the last decades, impairing human capabilities and threatening human development everywhere – especially in the poorest and most vulnerable areas.

FIGURE 7

Vulnerability trajectories and SDGs

| | Vulnerable to what (outcomes) | Why Vulnerable (risk factors) | SDG Targets (examples) |
|--|--|---|--|
| Women | Poverty and unemployment Violence Low productivity Low participation in political and social life | Lower labour force participation Lower-level and -pay jobs Teenage pregnancy Growing in violent families Economic dependence Age at first union Ineffective school system Underrepresentation in politics | Targets: 1.5, 3.5, 3.7, 3.8, 5.1, 5.2 |
| Older people | Poverty Chronic diseases and disability Loneliness (mainly older men) | Low coverage and value of pensions (mainly older women) Longer life expectancy and lifestyle (older women) Attitudes leading to low access to health care (older men) Health care costs Reduced size of, and changing attitudes, in family; migration of younger family members | Targets: 1.5, 3.5, 3.8, 4.5, 4.a |
| Young males | Drugs abuse, crime (as perpetrators & victims) Imprisonment, death, disability | Poverty Educational underperformance Violent families and communities Risky behaviours | Targets: 1.5, 3.5, 3.8 |
| Children in exploitative labour conditions and street children | Hazards at work and in the streets, school dropout, abuse | Poverty, ineffective schools, (child fostering), abusive families Ineffective legislation Low awareness | Targets: 1.5, 3.5, 3.7, 4.5, 5.2 |
| People with disabilities | Exclusion or underperformance in education and labour market Neglect and abuse Poverty | Negative expectations on outcomes Social and physical barriers Illnesses from old age, accidents from risky behaviours in the young Lack of institutional and family support Costs of care and supportive devices | Targets: 1.5, 3.5, 3.8, 5.2, 5.5 |

Source: Prepared by the authors based on Villarosa (2016, forthcoming).

achieve sustainable outcomes when addressed in isolation. The Report therefore proposes a life-cycle approach to policymaking which challenges policy makers to plan and work intersectorally and holistically to ensure that public policy address the interconnected nature of these vulnerabilities.

Trajectories of vulnerabilities for these groups can be synthesized as in the following table.

Gender and vulnerability – the case of women

When analyzing women’s human vulnerability from a multidimensional perspective, findings indicate that women are more vulnerable to personal insecurity almost everywhere, their economic vulnerability is higher – for they

receive lower salaries for equal jobs and dedicate three times more time to unpaid work than men – and their social vulnerability over the life cycle requires specific measures and changes in certain behaviours of the society as a whole. These dimensions are intertwined.

The situation of women in the labour market is unequal as women tend to have lower level and lower paying jobs than men (even when other variables such as educational level and time in job are controlled). This may result in lower income and lower social protection (for instance in terms of unemployment benefits), making them more vulnerable to the effects of unemployment and, in the end, to the risk of poverty.

Further, inequality for women derives from teenage pregnancy and consequent childbearing (often with no support from absent fathers), contributing to school drop-out and limited time and opportunities for work, further reinforcing gender gaps in the labour market. In addition, women who are victims of domestic violence tend to show low self-esteem, reduced social and political participation, weak interpersonal relationships and low productivity at work – all factors that narrow down their capabilities, life opportunities and options.

In contrast, women show higher access to, and performance in, secondary and tertiary education than men. Good educational attainment or education at the secondary and post-secondary level is found to be associated to both lower teenage pregnancy and a reduction in violence against women. In addition, it is argued that education is already reducing gender gaps in the labour market and can lead to mitigating the earning gap with men.

Policies that focus on strengthening women's agency by broadening women's life options and introducing a life cycle approach look promising, for instance providing pregnant teens with support to avoid school drop-out and facilitating young mothers' access to employment within an overall approach fostering participation in social and economic life.

The Youth as a vulnerable group

Youth³ is an age of transitions – from childhood to adulthood, into and out of school and into work, partnership and parenthood

(Hardgrove et al., 2014). Such transitions usually imply challenges and choices, which may not be immune from risks.

Caribbean youth are underachieving educationally at the secondary school level and this is associated with poverty, juvenile crime and violence (influenced by exposure to violence at home, in the community and in juvenile gangs). Young males are both the main victims and the main perpetrators of crime in the Caribbean, and violence is starting at younger ages than in the past. Successful strategies against youth violence are discussed. These are based on re-addressing the role and improving the capacities of families, schools, communities and state institutions within a multidimensional approach in order to strengthen the agency of the young.

Youth unemployment rates range between 18 percent and 47 percent except in Trinidad and Tobago where it is 10 percent. Unemployment rates are much higher among youths whose unemployment rate is twice to three times the adult unemployment rate. Youth comprise between 28 and 50 percent of all unemployed persons and female youth are more likely to be unemployed than the male. Generally, youth employment is clustered in low skill, low education kinds of jobs (Lashley and Marshall, 2016), with little opportunity for upward mobility. The availability of facilities for continuing education and training, flexible entry requirements for education and training programmes, support and encouragement from employers, family and friends can make a positive difference to upward labour market mobility of youth by providing them with the ambition and motivation for personal progress. Financial support for tertiary education and training from the public sector, businesses and private benefactors would encourage the entry of youth in tertiary education and enhance their prospects after graduation for employment in the middle and upper job echelons.

Vulnerabilities of the elderly

Old age is often associated with vulnerability because of poor health and disability, loneliness, isolation from social life and insufficient income. Care for the elderly is also associated with increase in financial shocks and health

Generally, youth employment is clustered in low skill, low education kinds of jobs (Lashley and Marshall, 2016), with little opportunity for upward mobility.

The main causes of disability are respectively illnesses associated to old age, lifestyle, and accidents related to risky behaviours of young men or hazardous works.

costs particularly in cases of elderly with little or no financial savings. Due to patriarchal and cultural norms, in most cases women carry the brunt of the care responsibilities for the elderly. Three interrelated dimensions of vulnerability for the elderly are discussed and reviewed – financial, health-related and social vulnerability along with the attendant cross-cutting gender issues. Elderly individuals face several vulnerabilities to reduced or unstable sources of income, increased health care costs, poverty, discrimination and exclusion. This is more likely in cases where the elderly rely on noncontributory pensions, public assistance or other social protection programmes which have come under increased pressure due to demographic changes, reduced fiscal space and increased demand.

People with disability as a vulnerable group

Another vulnerable group that continues to face discrimination, exclusion, poverty and stigma are the disabled. Disability is a social phenomenon that goes beyond an individual's permanent functional abilities with respect to the physical, mental and sensory spheres and is reflected in the limited interaction or absence of interaction between the individual and the physical, sociocultural, economic and political environment (Gayle-Geddes 2015:9). Available data indicate that disability in the Caribbean is concentrated in the elderly – women more than men – and, to a lesser extent, among the young (in this case, boys more than girls). The main causes of disability are respectively illnesses associated to old age, lifestyle, and accidents related to risky behaviours of young men or hazardous works. Qualitative information indicates that access to education of people with disability has improved in the last twenty years but both environmental accessibility in educational facilities and sensitization to the disabled's needs of school and university staff have not, thereby keeping inequalities in educational outcomes of people with disability (ibid.).

Vulnerabilities of children at risk of or actively participating in exploitative labour conditions and street children

Labouring and street children are vulnerable to several infringements of children's human rights. These have been spelled out in 1989 by the UN General Assembly in the convention on the Rights of the Child, which recognizes, among others, the rights to: health; to fully participate in family, cultural and social life; a standard of living adequate for the child's physical, mental, spiritual, moral and social development with parents having the primary responsibility for care and guidance; to education directed to the development of the child's personality, talents and mental and physical abilities to their fullest potential; to rest and leisure, to engage in play and recreational activities. Specifically, article 32 of the Convention on the Rights of the Child states: "States Parties recognize the right of the child to be protected from economic exploitation and from performing any work that is likely to be hazardous or to interfere with the child's education, or to be harmful to the child's health or physical, mental, spiritual, moral or social development, to be protected against all forms of exploitation prejudicial to any aspects of the child's welfare" (UN 1989). In Caribbean countries the child labour rate fluctuates between 0.7 percent in Trinidad and Tobago and 16.4 percent in Guyana – the only country above LAC average (11 percent).

The recommendations to improve policies and programmes against child labour include to strengthen social assistance (e.g. food stamp programmes) to parents and community-based multidimensional support (education, counselling, training etc.), promote return to school and remedial education, apprenticeship, legislation against the presence of children in bars and clubs, awareness-raising campaigns, immunisation (Cooke 2002).

Indigenous and Maroon peoples

Defining indigenous people as people born or descended from the original inhabitants of the territory, the indigenous population of CARICOM is about 142,399 persons. The

largest numbers of indigenous peoples are in Guyana, Belize and Suriname. The Belize numbers include Mayans who have migrated from other Mesoamerican countries and the Garifuna, who comprise 32 percent of the total, are descendants of Black Carib from St Vincent and the Grenadines who were deported by the British to Roatan, Honduras, in the late 19th century. In St Vincent and the Grenadines, the indigenous people are Black Caribs or Garifuna, descendants of Caribs and African slaves. In Guyana and the other Caribbean countries, the indigenous peoples are Amerindians. In Guyana, 11 to 25 percent of indigenous people live in the hinterland where they are the most populous ethnic group with a 42 to 89 percent population share in the various administrative districts. Maroons numbered 117,567 persons (21.7 percent of total population) in Suriname in 2012. No reliable estimates were found of the Maroon population in Jamaica but they are unlikely to exceed 10,000 persons. Multiple deprivations are high in Indigenous communities, ranging from limited health care, to poor quality educational facilities. Issues of access to land and land rights are some of the persistent challenges faced by indigenous people in countries such as Guyana and Suriname, notwithstanding some progress in the case of the former on land tenure.

Conclusions

We have observed that often vulnerability is the product of the lack of or limited capabilities to deal with overlapping risk factors – at the same time or over the life cycle – and that such risk factors are to different degrees concentrated into specific groups or behaviours. In addition, as risk factors are to some extent intertwined, a certain overlaying of different vulnerable groups can occur.

Vulnerabilities at the individual level and at the country level interact and are mutually reinforcing. For instance, the disabled and the elderly can be more vulnerable than other groups to natural hazards because of impaired mobility. Groups that are most at risk of poverty and unemployment are also likely to be more vulnerable to external economic shocks and experience most acutely the impact of a disaster. External

shocks can also affect vulnerable groups overall due to shrinking public budgets and reduced social services. This implies that vulnerability must be addressed at different levels at the same time. This would suggest the implementation of measures at the country level for mitigating the impacts of natural hazards, increasing the resilience of ecosystems on which livelihoods depend, improve the fiscal policies and widen space, promoting employment-intensive economic growth and reducing poverty.

The main recommendations to improve social protection and safety nets in the Caribbean are the following: (i) harmonise social protection systems across the region to attend migrant workers; (ii) reduce the plethora of programmes and implementing agencies through consolidation and better coordination; (iii) strengthen human capital interventions moving from social assistance to social development (e.g. associating unemployment benefits or social assistance/safety nets to improvements in education and skills, and broadening the adoption of conditionalities in health and education); (iv) foster integrated and intersectoral programmes focussing on households rather than individuals; (v) improving data collection and use for programme design together with monitoring and evaluation – M&E; (vi) increase partnerships with civil society and the private sector (including for the detection of labour market demands); (vii) improve responsiveness to environmental and economic shocks moving from a reactive to a proactive/preventive approach; (ix) gradually extend coverage; and (x) improve (or, in some cases, create) the legislative framework of social assistance (Barrientos, 2004, Williams et al., 2013, Morlachetti, 2015).

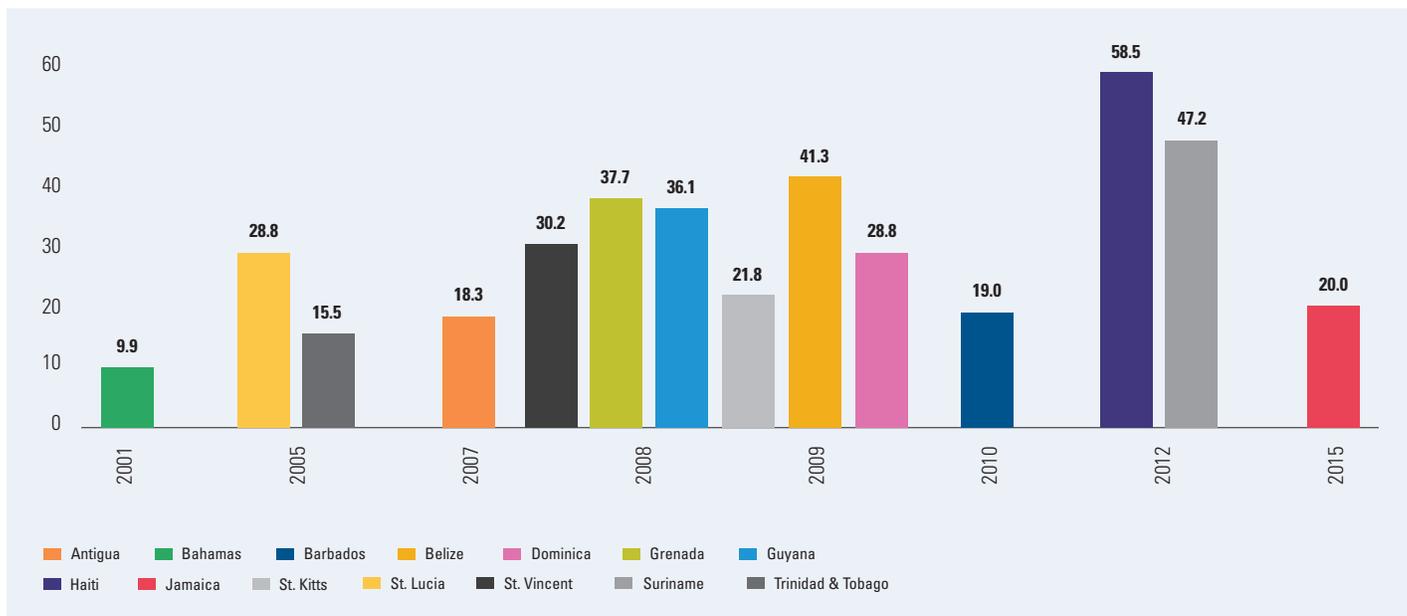
Chapter 3 – Persistent poverty and inequality influence human vulnerabilities and affect multidimensional progress

Understanding the linkage and nature of vulnerabilities at the state, household, and individual levels and how they determine deprivation, social exclusion and hard inequalities in the Caribbean is fundamental to the formulation of targeted evidence based policies

This suggests the implementation of measures at the country level for mitigating the impacts of natural hazards, increasing the resilience of ecosystems which livelihoods depend on, improve the fiscal policies and widen fiscal space, promoting employment-intensive economic growth and reducing poverty.

