

THE CAYMAN ISLANDS NATIONAL ASSESSMENT OF LIVING CONDITIONS (2006/2007)

VOLUME I MAIN REPORT

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*National Assessment of Living Conditions
Charting Our Future Together*

*Kairi Consultants Ltd. in collaboration with the
National Assessment Team of the Cayman Islands*

VOLUME I MAIN REPORT

Submitted to:
THE CARIBBEAN DEVELOPMENT BANK

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LIST OF ACRONYMS AND ABBREVIATIONS

AER	-	Annual Economic Report
BMC	-	Borrowing Member Countries
CARICOM	-	Caribbean Community
CBO	-	Community Based Organisation
CDB	-	Caribbean Development Bank
CFNI	-	Caribbean Food and Nutrition Institute
CIDA	-	Canadian International Development Agency
CIMA	-	Cayman Islands Monetary Authority
CITES	-	Convention on International Trade in Endangered Species
COICOP	-	Classification of Individual Expenditure According to Purpose
CPA	-	Country Poverty Assessment
DAC	-	Development Assistance Committee
DCFS	-	Department of Child and Family Services
DFID	-	Department for International Development Agency
ED	-	Enumeration District
ESO	-	Economics and Statistics Office
FBO	-	Faith Based Organisation
FOIA	-	Freedom of Information Act
GDP	-	Gross Domestic Product
GOCI	-	Government of Cayman Islands
HBS	-	Household Budgetary Survey
HDR	-	Human Development Report
HIPC	-	Heavily Indebted Poor Countries
HIV/AIDS	-	Human Immunodeficiency Virus/ Acquired Immunodeficiency Syndrome
IA	-	Institutional Analysis
ILO	-	International Labour Organisation
IMF	-	International Monetary Fund
ISO	-	International Organisation for Standardisation
LDC	-	Lesser Developed Countries

LSMS	-	Living Standards Measurement Surveys
MDC	-	More Developed Countries
MDG	-	Millennium Development Goal
MSEA	-	Macro-Economic and Social Analysis
NALC	-	National Assessment of Living Conditions
NAT	-	National Assessment Team
NGO	-	Non-Governmental Organisation
ODA	-	Official Development Assistance
OECD	-	Organisation For Economic Cooperation and Development
OECS	-	Organisation of Eastern Caribbean States
PPA	-	Participatory Poverty Assessment
PSU	-	Primary Sampling Units
SLC	-	Survey of Living Conditions
TOC	-	Team of Consultants
UK	-	United Kingdom
UN	-	United Nations
UNDP	-	United Nations Development Programme
UNSD	-	United Nations Statistical Division
US	-	United States of America
USA	-	United States of America

EXECUTIVE SUMMARY

The National Assessment of Living Conditions (NALC) in the Cayman Islands was conducted over the period October, 2006 to July, 2007 by Kairi Consultants Limited (Kairi) in collaboration with the National Assessment Team (NAT) of the Cayman Islands. The study was commissioned by the Caribbean Development Bank (CDB) with the support of other development partners.

The objectives of the NALC were, *inter alia*:

- To assess the current living conditions affecting the welfare of the people of the Cayman Islands;
- To identify policies, strategies and programmes that would reduce poverty and vulnerability in the Cayman Islands;
- To assess the effectiveness of existing responses of governmental institutions and non-governmental institutions in addressing the poverty situation in the country;
- To develop recommendations setting out strategic options for addressing critical issues emerging from the study; and
- To train members of the NAT in the conduct of assessment of living standards.

METHODOLOGY

The study consisted of a Macro-Economic and Social Analysis (MESA), a composite

survey comprised of a Survey of Living Conditions (SLC) and Household Budgetary Survey (HBS), a Participatory Poverty Assessment (PPA), and an Institutional Analysis (IA). These four components of the study combined quantitative and qualitative research methods, in ways that complemented one another to provide a comprehensive picture of living conditions in the Cayman Islands.

The joint SLC/HBS was a comprehensive survey which combined a survey of living conditions with a survey of household income and expenditure, and collected information through the administering of questionnaires to a sample of 1,144 households or 3,230 persons, representing 6 percent of the population. The information sought consisted of four types: *Demographic and Other Individual Characteristics, Living Conditions, Expenditure, and Access to Public Services*.

