

The background of the slide is a collage of four photographs. The top-left photo shows a sandy beach with a person walking. The top-right photo shows a bay with a boat and a forested hillside. The bottom-left photo shows a white sailboat on the water. The bottom-right photo shows a large pile of trash and debris, representing environmental pollution.

St. Lucia Country Presentation

Protecting the Vulnerable

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Introduction



- Significant changes for small island developing states over past decade.
- Key characteristics of St. Lucian society and economy

Extensive changes in the political, economic and social spheres impact on poverty and require a fresh consideration of strategies and new thinking about the design and implementation of effective social safety nets.

The National Economic Context

- Bananas comprises on average between 65-70% of total domestic exports
- Banana Industry employs 25% of labour force
- Large multiplier effects
- In 1993 export revenue from bananas peaked at EC\$186.9 million.
- Tourism also contributes significantly to GDP averaging 13.2% over 1999 and 2000.

Economic Challenges

- Challenge to EU ACP Trading Regime
 - Loss of preferential access to UK market
 - Market uncertainties facing traditional bananas
 - Falling prices
 - Decline in profit margins
- Random Natural Disaster
 - Tropical Storm Debbie in 1995 destroyed 60% of Banana Stock
 - Severe Drought in 2001 restricted production to 36, 000 tonnes
- Decreased contribution from Tourism sector as a result of 911 Terrorist Attack on U.S

Economic Impact

- Decline in the number of active banana growers from 7, 047 in 1993 to 4000 in 2001.
- Progressive decline in the export production of bananas from 133,777 tonnes in 1990 to 36, 000 tonnes in 2001.
- Concomitant loss of banana export revenue from EC\$186.9 million in 1990 to EC\$41.1 million in 2001.

Social Consequences

A deeply worried, loss-making, distrustful, resigned, ill-informed and heavily indebted small holder banana farming population.

The loss of dignity and solvency manifests itself in such conditions as alcoholism, involvement in drugs, partner and child abuse, impotence and occasional suicide.



Policy Imperatives

- To stabilize the economy, reposition St. Lucia in the global economy towards the path of sustained growth, employment, poverty reduction and social protection.
- Policy Instruments
 - Banana Commercialization
 - Agricultural Diversification
 - Economic Diversification
 - Social Development
 - Institutional Strengthening and Capacity Building