FIGURE 8

Percentage of population poor



Source: Caribbean Development Bank (2016)

Key multidimensional priorities include reducing the debt burden, building resilience to shocks at all levels and addressing significant challenges in youth employment.

and interventions to help the region achieve the ambitious and universal targets of the new Agenda 2030. The 2014 *Human Development Report* indicates that poverty and vulnerability are linked, multidimensional and, at times, mutually reinforcing. But they are not synonymous. The poor are inherently vulnerable because they lack sufficient core capabilities to exercise their full agency.

For most CARICOM economies, the obstacles to multidimensional progress are deeply structural and linked to an extremely high debt burden, vulnerabilities to natural disasters and the additional costs of Small Island Developing States – high costs for food imports and high costs for energy. Therefore, key multidimensional priorities include reducing the debt burden, building resilience to shocks at all levels and addressing significant challenges in youth employment, and social inclusion of vulnerable groups.

Poverty indicators for Caribbean Community countries are not current. Figure 8 shows high levels of poverty for the most recent years, based on estimates compiled for 13 countries. The population weighted average poverty rate is 43.7 percent for CARICOM.

Poverty rates in CARICOM exceed those in Latin America and the Caribbean as a whole and are also higher than those in countries classified as low and middle income countries by international agencies. Haiti, because of its high share in the CARICOM population and its poverty rate being much higher than those of the other countries, elevates the average for the region. If Haiti is excluded from the calculation the average poverty rate becomes 24 percent. There has been a reduction in poverty in 6 countries and worsening of poverty in 5. It is possible that countries experiencing economic growth recovery in 2011-2015 may have recovered from any slippage in their poverty rates or may have prevented slippage while those with negative or no growth would have experienced some deterioration.

There is also a problem of indigence, i.e. extreme poverty, where indigence is defined as an individual's incapacity to afford the basic food basket. The percentage of population estimated to be indigent is as high as 23.8 percent in Haiti, 18.6 percent in Guyana, 17 percent in St. Kitts and Nevis and 15.8 percent in Belize. The estimate is 9.1 percent for Barbados in 2001. In the other countries the range is between 1.2

percent and 3.7 percent. Indigence rates decreased in several countries, namely Dominica, Grenada, Guyana, Haiti and St Vincent and the Grenadines but increased in Belize and St Kitts and Nevis.

There is a two-way connection between poverty and economic growth. “Poverty has multiple effects on economic growth. They include levels and standards of consumption inadequate for nutritional and physical health, for safe and healthy living, for accumulation of knowledge and skills, for child care and protection and for advancement of the welfare of future generations. Furthermore, when poverty causes health problems and energy deficiency, it may contribute to irregular work and limited capacity for extended periods of work. Deficiencies in levels of education and training (resulting from nutrition induced) differences in cognitive capacity directly constrain productivity. In these various ways, human poverty may cause under-achievement of productivity and economic growth.” (Bourne, 2009).

Beyond income: lives in poverty and transitions in and out of poverty

In the absence of data on incomes across most Caribbean countries, information from censuses conducted between 2010 and 2012 – which record household assets – has been used in this Report in order to profile living standards and categorize the population into three socio-economic groups: poor, vulnerable and middle class.

Regarding the first group, statistical analysis identified many factors which increase the chances of being poor. They include no access to public water sources, overcrowded dwellings, poor housing quality, household demographic variables e.g. size of household and age distribution, household unemployment rate, educational assistance from friends and relatives, and residence in urban or non-urban districts.

When it comes to vulnerable households, they are distinguishable from poor households by receipt of remittances from abroad, health insurance, receipt of pensions and dwellings with more rooms. The heads of vulnerable households are likely to be self-employed, work in technical and associated professions

and have secondary and tertiary education. Vulnerable households also tend to have more children aged 6–17, more adult members and more elderly female members. Relative to the middle class, vulnerable households have a disabled member, poorer living standards, more unemployed members and more children aged 1-17 years.

Middle class households are categorized by receipt of remittances from abroad, health insurance and pensions. They have better living standards, more rooms in their dwellings and more household members in decent work. The heads of households are either self-employed or in technical and associated professions and to have acquired secondary and tertiary education.

The odds of being in one of the three categories are profiled for Antigua and Barbuda, Belize, St. Kitts and Nevis, St. Vincent and the Grenadines and Trinidad and Tobago.

Drivers of economic mobility – case study of Jamaica

Data from *Surveys of Living Conditions* in Jamaica allow some conclusions about the transitions of households from their initial economic class measured by consumption equivalences. Focusing on movement in the 2009-2010 period, transition matrices computed by UNDP – see table 1 – reveal that for every 100 poor households defined as living on less than \$4 per day, 35 percent moved up to the vulnerable class (\$4-\$10 per day) and 3 percent to the middle class (\$11-\$50 per day). For every 100 vulnerable households, 15 percent moved into the middle class while 19 percent slipped into the poor class. For every 100 middle class households, 35 percent slipped into the vulnerable class and 2.2 percent into the poor class. Overall, individual patterns of change in income over the period 2009 to 2010 – see table 2 – suggest that approximately 15 percent of the population experienced an improved economic situation that allowed them to move into a higher income group; for example from poverty to economic vulnerability or from vulnerability to middle class. It is worrisome that 20 percent of the population experienced downward mobility, for example

TABLE 1

Jamaica mobility matrix 2009 – 2010 (raw percentage of households)

| | Poor | Vulnerable | Middle class | Total |
|---------------------------------|-------------|-------------|--------------|------------|
| Poor (< \$4/day) | 62.8 | 34.6 | 2.7 | 100 |
| Vulnerable (\$4 - 10) | 18.9 | 66.0 | 15.1 | 100 |
| Middle class (\$10 - 50) | 2.2 | 34.7 | 63.1 | 100 |
| All | 23.3 | 50.3 | 26.4 | 100 |

Source: UNDP calculations based on *Jamaica Survey of Living Conditions 2009–2010*.

TABLE 2

Jamaica mobility matrix 2009 – 2010 (percentage of households)

| | Poor | Vulnerable | Middle class | Total |
|---------------------------------|-------------|-------------|--------------|--------------|
| Poor (< \$4/day) | 13.3 | 7.3 | 0.6 | 21.1 |
| Vulnerable (\$4 - 10) | 9.4 | 32.9 | 7.5 | 49.9 |
| Middle class (\$10 - 50) | 0.6 | 10.1 | 18.3 | 29.9 |
| All | 23.2 | 50.3 | 26.4 | 100.0 |

Source: UNDP calculations based on *Jamaica Survey of Living Conditions 2009–2010*.

from middle class to economic vulnerability or from vulnerability to income poverty. These findings, admittedly only for one country, are strongly suggestive of the tenuousness of the economic reality of many Caribbean households.

Data constraints from the household surveys did not allow replication of this analysis. The exercise was nonetheless further developed for 18 Latin American countries, in the 2016 *Regional Human Development Report for Latin America and the Caribbean*.

For these 18 countries, individual patterns of change in income over the period 2003 to 2013 suggest that between 49.6 and 65.4 percent of the region's population experienced upward mobility, whereas downward mobility just affected 0.5 to 3.6 percent of the population.

Therefore, despite differences in terms of mobility, findings from transition analysis in Jamaica are consistent with those carried out in 18 countries in Latin America.

The data contained in the household surveys facilitate the tracking of transitions between

different socio-economic classes as well as a deeper analysis of the factors associated with these transitions. A key finding, both for Latin American countries as well as for Jamaica, is that the factors associated with people escaping poverty are not the same as those associated with people's resilience to adverse economic, personal and environmental events.

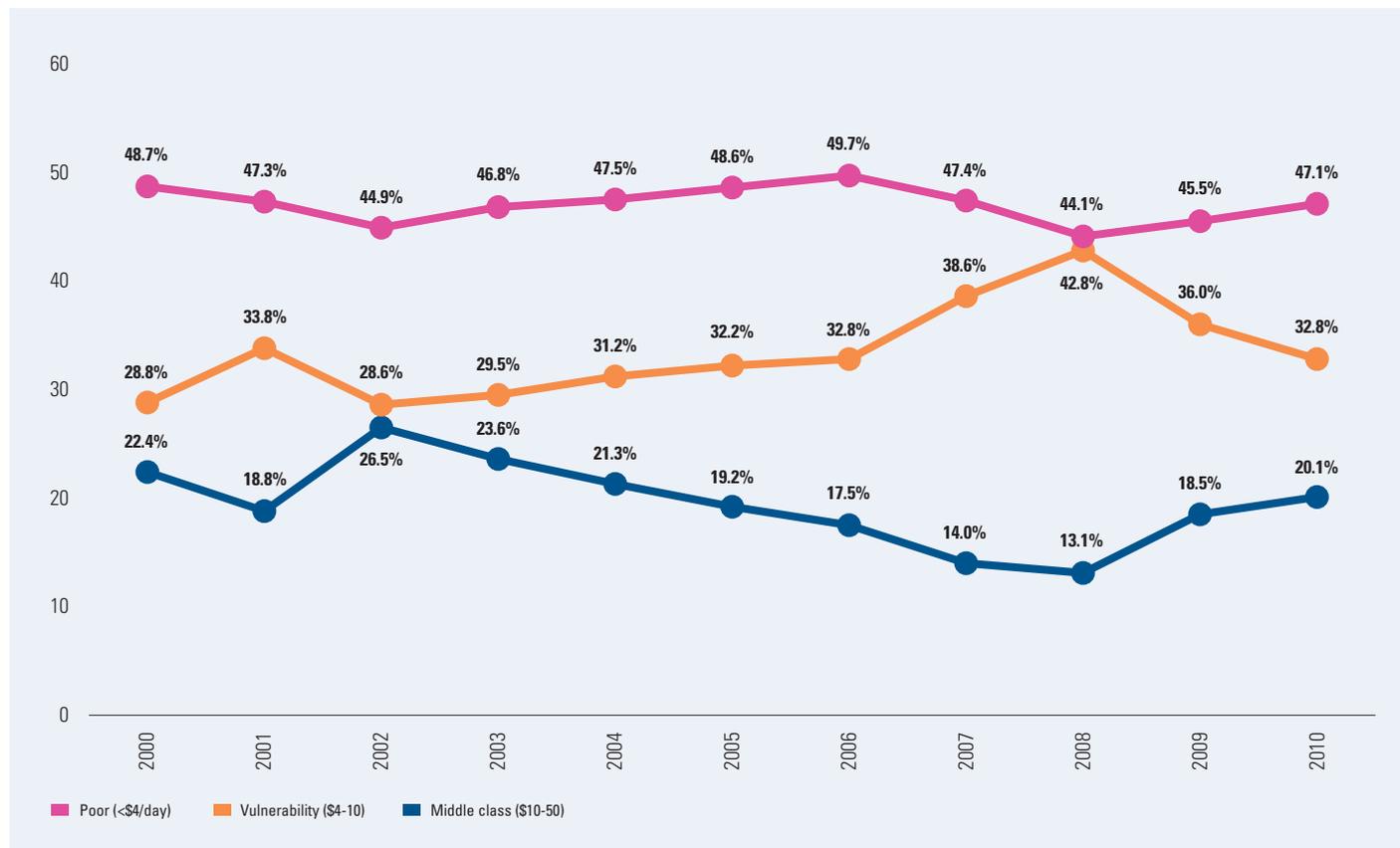
The data collected for both 2002-2003 and 2009-2010 in Jamaica suggest that social protection significantly reduces the probability of downward mobility, while demographics, geography and the ownership of assets significantly increases the probability of upward mobility.

Income inequality

Data inadequacies are considerable obstacles to the measurement of progress and the formulation of appropriate public policies. Gini coefficient values, which extend from 0.0 (perfect equality) to 1.0 (perfect inequality) are available for the 1996- 2015 period variously

FIGURE 9

Households transitioning in and out of poverty, vulnerability and middle class in Jamaica during the period 2000-2010



Source: Benfield, et al. (2016). Authors' calculations based on Jamaica Survey of Living Conditions 2000-2010.

for the Caribbean Community member states. They show high degrees of income inequality in the Caribbean. The degree of inequality is highest in Haiti, The Bahamas, Antigua and Barbuda and Barbados where the Gini coefficient is between 0.47 and 0.61, but inequality is still high in the other countries, considering that their Gini coefficient varies between the 0.35 – 0.45 range. Inequality has tended to diminish in Belize, Grenada, Guyana, Jamaica, St Kitts and Nevis, St Lucia and St Vincent and the Grenadines, but has tended to increase in Barbados and Dominica.

Labour and employment

Between 2011 and 2013, female labour force participation rates stayed at 40.5 to 69 percent, depending on the country, while they varied

between 69 and 82 percent for men. However, the countries have not succeeded in restoring proportionate levels of employment achieved immediately prior to the onset of the global economic crisis in 2008. The unemployment data, though patchy, is indicative of substantial unemployment in 2015. Unemployment rates were 13.4 percent in The Bahamas, 12 percent in Barbados, 10.2 percent in Belize, 13.1 percent in Jamaica, and an astounding 25 percent in St. Lucia. Trinidad and Tobago is a strong exception in the region with a low unemployment rate of 3.2 percent.

Employment growth is conditional upon economic growth while of course contributing to it. The downturn in Caribbean economic growth is likely to have been a principal explanation of weak employment outcomes and poor job prospects. Resuscitation of the economies would be expected to generate a return

In the Caribbean as a whole, only one in four children achieve the minimum standard of five passes in the Caribbean Examination Council's lower secondary examinations.

to higher levels of employment and reduction of the unemployment rate. Employment prospects could also be improved by productivity gains provided they are not offset by increases in wage rates and compensation to management and other higher level staff or consumed by dividends. If productivity gains translate into investments in improved technology, greater utilization of capital goods, enhanced skills development, research and development of new products and organizational changes, the initial productivity gains could lead to greater demand for labour (Downes, 2014).

Education

CARICOM countries have made much progress in terms of gross enrolment rates for pre-school and primary education. Nonetheless, there are concerns about under-provision of early childhood education, especially in rural areas, and about the quality of the provision in situations where private suppliers are predominant, teacher training is often lacking and there is a blurring of the lines between early childhood education and child care among the providers. In primary education, enrolment rates have a limited role as performance indicators because they do not approximate school attendance rates, especially in rural and remote areas where is often a choice made between school and economic work in household enterprises at times in the agricultural production cycle, and also in economically depressed urban communities where poverty might militate against the ability of parents to send their children to school on a sufficiently regular basis.

Educational outcomes are less uniform for secondary education where gross enrolment rates increased in Barbados, St Kitts and Nevis, Belize, Guyana and Suriname; remained unchanged in Grenada and Antigua and Barbuda; and fell in Bahamas, Dominica, Jamaica, St Lucia and Trinidad and Tobago. While gross secondary enrolment rates are indicative of educational progress in most of the Caribbean, there are challenges in relation to secondary school throughput. Secondary completion rates in 2013 are lower than those achieved in 2009. For the Caribbean as a whole, only one in four children achieve the minimum standard

of five passes in the Caribbean Examination Council's lower secondary examinations. Pass rates for mathematics have been low (37 percent) over the 2005-2013 period; similarly for English, the pass rate for which is 59 percent.