The IA involved the collation of primary data from interviews with personnel in some seventy-one (71) organisations, and from secondary data available in reports and other relevant documentation, on their operations and performance. Where possible, these data were supplemented by information from community residents, obtained during the PPA. The fundamental objective was to establish the degree to which organisations are *pro* poor in their work, and to determine how the system of organisations and institutions in the country

collectively services the poor, the vulnerable and the society in general.

The objective of the PPA was not to measure poverty, but rather to provide insights on the perceptions, experiences and effects of difficult living conditions on individuals, households, groups, and resource-poor communities. Using a purposive sampling technique with specific criteria, 10 communities were selected. During the PPA, qualitative data were collected through a range of diverse methods, including field research interviews with household members and community leaders as well as community workshops, focus group discussions, and transect walks. A number of in-depth interviews were also conducted with selected individuals; these form the basis for the case studies presented in the report.

The findings of the MESA form the context within which the quantitative and qualitative data gathered in the field, can inform understanding of conditions. The country has had a remarkable transformation since the days when, according to a government annual report at the time, the main 'export' was seamen whose remittances were the mainstay of the economy. Over the last 30 years, government administrations have pursued policies aimed at developing the infrastructure, education, health and social services of the Islands, fostering the stability which is an important factor in the continued growth of Cayman's two main industries - tourism and financial services. Together, these sectors significantly altered

the international status of the Cayman Islands, from a peripheral dependent economy in the first half of the 20th century, to being one of the major off-shore financial centres in the world.

The high growth rate has been sustained with imported labour, filling all the positions that Caymanians are not willing to work at, and in higher level positions where there are not enough qualified Caymanians available. The high labour inflows have threatened to overwhelm the Caymanian population. This has triggered policy measures designed to keep numbers of resident non-nationals to levels just under the number of Caymanians, and to rules that make it difficult for immigrant labour to spend the number of years in the country that can lead to qualification for permanent residence status. High per capita income has made the country one of the richest in the Western Hemisphere, with standards of living for many, that are equivalent to that of a developed country.

Financial Services, the main driver in the economy, accounted for 22 percent of total Government Revenue in 2006, while Tourism, the other lead sector, accounted for a substantial percentage of the employment, income and GDP growth in the economy. In respect of fiscal operations, most significantly, the Government has maintained a surplus of revenue over expenditure, thus allowing the country to finance most of its infrastructure and other expenditure with minimum resort to debt financing. This is the back-drop to the NALC that was conducted in 2007.

FINDINGS FROM THE SLC

KEY ESTIMATES

The poverty line was estimated as CI\$10.90 per day or CI\$3,983 per annum in the first half of 2007. Some key findings of the SLC are summarised in Table I.

TABLE I: SELECTED POVERTY AND VULNERABILITY INDICATORS

Indicator	Findings
Poverty Line Value (annual)	CI\$3,983
Vulnerability line (annual)	CI\$4,979
Estimated Population (Estimated Population)	53,292
Estimated Households (Estimated Population)	18,338
Population below annual poverty line (Estimated Population)	989
Percentage population below annual poverty line (%)	1.9%
Households below annual poverty line (Estimated Population)	277
Percentage households below annual poverty line (%)	1.5%
Population living in households below the vulnerability line (poor + non-poor vulnerable populations)	1,955
Percentage population living in households below the vulnerability line (%)	3.7%
Households under vulnerability line (Estimated Population)	575
Percentage Households under vulnerability line (%)	3.1%

With an estimated 1.9 percent of individuals consuming at levels below the poverty line, the Cayman Islands has the lowest rate of estimated poverty in the Commonwealth Caribbean in the present decade. The Bahamas was estimated to have a poverty level of 9.3 percent in 2001 and British Virgin Islands, 11.0 percent in 2002. Most other Caribbean countries have rates calculated above 10 percent (Table II).

TABLE II: HEADCOUNT INDEX – SELECTED CARIBBEAN STATES COMPARED

Country	SLC Year	Headcount Index (%)
*Antigua and Barbuda	2005/2006	18.6
Bahamas	2001	9.3
Belize	2002	33.0
*BVI	2002	11.0
Cayman Islands	2007	1.9
*Dominica	2002	32.7
*Grenada	1998	30.8
Guyana	1999	36.9
*St Kitts/Nevis	2000/2001	(St Kitts) 30.5 (Nevis) 32.0
*St. Lucia	2005/2006	28.8
*St Vincent and the Grenadines	1996	37.5
Trinidad and Tobago	2005	16.7

*Source CDB; All others, SLC of the respective countries

The Gini Coefficient was estimated to be 0.3995, indicating a fairly high level of income inequality in the Cayman Islands, with a considerable disparity between the share of income consumed by those in the poorest (1st) decile compared with those in the highest (10th) decile. The top two deciles (the top quintile) together accounted for

47.3 percent (almost half) of the country's consumption expenditure, while the bottom 20 percent accounted for 5.8 percent. The calculated Gini coefficient for the Cayman Islands demonstrates a greater degree of inequality than that for a number of other Caribbean countries. Moreover, given that its per capita GDP approximates that of a developed country, the high Gini ratio suggests higher levels of inequality than might be expected at this level of development.

There were a number of other interesting findings:

- Of all the poor individuals, 55.5 percent were non-Caymanian.
- In respect of the vulnerability indicators, the Cayman Islands performed very well: no households surfaced in the SLC with pit latrines as toilet facilities - an indicator of poor quality housing; approximately 1.9 percent of individuals had low access to safe water (no pipe borne supply); and just 0.9 percent of the elderly were estimated to be poor.
- In respect of employment conditions, most of the poor were employed (97.6%).
- The overall unemployment rate was 3%: 2.5% of males and 3.5% of females were unemployed. Unemployment was highest in quintile one (4.4%) and lowest in quintile five (3.0%).

EXPENDITURE PATTERNS

The distribution of expenditure among the quintiles points to differences in treating with living conditions. Mean food expenditure in the first quintile is 19.6 percent of total expenditure in that quintile, whereas in the fifth quintile, mean food expenditure accounts for 8.1 percent of total expenditure. The percentage allocated to food in the first quintile is lower than would be found in most other Caribbean countries, which is underpinned also by the absence of indigence.

Housing and utility bills dominated the expenditure of households across quintiles. Transportation was the second highest category of expenditure, followed by food – which was less than 10 percent of total expenditure. Overall, housing, water, electricity and gas constituted the highest share of expenditure among all residents of the Cayman Islands (39.1% of total expenditure). Expenditure in this category did not fall below 35.5% in any of the quintiles.

Health and education were among the categories that received relatively low shares of expenditure: 2.6% of total expenditure was on Health, and 2.9% on Education, but the share increased across quintiles in both categories. By comparison, more was spent overall on communication (6.8%), Transportation (8.8%), and Miscellaneous Goods and Services (13.7%).

OTHER KEY FINDINGS

Deeper examination of the data shows that conditions are a little more difficult than is suggested by the formal estimates of poverty. In other words, there may be evidence of hidden poverty and vulnerability.

REGIONAL DISPARITIES

Firstly, there are regional disparities. Cayman Brac had the highest level of poverty (7.0%), while there was no estimated poverty in Bodden Town and in North Side. It is known that the high cost of transportation between Grand Cayman and the Sister Islands contributes to a substantial differential in costs of basic items in Cayman Brac. It is noteworthy that while Little Cayman was included with Cayman Brac and treated as one area for the purposes of the SLC, the residents of Little Cayman comprise of a number of non-Caymanians in holiday homes whose quality of life is vastly different to that of the Caymanian population on Cayman Brac.

POORER WOMEN

Conditions for women in the lowest quintile were likely to be worse than those for men. Although the poverty estimate was low for the country as a whole, the lot of poor women was likely to be particularly painful, given the segmentation of the labour market that relegated women to a greater percentage of the lower paid jobs. Female-

headed households also accounted for almost half of all poor households, a disproportionate amount when compared to female-headed households in the overall population.

TABLE III: DISTRIBUTION OF POOR AND VULNERABLE POPULATION BY DISTRICT

District	Socio Economic Status	
	Poor	Vulnerable
	%	%
George Town	62.4	71.9
West Bay	18.3	12.6
Bodden Town	0.0	0.0
North Side	0.0	3.4
East End	1.8	1.9
Cayman Brac/Little Cayman	17.4	10.3
All Districts (Total)	100.0	100.0
Estimated Population	998	966

CHILDREN: SCHOOL ENROLMENT AND ATTENDANCE

The data suggest that, for the most part, enrolment at school conforms with age for the respective level: those of primary school-going age would be enrolled in primary level institutions, while secondary students will be enrolled at secondary level institutions. It is known however, that the Government has not played a major role in the expansion of the kindergarten sector and there was evidence of lower attendance at pre-school level among those in the lowest quintile.