Dropout rates are estimated to be 2 percent in most countries, except in St Vincent and the Grenadines for which the estimate is 15 to 20 percent. High absenteeism from examinations (30 percent or higher) has been reported for several subjects. The problems of school dropouts and absenteeism are not unconnected to household poverty, household dwellings and neighbourhoods which are un conducive to study and good prospects of successful examination performance, quality of schools, adolescent pregnancy, gang violence and peer pressure.

Although there has been an expansion in technical and vocational education in the Caribbean, this is still an underdeveloped sub-sector. This might be attributable to its treatment as a second-tier choice for the less academically gifted (Jules, 2011), with the associated undervaluing of its importance as a provider of technical skills much needed by the Caribbean.

Caribbean countries need several qualitative changes in their tertiary education system to situate them better in the global society and economy and to advance their own social and economic progress. The balance of student enrolment between science and technology and the other disciplines needs to shift decisively in favour of the former. All graduates need to know more about their region, hemisphere and the rest of the world, and should be fluent in a foreign language.

Health

The Caribbean has made considerable but variable progress in relation to the health status of its population. World Health Organization – WHO – World Health Statistics 2015 showed the rate of achievement in relation to some of the targets set in the Millennium Development Goals 1990–2015. For instance, with respect to mortality for which the MDG target is a two-third reduction, some Caribbean countries achieved reductions of 32 to 57 percent

With respect to mortality for which the MDG target is a two third reduction, some Caribbean countries achieved reductions of 32 to 57 percent between 1990 and 2013.

between 1990 and 2013, while others were well below these rates and in the case of Guyana deteriorated. With respect to child mortality, where the MDG target was also two third reduction, Caribbean achievement rates ranged between 24 to 58 percent, except in Antigua and Barbuda (65 percent) and St. Kitts and Nevis (66 percent). Overall there is still much room for improvement in the health status of Caribbean peoples.

Non-communicable diseases are a major problem. The latest available set of statistics are for 2012, taken from WHO Health Statistics 2015. They show mortality rates measured in number of persons inflicted per 1000 inhabitants. The lowest rates in the Caribbean are in Suriname with 375, Barbados 404, and Belize 471. Jamaica's mortality rate is 519, Trinidad and Tobago 705, Haiti 725 and Guyana 1024. The Caribbean mortality rates are generally above the average for low middle income countries and upper middle income countries. The latest available statistics for cardiovascular diseases and diabetes show high mortality rates for these specific non-communicable diseases in 2008. Hypertension is present in 25 to 26 percent of men and 15 to 22 percent of women in the Caribbean.

The loss of life to communicable diseases in the Caribbean exceeds mortality rates in upper middle income countries, sometimes by a large margin. In Guyana and Haiti, the mortality rates are as high as 177 and 405 respectively. For Belize, Jamaica, Suriname and Trinidad and Tobago, the range is 80 to 105.

In 2014 there were 280, 000 persons living with HIV in the Caribbean according to UNAIDS Fact Sheet 2015. New HIV infection declined by 50 percent between 2000 and 2014. An estimated 8, 800 died from AIDS-related causes in 2014. HIV prevalence in the population aged 15-49 years in 2014 ranged between 1.0 to 1.9 percent for the five countries which reported, namely Belize 1.2 percent (2,105 persons), Guyana 1.8 percent (13,240 persons), Haiti 1.9 percent (189,937 persons), Jamaica 1.6 percent (44,784 persons) and Suriname 1 percent (5,382 persons). Fifty percent of diagnosed HIV cases are among women. Youth infection rates seem to be higher among females than among males (PAHO, 2013). Caribbean countries have in place

several programmes and policies to reduce the incidence of HIV and to assist persons suffering from HIV.

Conclusions

The Member States of CARICOM are part of the 193 governments committed to the SDG 2030 Agenda, which is consistent with their own earlier, independent signaling of a multidimensional approach to development policy in the region.

The connections between economic growth, income inequality and poverty are not unidirectional or separable, thus making it advisable to treat them collectively and to assess progress in any one component not in isolation but as an element in a matrix of challenges and possibilities. This is particularly sensible because of the multiple dimensions or faces of poverty identified in the chapter.

The Caribbean has made substantial progress in many areas, especially education and health, but there are old and new challenges in relation to many of them which need to be addressed if human vulnerability is to be substantially lessened: in the education sector, they include under-provision and quality issues in early childhood education, attendance rates in primary schools, under-performance and drop outs in secondary schools, low enrolments in technical and vocational education, and curriculum relevance and balance between disciplines in tertiary education; with respect to the health sector, further advances need to be made with infant, child and maternal mortality, communicable and non-communicable diseases, obesity in adults and children, neuropsychiatric illnesses and adolescent fertility.

Unemployment remains a major problem because of the high rate of unemployment among adult males and much higher rates among women and youth. The consequences to individuals, households and communities in monetary terms as well as in terms of self-esteem, feelings of exclusion, powerlessness, alienation, emigration, and involvement in criminal activities are serious. In addition, there are gender inequality issues in the labour markets and in business.

The connections between economic growth, income inequality and poverty are not unidirectional or separable, thus making it advisable to treat them integrally and to assess progress in any one component not in isolation but as an element in a matrix of challenges and possibilities. This is particularly sensible because of the multiple dimensions or faces of poverty identified in the chapter.

Chapter 4 – Economic transformation, environmentally sustainable growth and role in multidimensional progress

Caribbean economic growth has not been inclusive. Many disparities and vulnerabilities are evident in the assessment of poverty, inequality and multidimensional progress. A fundamentally new approach to economic growth focused on human progress is needed. The new economic growth perspective must have inclusivity as a central strategic element and cannot be at the detriment of the environment. The new growth paradigm should give prominence to the knowledge that economic growth is enhanced by multidimensional progress, while not ignoring the important role of growth in enabling multidimensional progress if it is inclusive, pro-poor and environmentally sustainable. In this Report, multidimensional progress is defined as a space for development regulated by certain limits: nothing that diminishes the rights of people and communities or jeopardizes the environmental sustainability of the planet can be regarded as progress. Multidimensional progress fosters faster, more stable and inclusive economic growth which, synchronously, enables multidimensional progress.

Over the past 25 years, new additions to the set of human development indicators have made

it possible to reorient the development agenda, moving from the idea of economic growth as an aim in itself to the concept of human development. This concept, which forms the foundations of this Report, is framed by existing agreements within the United Nations system; namely, the Universal Declaration of Human Rights of the United Nations (1948), the International Convention on the Elimination of All Forms of Racial Discrimination (1965), the Declaration on the Rights of Indigenous Peoples (2007), the Beijing Declaration and Platform for Action (1995), the 2030 Agenda for Sustainable Development (2015), and the Paris Climate Change Conference (2015).

On the basis of quantitative analysis using 188 countries and 21 Human Development Indicators (HDI), UNDP has found strong evidence that if the Caribbean's development was to be measured only on a per capita basis the region's development challenges and needs will go unrecognized because the region performs well on many of the 21 HDI. Yet, we have also seen from the discussion in previous chapters, there is increasing levels of income and non-income poverty, high levels of state, household and individual vulnerability and acute issues in health, education and labour particularly with regards to high rates of unemployment especially amount the youth. Figure 10 confirms that social, economic and environmental progress

Source: Prepared by the authors based on data from the Human Development Report Office of the United Nations Development Programme (UNDP) and the World Bank's World Development Indicators (WDI) database. **Note:** The indicators outside the circle are those that have shown better than expected development according to gross per capita income for the region, while the indicators situated inside the circle are those that have shown poorer performance than expected. The results shown in the figure on the Caribbean should be interpreted in the context of a world comparison. In other words, the data is obtained from a regression based on information on 188 countries in which the dependent variable is the value observed for each of the 21 indicators taken into consideration, and is explained by the logarithm of gross national income per capita. Based on the coefficient obtained from each regression, an expected value is calculated for each of the 21 indicators for each country. The difference between the values observed and those expected is then standardized based on the standard deviation of the observed value for each indicator. The exercise follows the method employed by the Organization for Economic Cooperation and Development (OECD) in their series of country diagnostic studies entitled *Development Pathways*. The aggregate for the Caribbean is the weighted average per population of the values of each of the indicators for the 12 countries for which information was available: Antigua and Barbuda, The Bahamas, Barbados, Belize, Dominica, Guyana, Haiti, Jamaica, Saint Lucia, St Vincent and the Grenadines, Suriname, and Trinidad and Tobago. Different countries were taken into account for each of the indicators considered. For indicators on life expectancy, infant mortality, average years of education, CO₂ emissions, rural electrification, teenage pregnancy, and homicide rates, all countries were included. For the maternal mortality indicator, Antigua and Barbuda, and Dominica were excluded. In the case of the indicator for child malnutrition, The Bahamas, Barbados, Antigua and Barbuda, Saint Lucia and Dominica were excluded. For education indicators (dropout rates, pupil-teacher ratio, gross enrolment in secondary school education), Haiti was excluded. For the indicator related to the depletion of natural resources, Antigua and Barbuda was excluded. The improved water resources indicator excludes Dominica. For the indicator on improved sanitation, Antigua and Barbuda was excluded, along with Dominica, St Vincent and the Grenadines. In the case of labour participation rates (total and female), Antigua and Barbuda, and Dominica were excluded. In the case of youth unemployment, Haiti was excluded. For the pension's indicator, Cuba and Suriname were excluded, and for the indicator on the percentage of parliamentary seats held by women, Dominica was excluded. The definition, year and specific source for each indicator are indicated below. The following data comes from the UNDP Human Development Report Office: gross national income per capita at 2011 prices adjusted to purchasing power parity (2014); life expectancy at birth measured in years (2014); maternal mortality measured as the number of maternal deaths registered in a year for every 100,000 births (2013); child malnutrition, which corresponds to the indicator on chronic malnutrition, measured as a percentage of children aged under five with a low height-for-age (2008-2013); child mortality, measured as the number of deaths in under-fives registered in a year per 1,000 live births (2013); average schooling, measured as a mean of accumulated years of education (2014); primary school dropout rates, defined as the percentage school dropout rate for the education level in question (2008-2014); the pupil-teacher ratio in primary education, measured as the number of pupils per teacher at this education level (2008-2014); gross enrolment rates at secondary school, defined as the total enrolment corresponding to this education level, regardless of age, as a percentage of the school-age population at this education level (2008-2014); the indicator on the depletion of natural resources, measured as a proportion of gross national income (2008-2013); CO₂ emissions, measured as the volume of carbon dioxide emissions per capita in tonnes (2011); rural electrification, measured as the proportion of the rural population with an electricity supply (2012); female labour participation, measured as the proportion of the female population aged 15 years or over that is economically active (2013); youth unemployment, measured as a proportion of the workforce aged between 15 and 24 years that is unemployed (2008-2014); vulnerable employment, measured as a proportion of the people working as unpaid family workers and self-employed workers (2008-2013); homicide rate, measured as the number of homicides registered per year per 100,000 people (2008-2012); pensions indicator, measured as a percentage of legal beneficiaries of old-age pensions of an age to receive these pensions (2004-2012); teenage pregnancy, measured as the number of births registered per year per 1,000 women aged between 15 and 19 years (2010-2015); and the position of women in Parliament, measured as the proportion of parliamentary seats held by women (2014). The WDI database created by the World Bank provides data on improved sanitation and water indicators, measured as the percentage of the population with access to these services (2013).

FIGURE 10

Differences between the expected and actual social achievements observed in the Caribbean