Additionally, children in the lowest quintile were more likely not to have attended school on any of the five days in the reference week than children in any other

quintile: 47 percent of those who did not attend school in the reference week were in the first quintile, and identified illness as the factor responsible for their not attending school; 30 percent were in the second quintile.

The data in the SLC suggest that primary schools are within easy reach of children. Whatever the mode of transport, most children at primary school arrive at school from their home in less than 20 minutes. At the secondary level, the School Bus and the family vehicle account for most of the trips to school and the time taken by most is in excess of ten minutes. Over 25 percent of students took in excess of 30 minutes by the School Bus or family vehicle, indicative of the fact that secondary level education still reflects some concentration in the more urban part of the country.

An important issue is whether poverty is a factor preventing students from access to the essential text-books of their syllabus. The SLC showed that in the lowest quintile which included the poor and the vulnerable in the Cayman Islands, 5.5 percent had only *some* books or had *none* of the books. Social service agencies involved in the provision of direct assistance from the Government to the students in schools, by and large provide more support to the lower quintiles than those in the higher quintiles. Information on persons receiving books from school cost-free by quintiles suggests that in the application of means test and other criteria, it is those in the lowest quintile who have been the main beneficiaries of the assistance for school

books.

The lowest quintile had the highest percentage of persons receiving books by way of Government Assistance. While on average 6.8 percent of all students received assistance from the Government, 13.9 percent of those in the lowest quintile received assistance. Generally, the higher the quintile, the lower the percentage likely to have been in receipt of books, by way of Government Assistance.

EDUCATIONAL ATTAINMENT

As expected, persons with higher degrees and professional qualifications featured less among the poor and vulnerable groups. The percentage of males having not passed any examinations was highest in the poorest quintile and lowest in the fifth (highest) quintile. The data are consistent with studies done elsewhere in the Caribbean; generally, the higher the level of education, the higher the likelihood of an individual being in a higher quintile. In addition, females are more likely to have attained basic and higher levels of educational qualifications than males. As elsewhere, educational attainment and certified training improved the life chances of the individual in the Cayman Islands.

Another interesting indicator is the educational attainment of Caymanians vis-à-vis non-Caymanians in the labour force. Non-Caymanians outperform Caymanians in respect of Undergraduate and Post Graduate Degrees and Professional Qualifications (Table IV).

TABLE IV: LABOUR FORCE BY HIGHEST EXAMINATION PASSED AND NATIONALITY

Highest Examination Passed	Caymanian %	Non-Caymanian %
None	21.6	24.6
O' Level	15.1	11.1
A' Level/GCSE/IGCSE	5.1	5.6
Diploma or Certificate	19.7	13.9
Associate Degree	3.7	3.7
Undergraduate Degree	7.2	10.4
Postgraduate Degree	2.6	4.2
Professional Qualification	9.6	12.2
Other	5.2	6.0
Not Stated/Not Classified	10.3	8.2
Total	100.0	100.0
Estimated Population	15,549	15,519

SEGMENTED LABOUR MARKETS

Another important factor to note in the discussion of poverty is the large presence of workers from abroad. In the highly segmented labour market, low level workers from abroad are among the persons represented among the poor and in the lowest quintile.

The differences in the society can be seen in the comparison of the expenditure groups of Cayman and non-Caymanian residents with expenditure as a proxy for the distribution of income between the two groups. Figure I shows the distribution of

household heads in each decile by nationality status – Caymanian vs. non-Caymanian. On average, 53.5 percent of the heads were Caymanian vis-à-vis 46.5 percent of heads who were non-Caymanian. Georgetown is the district with the highest percentage of non-Caymanians – 54.4 percent. And 62.4 percent of the poor live in George Town.

The figure shows that in the three lowest deciles, non-Caymanians dominated, reflective of the fact of their dominance in the lower levels of the occupational pyramid. More than sixty percent of the household heads in the first three deciles are non-Caymanians. However, while Caymanians dominated the other deciles, in the tenth decile, the gap between Caymanians and non-Caymanians was closed considerably, and the percentage on non-Caymanians in the highest decile was remarkably close to the overall percentage of non-Caymanian heads in the population at large. This is reflective of the large presence of non-Caymanians at the highest level of the occupational and income pyramid.

Employment disaggregated by status reveals that overall the unemployment rate for Caymanians was higher than that for non-Caymanians. Given that their presence in the country was usually related to a contract of employment and a work-permit, non-Caymanians were less likely to be unemployed than Caymanians.

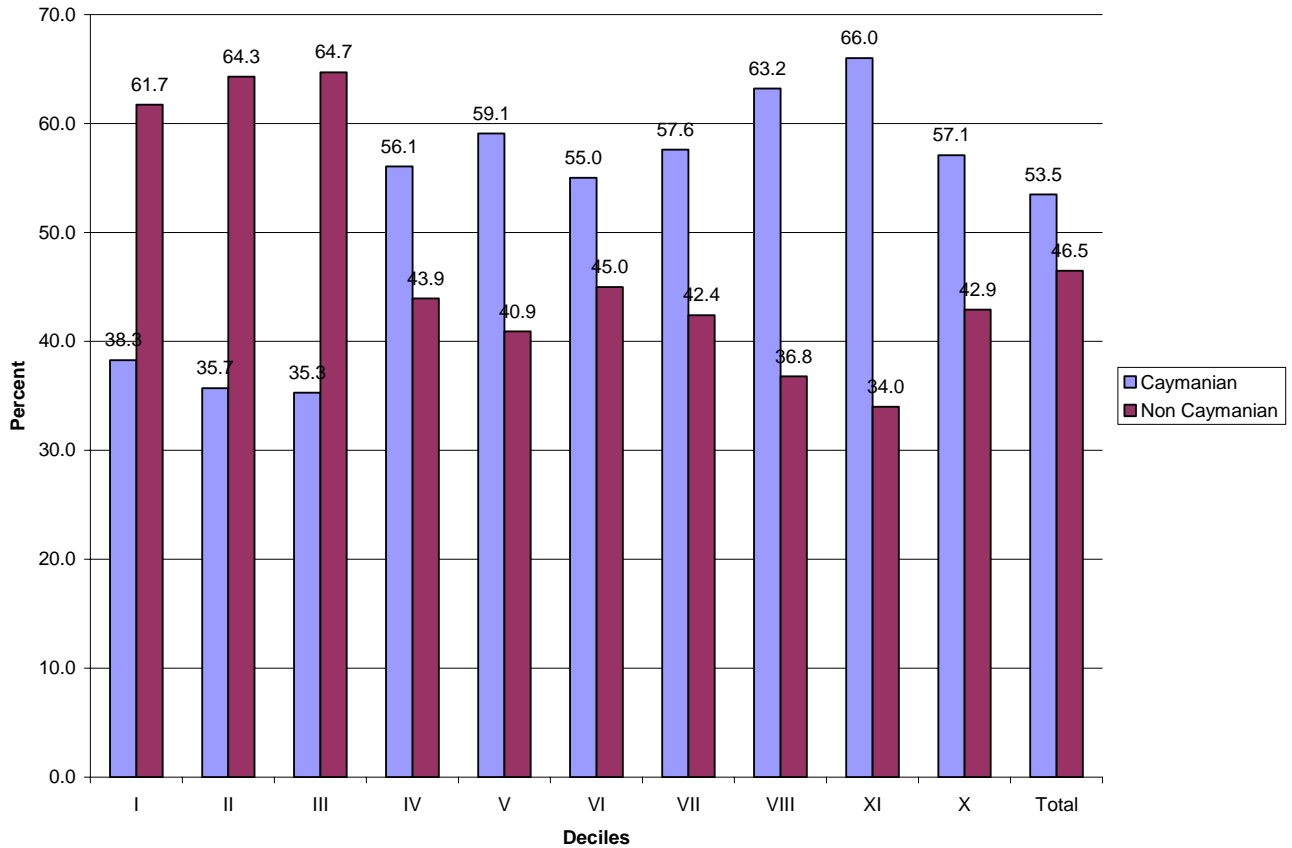


FIGURE I: HEADS OF HOUSEHOLDS BY STATUS AND DECILES

NON-CAYMANIAN POPULATION

Of those deemed to be poor, 44.5 percent are Caymanian and 55.5 percent are non-Caymanian (Table V). It could be argued that given the immigration rules which set strict limits on the length of time that non-Caymanian workers can spend in the country, there will be some tendency for them to limit their expenditures to the basic necessities and to repatriate as much as possible of their earnings in the Cayman Islands.