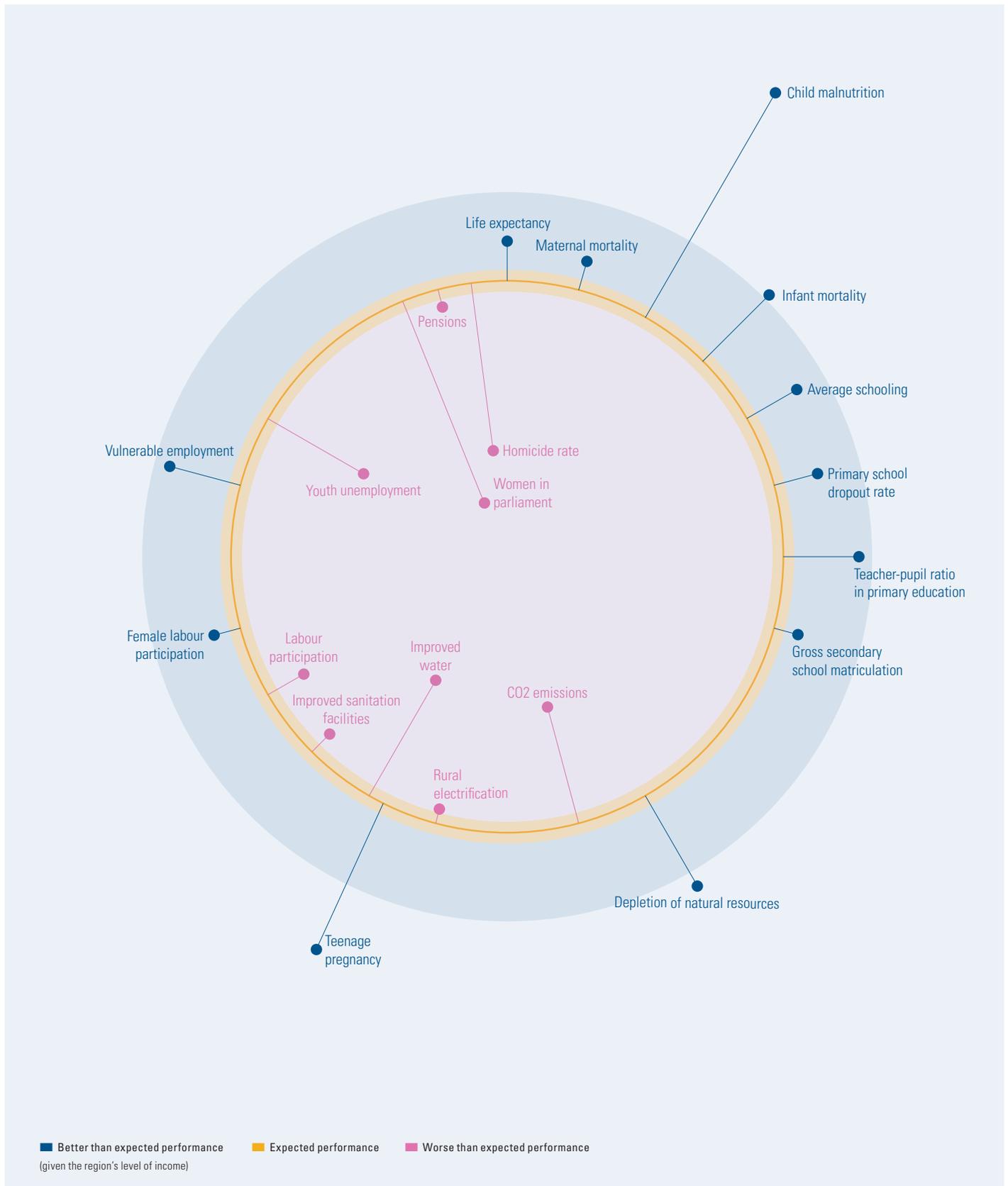
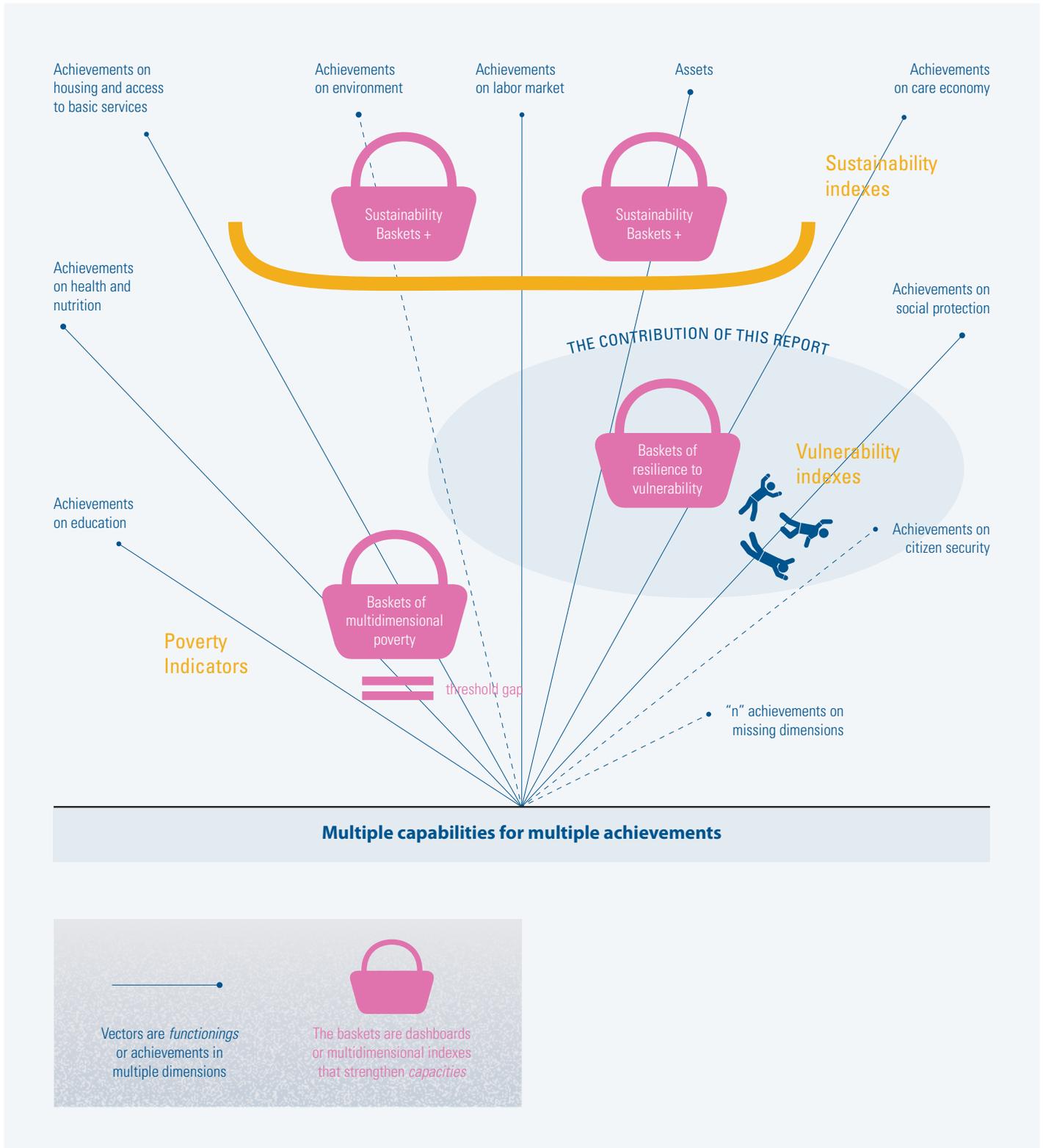


DIAGRAM 1

Multidimensional progress: poverty, vulnerability and sustainability indicators



Source: Prepared by the authors.

does not depend solely on the region's economic growth. The Caribbean has shown better performance than expected based on income levels in all of the indicators outside the circle such as maternal mortality, infant malnutrition, life expectancy, or access to basic services such as rural electricity, and improved sanitation facilities. This does not mean, however, that there are no challenges left in relation to these indicators. Based on this logic, it should be noted that although some of these indicators are inside the circle (such as teenage pregnancy and labour participation), this does not mean that no progress has been made in the region in these dimensions but rather that the current level of achievement is lower than expected based on income levels in the region. This analysis highlights the fact that greater economic growth in the Caribbean is not enough on its own to maintain the achievements of recent decades, nor to accelerate the eradication of poverty in its multiple dimensions. See annex 1 for country specific performance on a per capita basis using indicators published in the 2015 *Human Development Report*.

We consider the notion that multidimensional progress in the Caribbean cannot be measured on the basis of per capita GDP alone, as

important as GDP performance is to Caribbean at this point in time. Multidimensional progress is defined as a space for development regulated by certain limits: nothing that diminishes the rights of people and communities or jeopardizes the environmental sustainability of the planet can be regarded as progress. As has been noted, a basket of resilience indicators with factors beyond income should be considered. The UNDP Regional Human Development Report for Latin America and the Caribbean (2016) has outlined how this basket can be constructed.

Related to this critical issue of measurement of progress, is the Caribbean's inability to access much needed development financing to finance a multidimensional agenda which we argue is critical for improving inclusive economic growth in the region.

Financing multidimensional progress and inclusive growth in a constrained fiscal space

Moving forward, Caribbean governments will have to make tough decisions to be able to mobilize both domestic and international resources to finance the 2030 Agenda. The

TABLE 3

Thirteen countries be classified as upper middle or high income countries based on their GNI per capita

| Country | GNI Per Capita in US\$ millions 1 | Income category 2 |
|----------------------------------|-----------------------------------|---------------------|
| Antigua and Barbuda | 20,070 | High-income |
| The Bahamas | 21,540 | High-income |
| Barbados | 15,080 | High-income |
| Belize | 8,160 | Low-middle income |
| Dominica | 9,800 | Upper-middle income |
| Dominican Republic | 11,150 | Upper-middle income |
| Grenada | 11,120 | Upper-middle income |
| Guyana | 1,240 | Low-middle income |
| Jamaica | 8,480 | Upper-middle income |
| Saint Kitts and Nevis | 20,400 | High-income |
| Saint Lucia | 10,350 | Upper-middle income |
| Saint Vincent and the Grenadines | 10,610 | Upper-middle income |
| Trinidad and Tobago | 20,070 | High-income |

1. Source: World Bank, World Development Indicators (2014).

2. Source: SIDS Statistics, World

Slow growth of fiscal revenues relative to government expenditures has resulted in chronic current accounts deficits in most countries and unsustainably high levels of public sector debt.

discussion on fiscal space has to be set against the disparities in per capita GDP in the region.

Out of the thirteen countries in table 3, five are classified as high-income, another six are labelled as upper-middle income with only two considered low-middle income.

This has implications for Official Development Assistance (ODA) and access to concessional finance. Many low-income countries can access developmental assistance. This is not the case for most of the countries of the Caribbean whose GNI per capita acts as a barrier to access ODA.

In principle and historically, government finances have assisted economic growth through capital expenditures on social and economic infrastructure and subsidies and transfers to households and enterprises. The current situation is one of considerable cutbacks in public capital expenditures because of fiscal stringency reflected in current account deficits and high debt service obligations and accumulation of debt arrears to local businesses. Slow growth of fiscal revenues relative to government expenditures has resulted in chronic current accounts deficits in most countries and unsustainably high levels of public sector debt (Bourne, 2015, Henry and Boodhoo, 2016).

A new financing problem of a different sort has arisen in 2015 in the Caribbean. Global banks have reacted to stricter regulatory standards by treating some jurisdictions in developing countries as being too risky or costly to retain correspondent banking relationships. In the Caribbean, the problem is not limited to one or a few banks and countries. As of June 2015, according to Caribbean Corner (2015), “at least 10 banks in the region in five countries lost all or some of their correspondent banking relationships (CBRs) including two central banks.” Correspondent banking relationships so far have been integral to many kinds of cross-border international financial transactions involving Caribbean governments, businesses and individuals. Loss of correspondent banking relationships could disrupt foreign trade in goods and services including tourism, direct foreign investment, and capital transfers including migrant remittances which, as analyzed in chapter 3, is a characteristic feature of middle class households.

Domestic savings of enterprises and households are another source of finance for economic growth. Aggregate savings rates in the Caribbean are not generally low, being in excess of 15 percent of gross domestic product in Trinidad and Tobago, St Kitts and Nevis and Antigua and Barbuda, and within a range of 10-15 percent in the Bahamas, Belize, Jamaica and St Lucia. The low savings rate countries are Barbados (8 percent), Dominica (close to 0 percent), Grenada (slightly over 5 percent) and Guyana (about 7 percent). They coexist with high levels of commercial bank liquidity and unsatisfied demand for production and investment loans by business enterprises, especially small and medium size enterprises.

Foreign direct investment can contribute to economic growth by increasing the stock of productive capital, introducing new and improved technologies, establishing or developing export markets, and introducing new organizational systems within the business sector. Foreign direct investment flows to the Caribbean are considerable. Between 2008 and 2013, accumulated flows were \$25.7 billion. The annual average was \$4.3 billion. Major recipients are Trinidad and Tobago with 25 percent of the cumulative total, Bahamas 24.3 percent, Jamaica 13.5 percent and The Barbados with 10.2 percent. Foreign direct investment inflows are quite substantial relative to economic size of Caribbean countries.

Caribbean governments have also committed to improving tax revenues as a source of public financing under the Addis Ababa Agenda for Action on financing for development. This is a significant challenge for the region in the context of the very sluggish economic performance of most countries. The first is the present tax burden faced in the Caribbean, second is the issue of tax evasion, and determining the potential to raise taxes further to increase the fiscal space. Finally, an aspect of fiscal policy that needs to be addressed is the issue of fiscal incentives critical for environmentally harmful activities, such as fossil fuel subsidies.⁴

Economic growth sectors

From the turn of the 21st century to 2007 Caribbean countries enjoyed positive economic

growth. Average annual rates of growth of Real GDP were positive in all countries between 1998 and 2007, with a few countries growing at 4 percent or better. The global economic and financial crisis in 2008 abruptly changed the Caribbean growth experience from positive to negative in seven countries. For the 2008-2010 period, the services exporting countries had negative economic growth rates in the order of 1.1 percent to 5.9 percent. Positive economic growth outcomes were achieved mainly in commodity exporting countries, especially mineral exporters.

The International Monetary Fund has projected positive economic growth in all CARICOM countries except Suriname and Trinidad and Tobago in 2016. The outlook is positive for all countries in 2017. The IMF projections are conditional upon projections of international commodity prices. However, the problems of long term, sustained and inclusive economic growth in the Caribbean are deep-seated, requiring attention to the structure of the economies and international competitiveness. Laying a sound foundation for future economic growth will necessitate a combination of sector development and innovation policy, economic diversification,

attention to environmental sustainability, substantial improvements in cost efficiency in the public sector as well as in private enterprise, fiscal reform and completion of the Caribbean economic integration agenda especially with respect to the mobility of capital and labour. It must entail reversing the long term decline of exports, noting that economic growth in export propelled and import dependent economies is not feasible if the severe long term decline indicated by a fall in the ratio of exports to gross domestic product from approximately 60 percent in 1995 to slightly more than 40 percent in 2014 is not halted and reversed. Direct foreign investment will continue to be important as will official development assistance. Without strong, growing and sustainable economies, Caribbean governments, the private sector and civil society will be severely handicapped in their separate and combined efforts to achieve multidimensional progress.

This Report examines four sectors where the Caribbean does have some competitive advantages and in which growth should be combined with longer term environmental sustainability: *tourism; cultural services; agriculture and forestry; and blue economy. Information and communication technology*

FIGURE 11

Percentage average annual real GDP growth 2011-2015



Source: Prepared by the authors and computed on bases of data in Table A. 4, *IMF World Economic Outlook*, April 2006, International Monetary Fund.

FIGURE 12

Economic growth enablers



Source: Prepared by the authors and computed on bases of data in Table A. 4, *IMF World Economic Outlook*, April 2006, International Monetary Fund.

Because of their small economic size and high economic openness, the chances of Caribbean countries strongly revitalizing their economies and sustaining inclusive economic growth will rest heavily on success in substantially improving international competitiveness.

is viewed both as enabler of economic growth and as economic sector.

Because of their small economic size and high economic openness, the chances of Caribbean countries strongly revitalizing their economies and sustaining inclusive economic growth will rest heavily on success in substantially improving international competitiveness. The four countries ranked in the Global Competitiveness Report 2015-2016 are all below the median of the distribution of the 140 countries ranked. Jamaica is ranked the highest with a rank of 86, followed by Trinidad and Tobago with 89, Guyana with 121 and Haiti with 134. Their low overall rankings correlate with the rankings they obtained on institutional quality, macroeconomic environment, infrastructure, labour market efficiency and goods market efficiency.

Economic growth enablers

1990 *Human Development Report* already advanced that people are the real wealth of a nation. Economic growth is enabled by people in addition to several other factors, some of which have been identified in the 2030 Agenda, such as the environment, affordable energy, institutional efficiency, non-human resources, social stability and security, and the availability of financial resources, as shown in Figure 12. Each of these enablers is related to the notion of multidimensional progress. Some of the enablers of economic growth are discussed selectively in this chapter in order to clarify and emphasize the importance of policies aimed directly and with priority at multidimensional progress for achievement of sustainable economic growth.

Conclusion

A fundamentally new approach to Caribbean economic growth focused on human development and environmental sustainability is needed. Prominence must be given to the role of multidimensional progress in enhancing economic growth while not ignoring the role of economic growth in facilitating multidimensional progress. Issues affecting human progress should be treated as central and priority elements in comprehensive growth and development strategies. Similarly, the longer term viability of economic sectors should be ensured through the adoption of more sustainable production and consumption patterns.

Recovery from the loss of economic growth in 2008-2010 has been mild, not uniform and uncertain among Caribbean countries. Problems of long term, sustained economic growth are deep seated and require attention. Without strong and growing economies, governments, the private sector and civil society will be handicapped in their efforts at achieving multidimensional progress. It is necessary to lay a sound foundation for future growth through development and innovation in economic sectors, economic diversification, improvements in cost efficiency and in international competitiveness, fiscal reforms and completion of the Caribbean economic integration agenda. Tourism, agriculture, utilization of the region's exclusive economic zone, fisheries, mining and cultural industries could all be incorporated into strategic policies and actions for multi-dimensional progress. The "Blue Economy" broadly defined as *"A sustainable ocean economy emerges when economic activity is in balance with the long-term capacity of ocean ecosystems to support this activity and remain resilient and healthy"* (The Economist, 2015) is an area of economic possibility that has already delivered many economic benefits to the region. However, there are many environmental threats which need to be considered and managed in the further pursuit of economic opportunities in this area.

Caribbean economic growth is enabled by people in addition to several other factors, such as the environment, affordable energy, institutional efficiency, social stability and security availability of finance and support for

entrepreneurship including small and medium enterprise development. The contribution of people to economic growth is effectuated directly through the amount of quality labour, regularity and dependability of labour supply and productivity. Labour force participation rates are influenced by labour market experiences such as job loss and duration of unemployment, gender norms and practices, adolescent pregnancy, labour force exclusion or restricted employment opportunities for particular groups like elderly persons and persons with disabilities, education and training and health. The quality of labour is determined by education and training as well as work experience.

There are gaps between education and skill levels of the Caribbean work force and requirements of the jobs as employers perceive them. The gaps might be signaling limitations on both supply and demand sides of the labour market. Regularity and dependability of labour supply are influenced by worker health, economic and social infrastructure including transport, water and electricity. Institutions, namely, laws, regulations and trade unionism, have overarching influence.

The impact of natural hazards on people and their livelihoods, on productive capital, and on social and economic infrastructure is costly in terms of economic growth sacrificed. Recent studies have estimated 0.5-1 percent loss of GDP from moderate storms and 1 percent losses from hurricanes. Sea level rise and climate change could also have severe adverse consequence on people and economies if adaptation policies and programmes are not put into effect.

Chapter 5 – Charting a course: multidimensional policy solutions towards multidimensional progress

This Report would only be meaningful to policy makers and development practitioners when full account is taken of how Caribbean people define progress. For it is the juxtaposition of what is needed by the citizens of the Caribbean Community with the current policies and programmes of the governments, that truly reveal whether or not "progress" is being achieved.

It is the juxtaposition of what is needed by the citizens of the Caribbean Community with the current policies and programmes of the governments, that truly reveal whether or not "progress" is being achieved.

FIGURE 13

Summary of Caribbean people’s perception of progress



Source: Prepared by the authors.

In this regard, UNDP conducted focus group discussions with nine countries in the region to get a more nuanced assessment of the region’s progress and the aspirations of its people.

In general, Caribbean peoples defined *progress* as an intended outcome mainly achieved as a result of a deliberate, strategically applied, but often lengthy and incremental process. Desire and motivation for development were identified as catalytic and enabling determinants. For many, progress also means the *process*, hence could be described both as journey and destination: continuity in building, making changes and transitioning, with an eventual “*stepping up in a positive way*”. Applied at personal and familial levels, it spoke of success, self-development and the efforts, especially relative to what was tangible. In this respect, progress was more evident using intergenerational lens. Whatever one’s social or economic status, progress described improvement, resulting in more *after* than there was *before*. Only rarely did progress “just happen”, and if it did, such an event would be due to e.g. inheriting money, winning a lottery, marrying a wealthy person, examples which suggested the importance of money. Regardless of genesis, personal or familial progress were unlikely to be reversed if attained successfully.

There was no disputing the importance of money to people’s lives, but it was its management that was highlighted as really what defines progress. And prudent management was also expected at national level, in order to effect progress. For

example, the non-poor from Barbados and Jamaica tended firstly to define progress based on what their country had achieved historically, with some reference to the economic climate that might have facilitated such development.

Regardless of where they were from or their economic status, Figure 13 shows that Caribbean people’s lists invariably included the importance of “education” as a change-agent – its access, affordability, and meaning. Other key indicators included: housing and its utilities; employment and income opportunities and the meaning of livelihoods; economic conditions; physical infrastructural works and the varying impacts of health facilities, roads, transportation; and information, communication and technology (ICT).

Against this backdrop, three broad sets of possible *policy baskets* are examined for Caribbean governments to further align the ambition of progress as defined by Caribbean peoples and the empirical findings of this Report:

1. Broaden and deepen advances made in human and social development with a focus on the most vulnerable (social policies);
2. Unlock inclusive growth potential of the Caribbean by removing persistent structural barriers (growth sectors and growth enablers);
3. Fast-track efforts to achieve environmental sustainability and resilience (risk informed development planning, monitoring and evaluation);

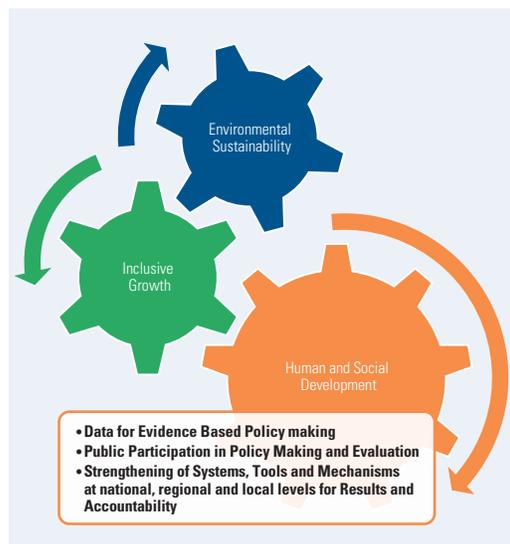
Underlying these policy baskets are **prerequisite enabling actions** which are critical to improving the quality of policy governance, and more efficacious public policy making:

1. Improving the availability, quality and use of data for evidence based policy making;
2. Improving public participation in policy making and evaluation processes, especially the voice of the most vulnerable and excluded;
3. Strengthening of systems, tools (including technology) and processes of national, municipal and local level institutions of the state and civil society for proactive development planning, implementation, monitoring and evaluation;

These three enabling actions and the three policy baskets form part of a holistic agenda and care should be considered to avoid ‘cherry picking’.

These policy baskets are not predetermined. There is much room to add and remove elements. They are also not meant to

FIGURE 14
Framework for Policy Planning and Approach



Source: Prepared by the authors.

be prescriptive, and certainly do not aim at addressing all of the dimensions of a complex economic, social, political, environmental and

FIGURE 15
Policy baskets for advancing multidimensional progress in Caribbean

| Resilience Basket 1- Policy Approaches for reducing Human Vulnerability | Resilience Basket 2- Policy Approaches for removing structural barriers to Inclusive Growth | Resilience Basket 3- Policy Approaches for building Environmental Sustainability |
|---|--|---|
| <ul style="list-style-type: none"> • Policy Objectives: • Increase opportunities for decent and productive employment • More strategic approach to youth empowerment and promote holistic development • Improving resilience of women • Improve social protection, care and supportive environment for the elderly • Invest in an enabling environment for persons with disabilities • Protect the rights of children especially those in high-risk and vulnerable circumstances • Build economic resilience and improve social services for indigenous peoples and Maroons • Ensure access to assets, health insurance, systems of care and family planning services • Strengthen social protection policies and improve targetting of the most vulnerable groups • Ensure access to safe drinking water for all | <ul style="list-style-type: none"> • Policy Objectives • Develop national energy diversification strategies • Strengthen fiscal management • Close Tax loopholes • Develop Strategic international partnerships on financing for development • Reassert Caribbean leadership on global development issues | <ul style="list-style-type: none"> • Policy Objectives: • Strengthen planning frameworks by including strong emphasis on risk management • Intensify focus on climate change mitigations and adaptation • Transition to green economy models • Improve environmental stewardship, management and conservation |

Source: Prepared by the authors.

cultural context in the Caribbean. They are identified based on the foregoing analysis and aimed only at identifying some entry points around how to help the region to further advance on a very challenging and demanding 2030 Agenda.

UNDP also recognizes that the Caribbean continues to face some serious obstacles to efficacious policy making in three critical areas: i) evidence based decision making – that is the absence of good quality gender disaggregated data which has, for example, limited some of the analysis in this report; ii) the need to further

improve public participation and consultation in the process of design, implementation, monitoring and evaluation of public policies; and iii) improve the rate of implementation – that is making the fundamental leap from planning to good and effective implementation. The stark implementation deficit in the region is heavily influenced in some cases by limited institutional capacity in the form of skills due in great part to the impact of migration, lack of appropriate technology and mechanisms for efficient and effective policy coordination, implementation and evaluation.

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Foreword

- ¹ Source for data in this paragraph is OECD 2014: Looking at social protection globally in the OECD and in the Asia/Pacific region. <http://www.oecd-ilibrary.org/docserver/download/8114171ec006.pdf?expires=1470432160&id=id&ac-cname=guest&checksum=03B09A5CBCCB01FFFAA4CB-C11E53CB3B>
- ² Source for data in this paragraph is ECLAC 2015: The Caribbean and the post-2015 sustainable development agenda. <https://unite.un.org/events/sites/unite.un.org/events/files/Final%20Paper%20on%20SDGs%20for%20the%20Caribbean.pdf>

Executive Summary

- ¹ All data on poverty taken from CARICOM's Regional Statistical Database on Caribbean-Specific Millennium Development Goals Indicators for Caribbean Countries, except for more recent data relating to Haiti and Jamaica, which were accessed on the World Bank's database. Unemployment data for 2015 taken from CDB's 2015 Economic Review and Forecast for 2016, all other from CARICOM Regional Statistical Database – which notes that

several countries conduct regular Labour Force Surveys, while others do ad hoc surveys, or the data are derived from Country Poverty Assessments, Household Budget Surveys or the Census. It is also noted that Grenada relaxes the criterion of 'actively seeking work' in defining employment.

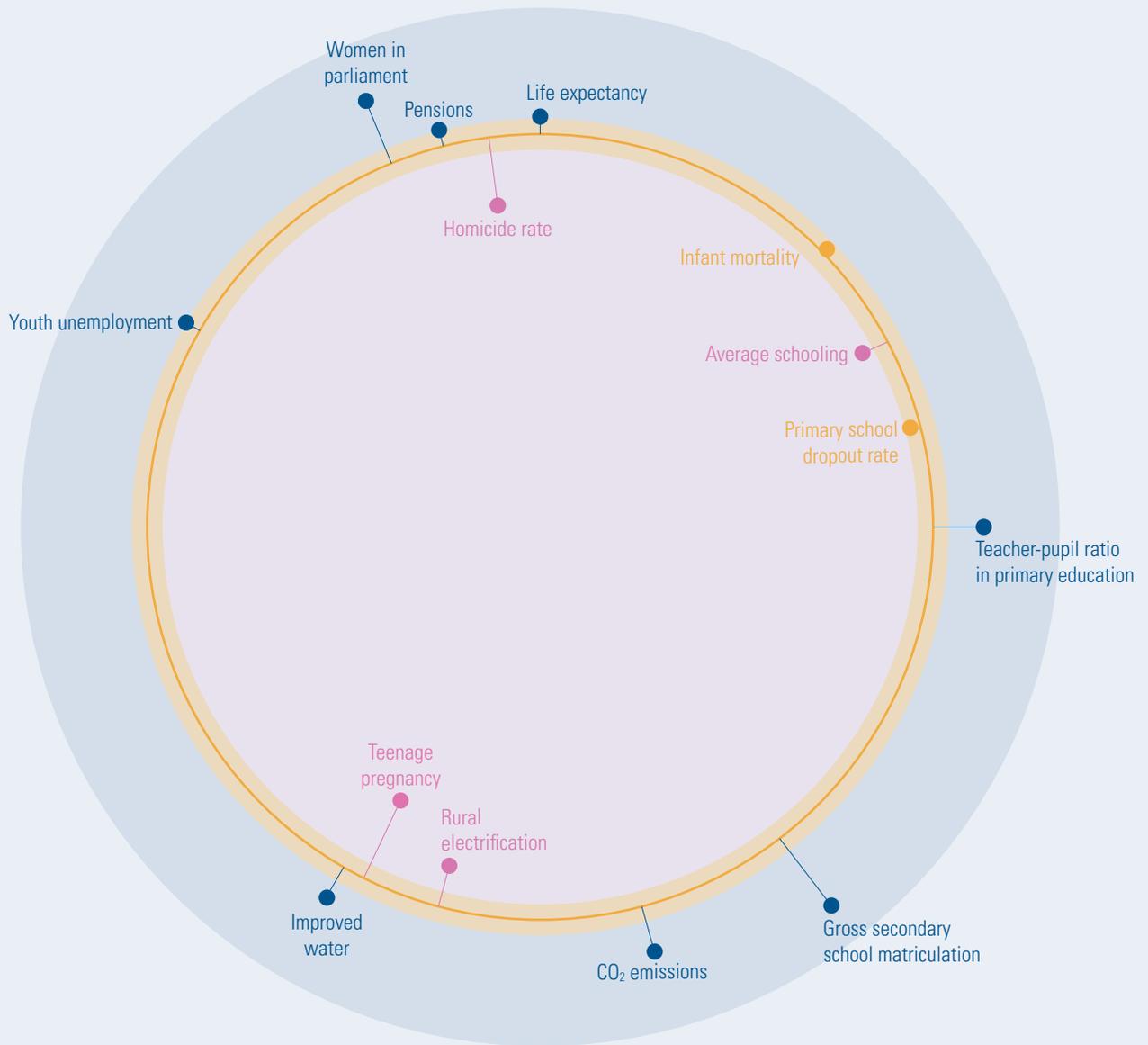
- ² Data consulted from the EM-DAT database: OFDA/CRED International Disaster Database (Guha-Sapir, Below and Hoyois, 2015).
- ³ Broadly, the age group 15-29 is considered here as youth. However, the focus shifts among different age groups according to specific issues: 15-29 is the age group usually considered in crime statistics, whereas the age group for secondary school is 12-17 and for tertiary education 18-21 (besides over-aged and under-aged students for both educational levels).
- ⁴ Target 12.c related to sustainable consumption and production patterns calls for: "Rationalize inefficient fossil-fuel subsidies that encourage wasteful consumption by removing market distortions, in accordance with national circumstances, including by restructuring taxation and phasing out those harmful subsidies, where they exist, to reflect their environmental impacts, taking fully into account the specific needs and conditions of developing countries and minimizing the possible adverse impacts on their development in a manner that protects the poor and the affected communities" (UN 2015).