TABLE V: DISTRIBUTION OF POOR AND VULNERABLE POPULATION BY NATIONALITY STATUS

Status	Socio Economic Status		Representation in Population
	Poor	Vulnerable	
	%	%	%
Caymanian	44.5	56.9	57.4
Non Caymanian	55.5	43.1	42.6
Total	100.0	100.0	100.0
Estimated Population	998	966	53292

Indeed, on Immigration Policy turns some of the major policy initiatives of the Government. Thus, the profile of the non-Caymanian population is a matter of official attention. Most of the estimated 32000 or more persons would have come to the Cayman Islands to work. It is noteworthy that 52.0 percent of them came to the Cayman Islands within the last ten years (Table VI). However, with 48 percent having come to the Cayman over ten years ago, there were about 15,685 persons who would qualify under the new more restrictive rules to remain permanently in the Cayman Islands and become Caymanian citizens. Indeed, many of these have already been declared Caymanian citizens.

The Caymanian population, as estimated in the SLC was just over 30,000. It is possible then, that the native-born population of the Cayman Islands resident in the country might have been just about half of all persons who hold Caymanian status. In effect, the previous immigration and labour policies have already determined the nature of the population of the Cayman Islands. Native-born Caymanians are, in all likelihood, a minority of all persons resident in the Cayman Islands.

In its transition to a modern economy, many more jobs have been created than can be filled by the Caymanian population. In the circumstances, there has been created a hierarchy in employment, in which the lower-paying jobs are filled mainly by

imported labour. With high unemployment and underemployment in neighbouring countries, especially in Jamaica, the Cayman Islands became and have remained an attractive destination to migrant labour seeking sustainable employment.

HEALTH AND WELLNESS

An estimated 10.8 percent of males and 14.3 percent of females suffer from chronic lifestyle diseases. Generally the higher the quintile the higher the prevalence of chronic diseases; in fact males in the fifth quintile were twice as likely as males in the first quintile to report a chronic lifestyle illness. The most common types of chronic/lifestyle disease reported were high blood pressure (61.4% of all cases), and diabetes (30.2%) - not an uncommon finding in the Caribbean.

Overall, respondents appeared to be satisfied with health services received in the Cayman Islands, irrespective of per capita consumption quintile: 54.2 percent reported being “very satisfied”, and 39.3 percent reported being “satisfied”. Reports of dissatisfaction appeared to be negligible. Of those respondents who reported having been admitted to a health facility, 63.7 percent were admitted to a public hospital, 11.9 percent to private hospitals, and 21.5 percent to a hospital in the USA. Persons in the poorest quintile were more likely to have been admitted to a public hospital (74.5%) than persons in the fifth quintile (40.9%).

TABLE VI: NUMBER OF YEARS IN CAYMAN ISLANDS BY QUINTILES

Number of Years in Cayman Islands	Per Capita Consumption Quintiles					
	Poorest	II	III	IV	V	Total
	%					
Less Than 1 Year	2.6	1.7	1.0	1.3	0.3	1.4
1-4 Years	41.6	35.4	33.2	30.6	25.5	33.4
5-9 Years	20.0	20.4	11.7	13.6	19.1	17.2
10-19 Years	15.3	21.3	26.6	20.8	19.7	20.5
20-29 Years	5.6	7.6	8.3	11.6	12.8	9.1
More Than 30 Years	3.6	3.0	5.7	6.4	10.5	5.9
Not Stated	11.3	10.6	13.3	15.6	12.2	12.5
Total (%)	100.0	100.0	100.0	100.0	100.0	100.0
Total (N)	7,417	6,314	6,211	5,696	7,041	32,678

TABLE VII: POPULATION SUFFERING FROM CHRONIC LIFESTYLE ILLNESS BY SEX AND QUINTILE

Sex	Suffer From Chronic Lifestyle Disease	Per Capita Consumption Quintiles					
		Poorest	II	III	IV	V	All Groups
		%	%	%	%	%	%
Male	Yes	8.0	8.4	11.0	11.4	16.0	10.8
	No	87.3	87.3	84.8	81.8	81.6	84.8
	Not Stated	4.6	4.3	4.2	6.7	2.4	4.4
	Total	100.0	100.0	100.0	100.0	100.0	100.0
Female	Yes	13.3	11.9	12.9	15.8	17.1	14.3
	No	81.1	87.0	83.6	78.6	78.3	81.6
	Not Stated	5.6	1.1	3.6	5.6	4.6	4.1
	Total	100.0	100.0	100.0	100.0	100.0	100.0