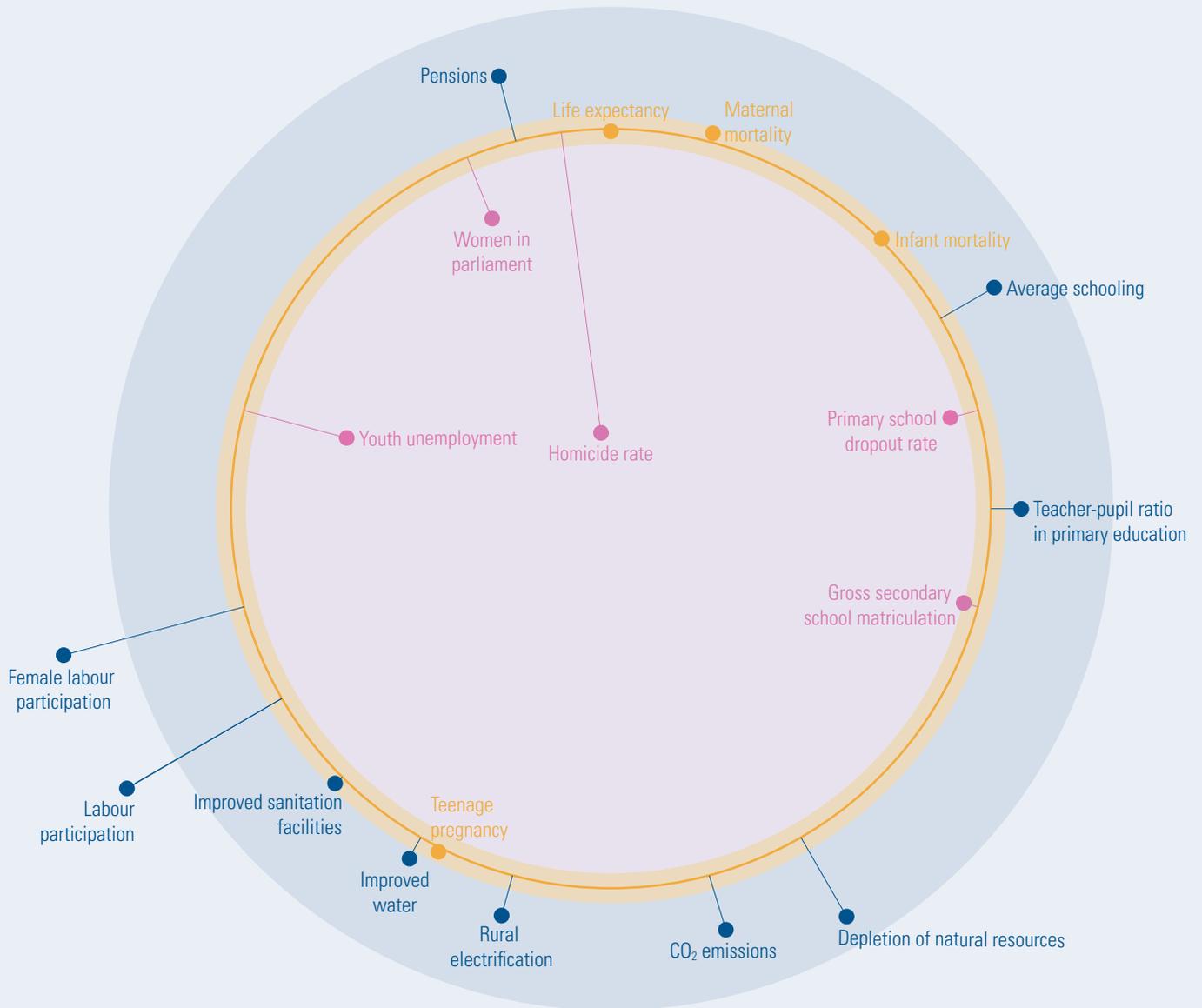
Annexes



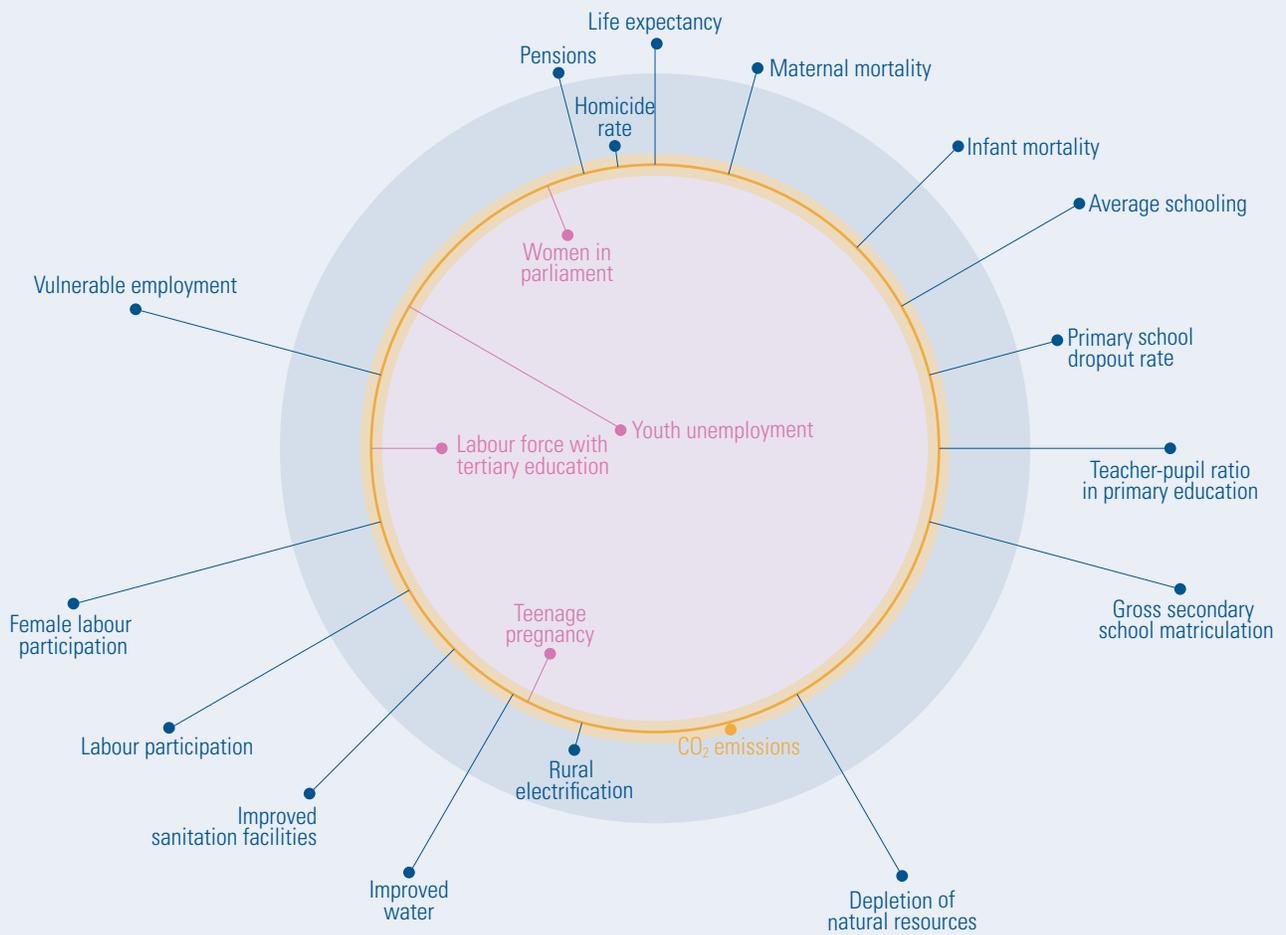
Achievements in multiple dimensions of wellbeing in Antigua and Barbuda are undervalued by the gross national income



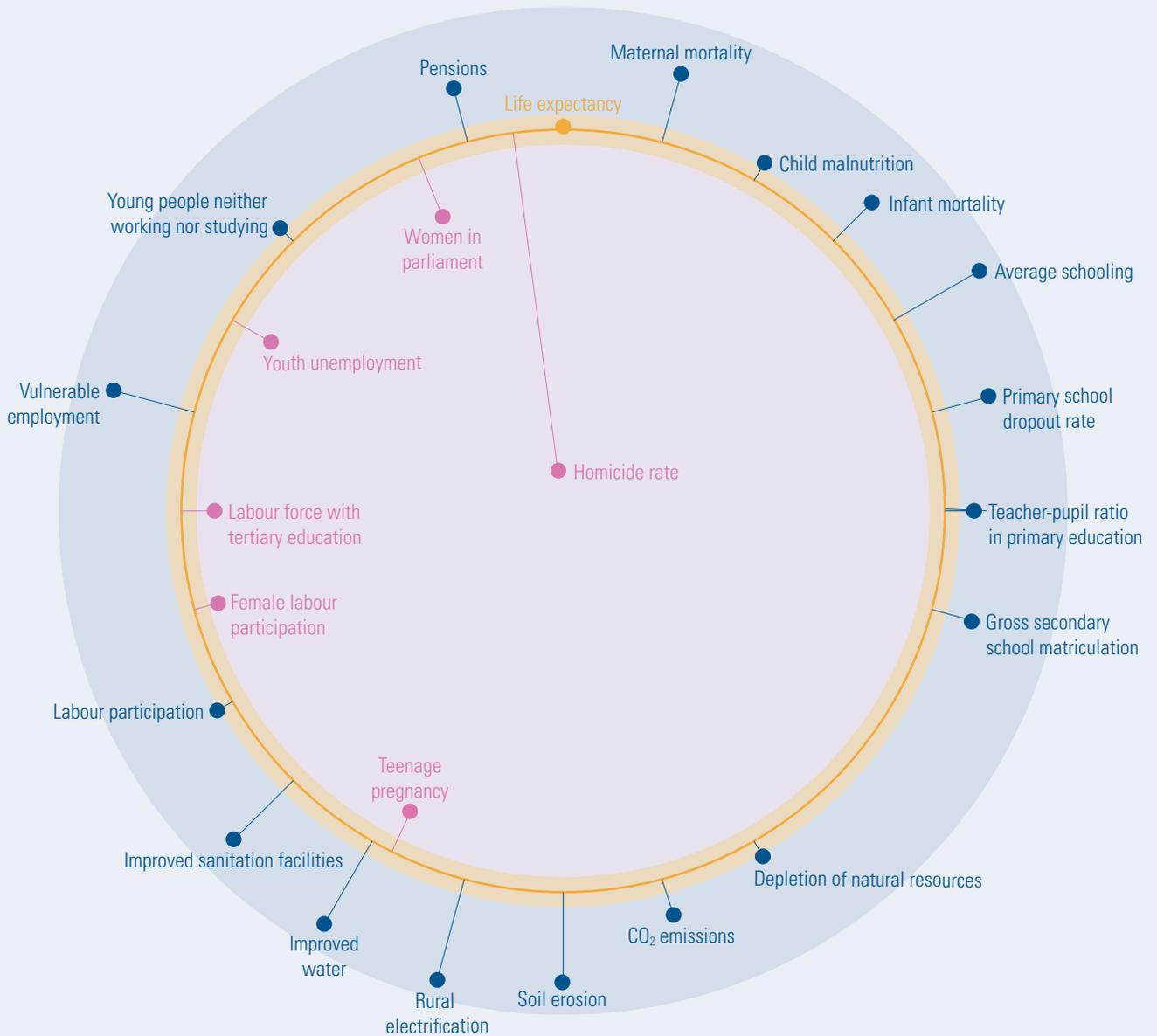
Achievements in multiple dimensions of wellbeing in The Bahamas are undervalued by the gross national income



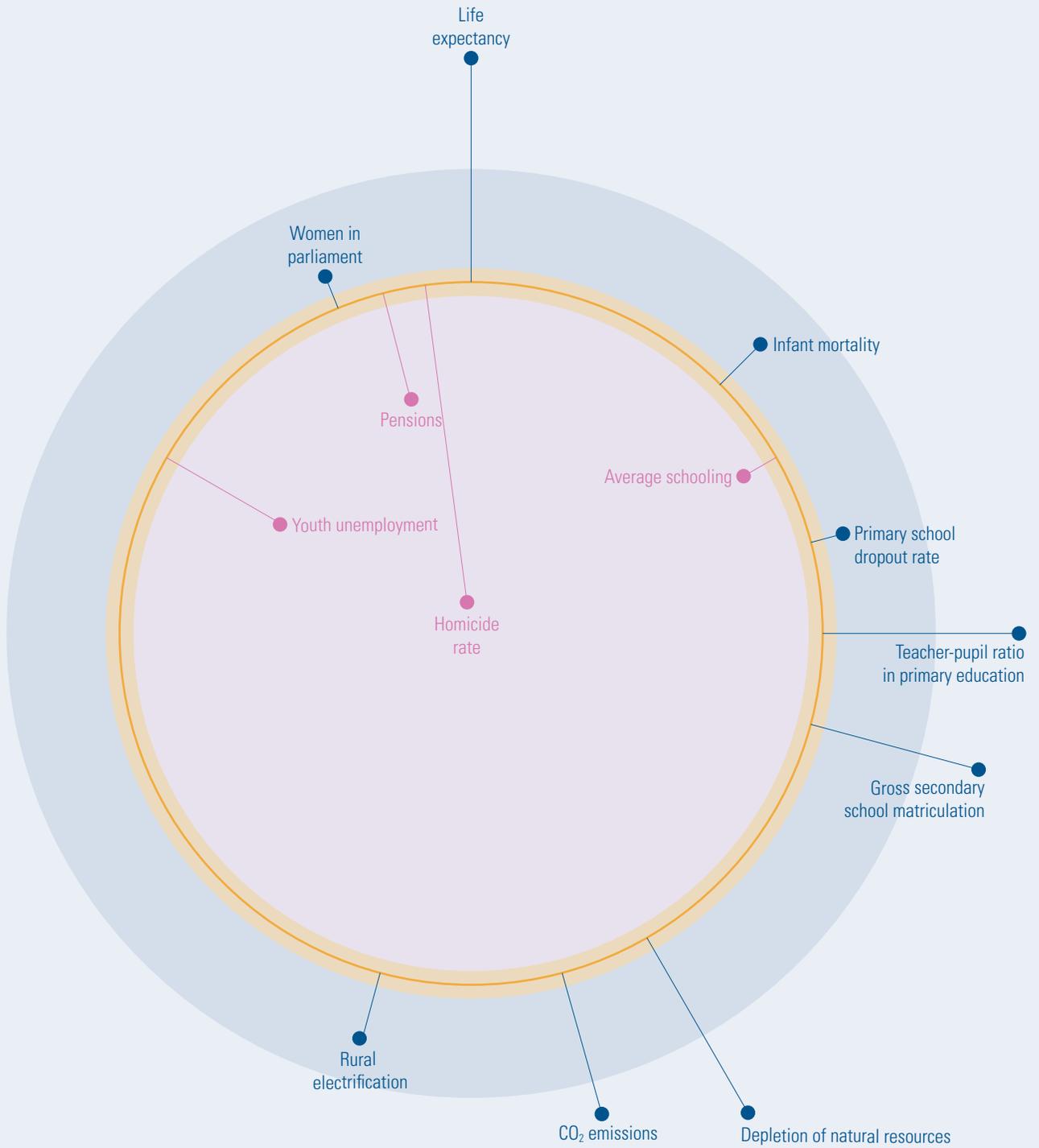
Achievements in multiple dimensions of wellbeing in Barbados are undervalued by the gross national income



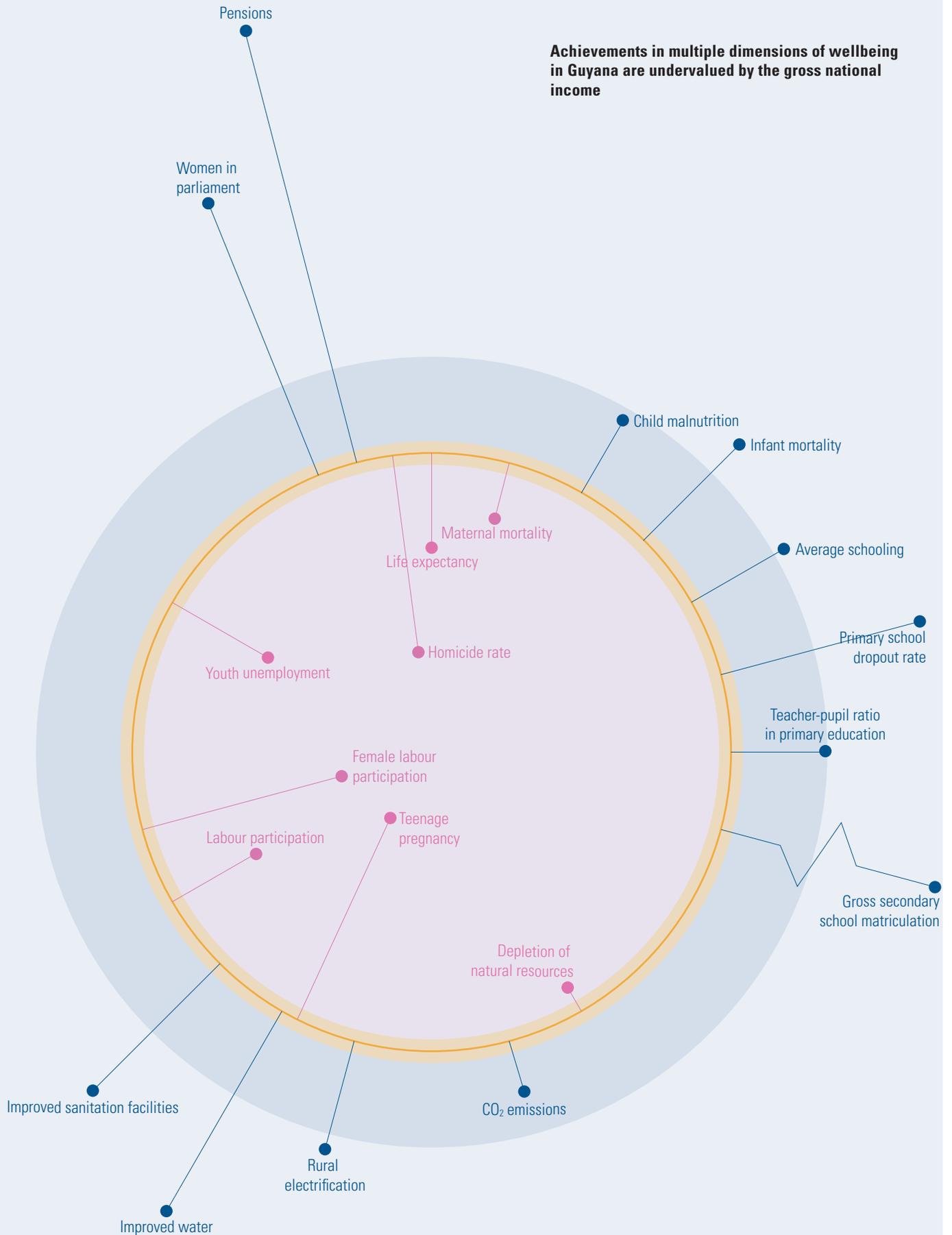
Achievements in multiple dimensions of wellbeing in Belize are undervalued by the gross national income



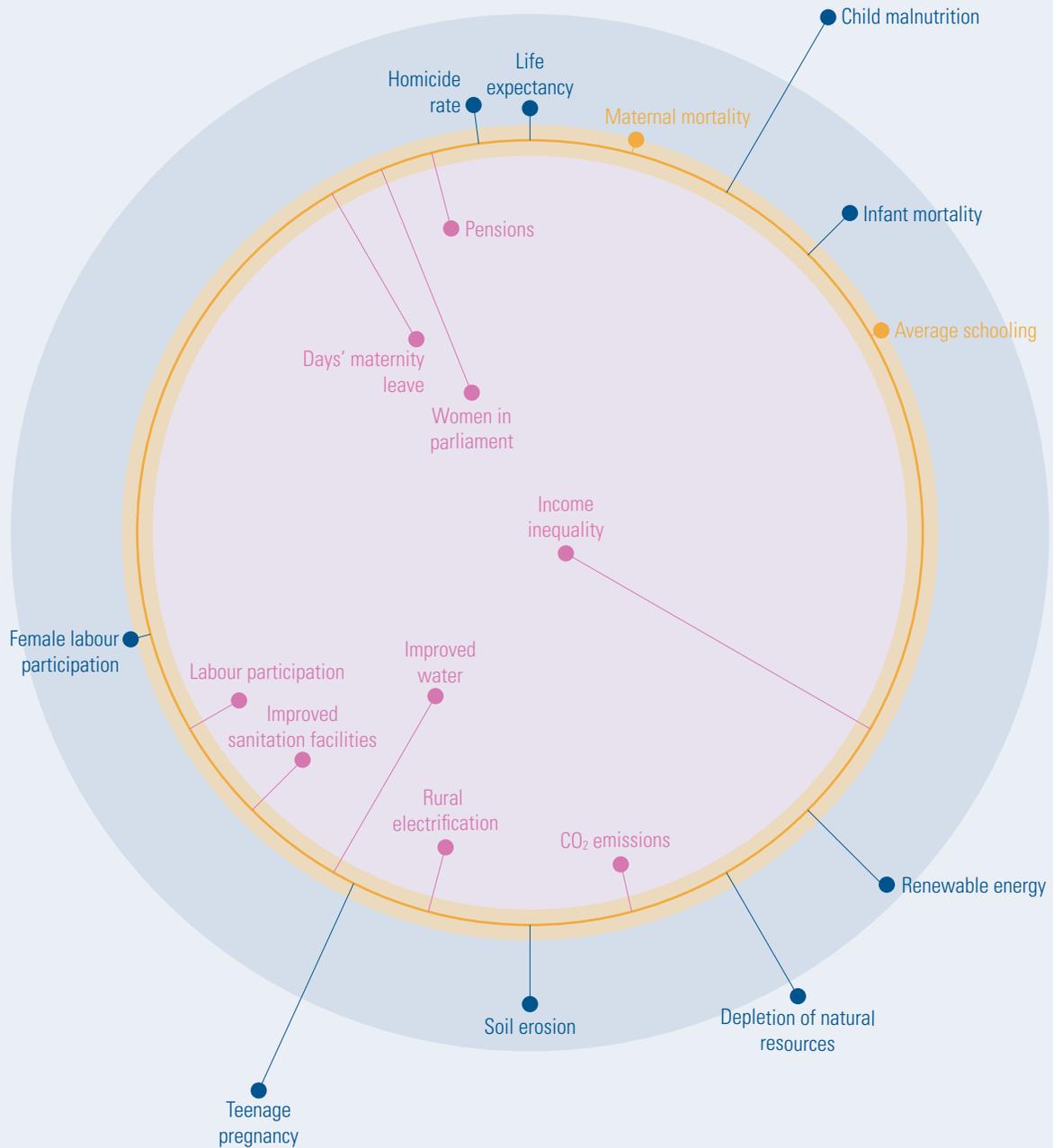
Achievements in multiple dimensions of wellbeing in Dominica are undervalued by the gross national income



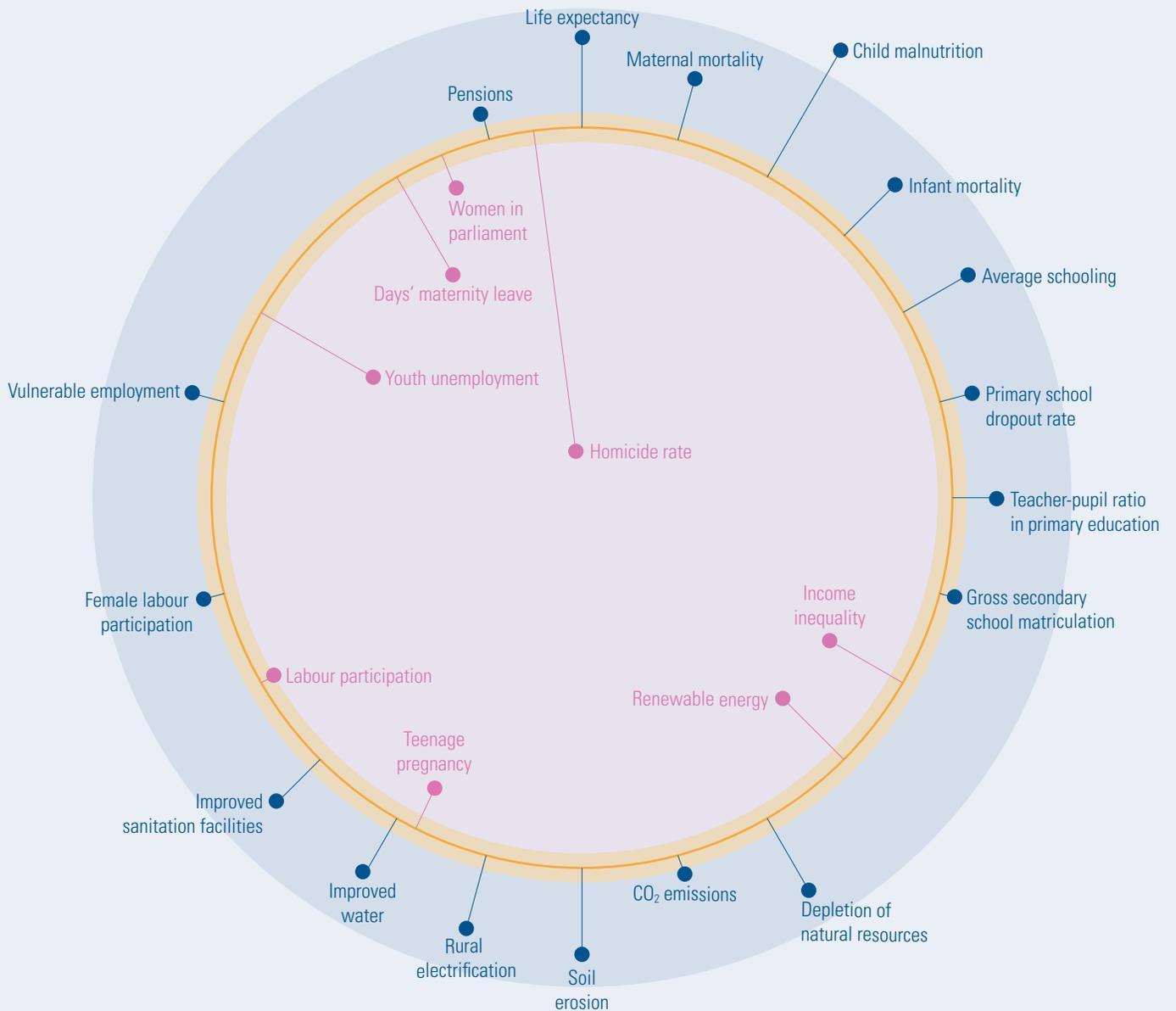
Achievements in multiple dimensions of wellbeing in Guyana are undervalued by the gross national income



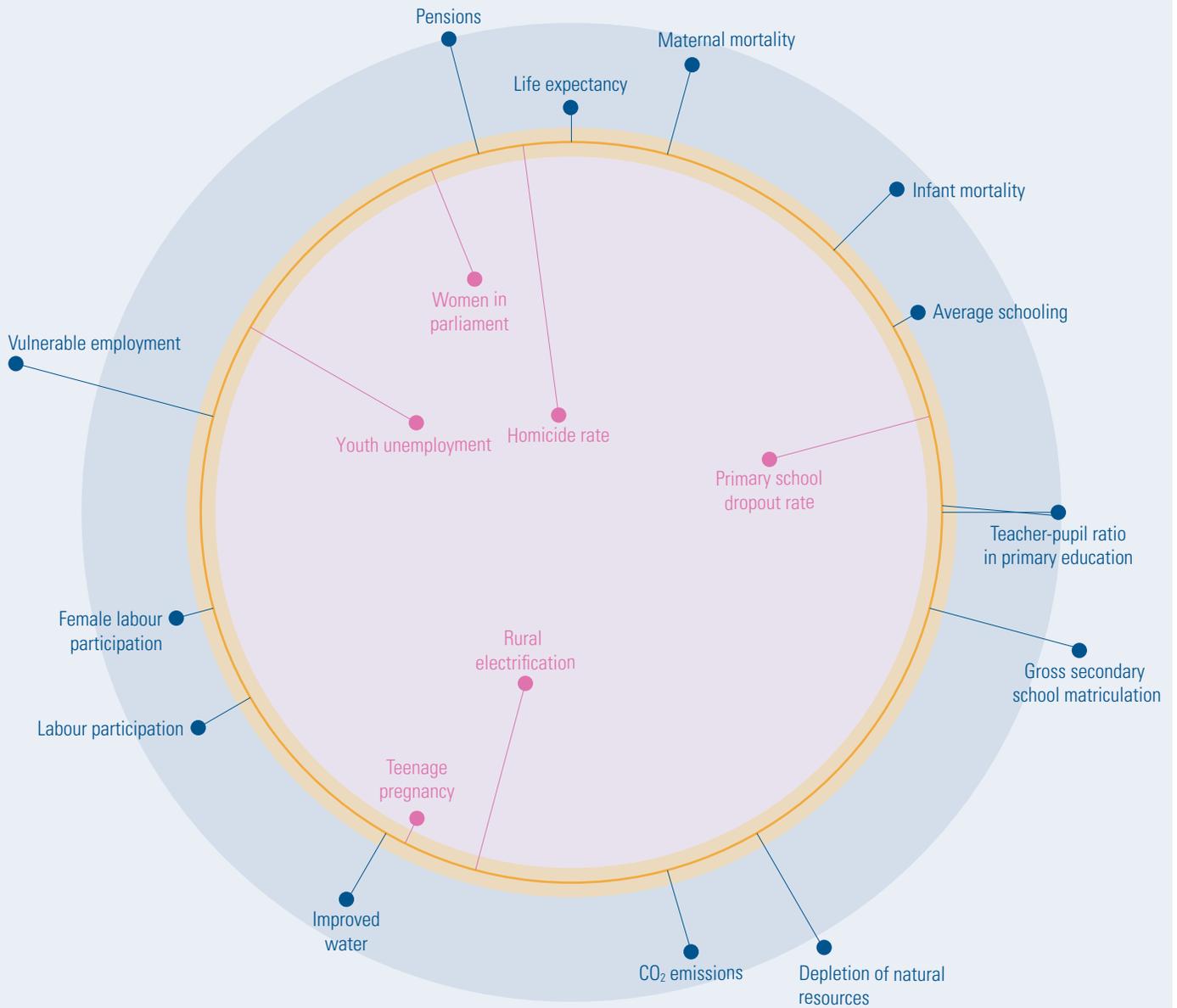
Achievements in multiple dimensions of wellbeing in Haiti are undervalued by the gross national income



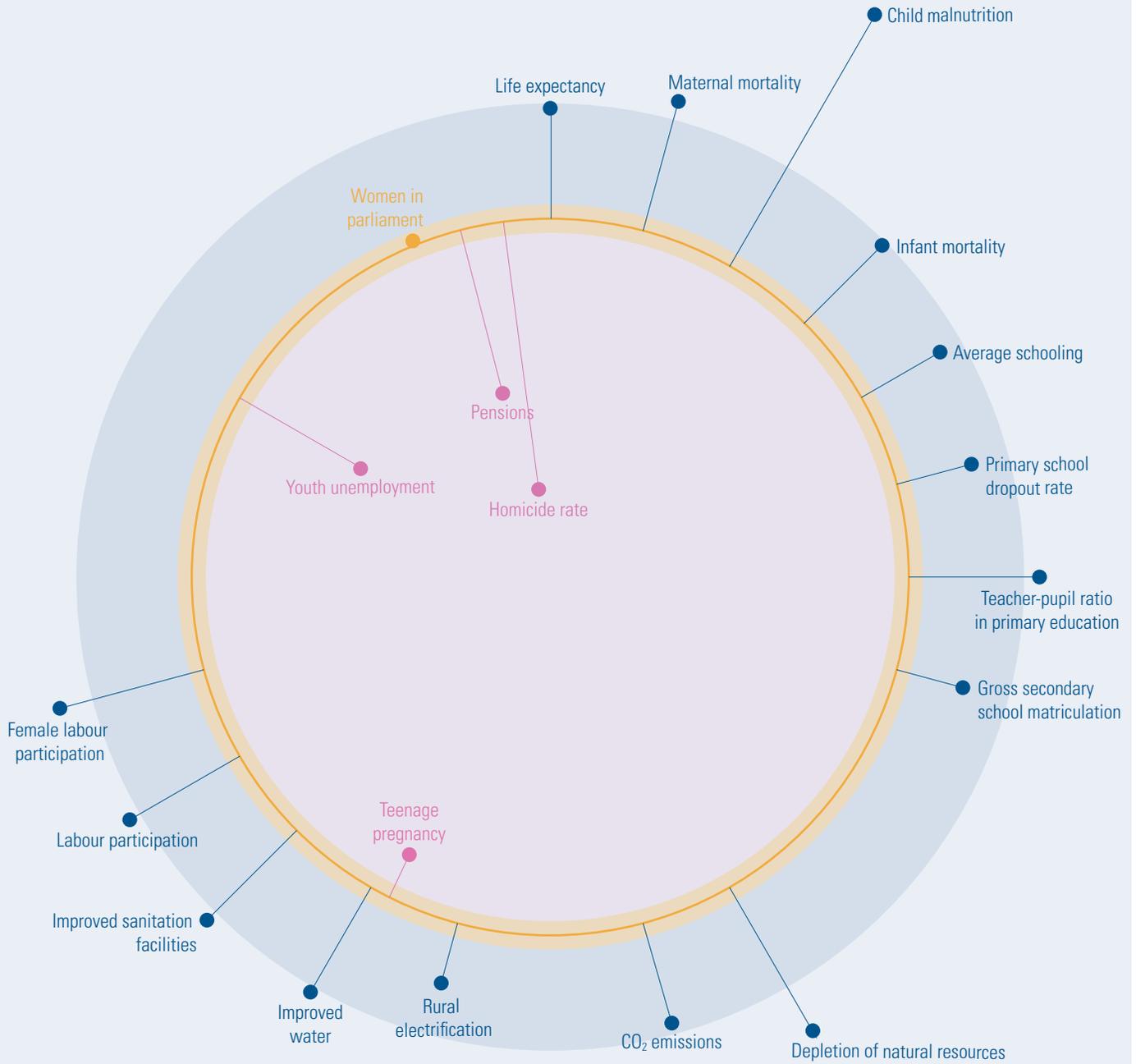
Achievements in multiple dimensions of wellbeing in Jamaica are undervalued by the gross national income



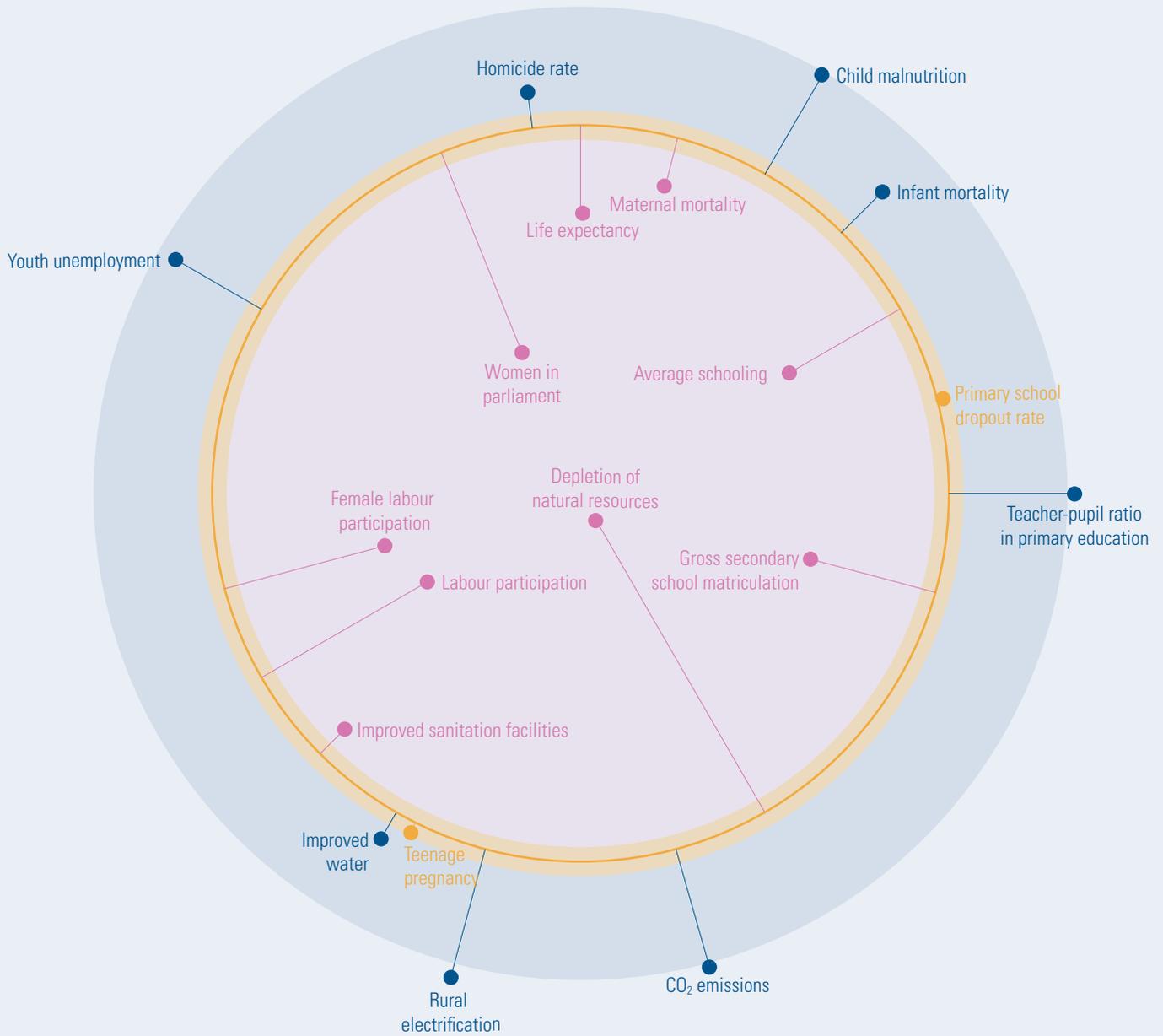
Achievements in multiple dimensions of wellbeing in St. Vincent and the Grenadines are undervalued by the gross national income



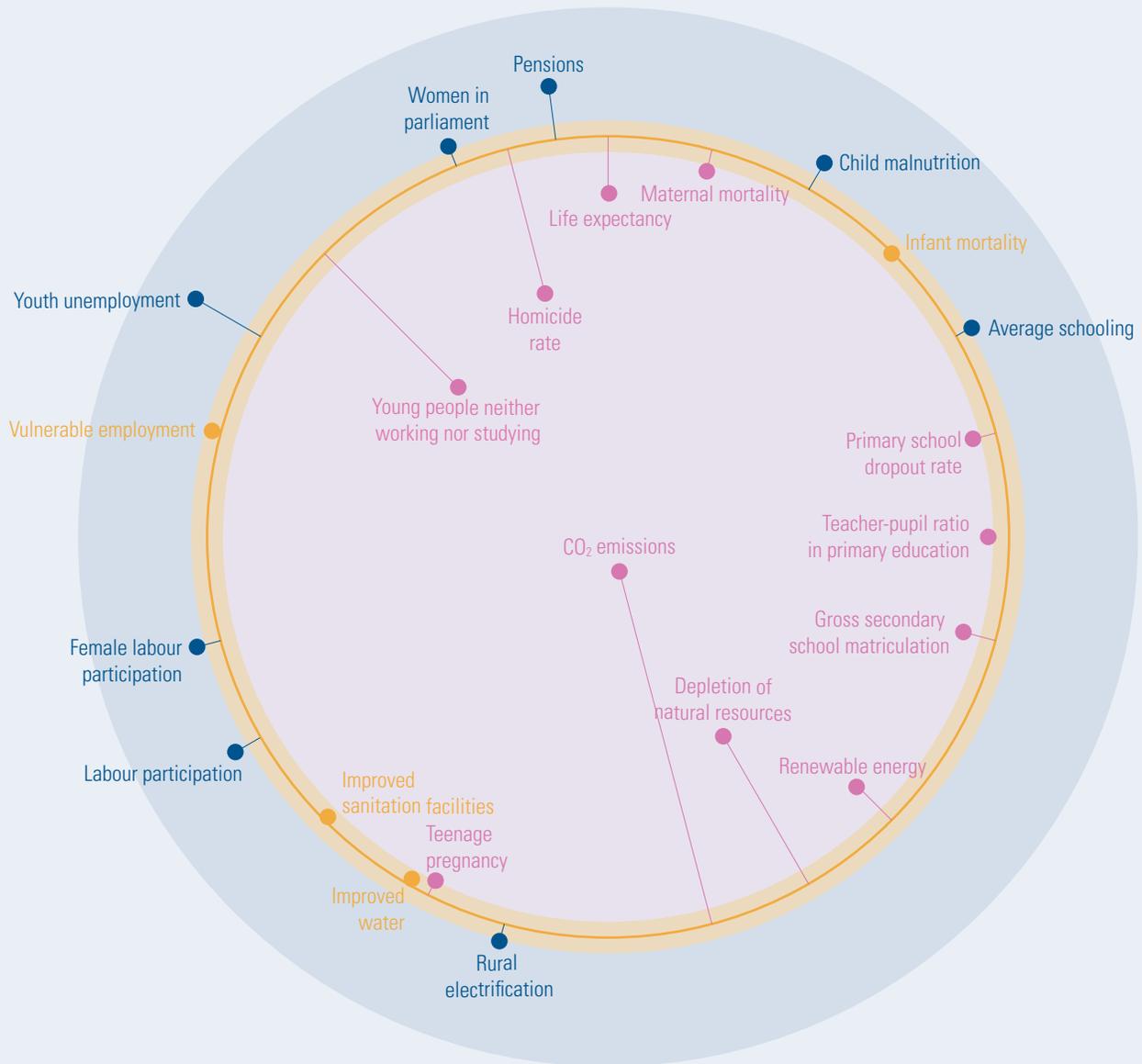
Achievements in multiple dimensions of wellbeing in St. Lucia are undervalued by the gross national income



Achievements in multiple dimensions of wellbeing in Suriname are undervalued by the gross national income



Achievements in multiple dimensions of wellbeing in Trinidad and Tobago are undervalued by the gross national income





In September 2015, the 193 Member States of the United Nations took a historic step with the approval of the 2030 Agenda for Sustainable Development. At the heart of this agenda lies a simple but radical imperative: the elimination of poverty in all its forms, while caring for and protecting the planet.

This universal and holistic agenda will have a specific application in each country, in line with the priorities established in national plans and policies. As a multidimensional agenda par excellence, this Report can contribute to helping adapt this agenda to the specific circumstances of individual countries.

Against this backdrop, we examine three broad sets of possible policy baskets for Caribbean governments to further align the ambition of progress, as defined by Caribbean peoples, and the empirical findings of this report:

The first policy basket focusses on human vulnerability, dealing with policies for addressing the unemployment problem

and the vulnerability of particular groups, namely youth, females, children, elderly people, people with disabilities, indigenous peoples and Maroons, as well as two issues of general applicability and relevance, namely social protection and provision of improved water.

Secondly, there is a focus on policies for removing obstacles to inclusive growth in the Caribbean by addressing overarching issues such as energy supply and cost, fiscal capacity and global partnerships which are critical to the ability of Caribbean governments to finance their programmes for multidimensional progress.

The third policy basket relates to environmental sustainability and resilience. In this regard, we focus on natural hazard mitigation and prevention, climate change adaptation and mitigation, and environmental protection and conservation which are all germane to human vulnerability.



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Latin America and the Caribbean is a diverse region and does not follow a single pattern of development. This Report is separated into two volumes which share the same narrative: the Regional Human Development Report – the first volume – covers the entire region, while deepening the analysis on Latin America; and this current Caribbean Human Development Report – the second volume – approaches the multidimensional challenges of sustainable development and human progress taking into consideration the particularities of the Caribbean.

We see multidimensional progress as a space for development regulated by certain limits: “nothing that diminishes the rights of people and communities or jeopardizes the environmental sustainability of the planet can be regarded as progress.”

The high and increasing exposure of Caribbean countries to hazards, combined with very open and trade dependent economies – suffering from limited diversification and competitiveness- portrays a structurally and environmentally vulnerable region. This Report is an invitation to go beyond the traditional notion of vulnerability, focussed on states, and to

carefully analyze the multiple dimensions of vulnerabilities and resilience of peoples – households and individuals.

Economic growth is insufficient on its own for lifting and keeping people out of poverty. Thus, measures to target and address key sources of vulnerability and deprivation and to strengthen adaptive capabilities, as in the areas of education, health, training, employment opportunities, and social protection, are of critical importance. Available data show that real GDP growth for the Caribbean region averaged 2.04 percent between 1971 and 2013, as compared to 3.57 percent for Least Developed Countries (LDCs) and 5.99 percent for developing countries in Asia.

For Middle Income Countries, “development” does not expire at a GDP threshold. Inequalities, discrimination, and longstanding exclusions – including on the basis of gender and ethnicity - require policy attention. The Caribbean is faced with a dual challenge: to boost inclusive economic growth, and to build multidimensional progress which contributes to eradicating poverty in all its forms, tackling vulnerability at the state, household, and individual levels, and ensuring sustainability.