Health insurance coverage for the country was approximately 79.7 percent, across quintiles and sexes, and coverage generally increased with socio-economic status. Health insurance coverage in the lowest quintile was 69.8 percent, about 10 percentage points lower than the national average. Coverage was generally higher for males than for females (by a margin of 4.1 percentage points).

The Cayman Islands seem to fit neatly into the pattern observed in other parts of the Caribbean, with the chronic diseases having become more prevalent among the population and with the better-off more likely to seek treatment, and/or to be aware of the need to seek treatment.

HOUSING

Most persons live in undivided private houses (41.2%) and flats, apartments and condominiums (42.6%). Occupancy of undivided private houses increased across quintiles while occupancy of flats, apartment and condominiums decreased from quintile one to quintile five.

A significant percentage of dwellings were constructed using concrete/concrete blocks as the main material of the outer walls (70.8 percent over all quintiles). As their socio-economic position improved, persons were more likely to live in dwellings made of concrete/concrete blocks. Of those in the poorest quintile, 31.8 percent used wood and timber, compared to 5.9 percent in the highest quintile. There were also dwellings with the main material of outer walls being plywood; among those in the poorest quintile, 2.8 percent of households had plywood walls.

Sheet metal was commonly used for roofing - 36.7 percent of all households used this type of material - but the use of sheet metal for roofing declined across quintiles from 58.8 percent in the lowest quintile to 22.4 percent in the highest quintile. It is noteworthy that tiles were used almost exclusively by the two highest quintiles with 14.6 percent of households in quintile five and 6.7 percent in quintile four using tiles for roofing.

Post-Ivan construction accounted for 2.7 percent of dwellings and decreased marginally across quintiles, suggesting that

households in the higher quintiles may have had dwellings that were more resilient to the damaging effects of hurricane Ivan.

An estimated 47.7 percent of all households owned the homes in which they lived. Of these, 23.5 percent of homes were owned with a mortgage, whilst 24.2 were owned without mortgage. Dwelling ownership, with or without mortgage, increased from the lowest to highest quintile. Rented homes accounted for 43.3 percent of all tenures. The high percentage of rentals points to the presence of a large immigrant population on contracts of employment, and who would need to rent accommodation during their stay in the Cayman Islands: 38.3 percent of households were renting furnished accommodation, overall, and in the lowest quintile, as many as 55.6 percent rented furnished accommodation. It is a moot point what the quality would have been for such rented accommodation. It should be noted that there was no reported incidence of squatting. Generally, then, there was the expected improvement in housing conditions as socio-economic status increased.

ACCESS TO UTILITIES

Except for Cayman Brac/Little Cayman, the frequency of water supply does not appear to be a problem in the Cayman Islands. Most households (85.7%) received water in their taps every day of the week, with households in the poorer quintiles no less likely to have frequent water supply. In contrast, only 22.9 percent of households in

Cayman Brac/Little Cayman received water seven days per week.

A significant proportion of households (93.7 percent) used electricity from public service providers. Across quintiles, the use of electricity from public service providers declined from 94.8 percent in the poorest quintile to 90.7 percent in the richest quintile, which were more likely than any other group to use electricity from a private generator. Kerosene lamps were not cited as the primary energy source used by any of the households surveyed.

Interviews with community leaders during the PPA highlighted the fact that water is sourced for personal and household uses from various sources, including household cisterns, wells, piped water and commercial bottled water. Communities are well aware that not all sources are safe for drinking and so different sources are used for different household and personal tasks.

For example, in the low-income neighbourhoods of George Town, where the contamination of groundwater makes cistern and well water sources unsafe for drinking, households report the continued use of these sources for domestic chores such as washing and flushing of toilets, particularly after the event of upset conditions (like a hurricane or tropical storm) when the piped water supply is disrupted.

According to the results of the PPA, the use of onsite wastewater treatment systems is widespread in Cayman Islands. Septic

tanks/soak-away systems were common household wastewater treatment type reported in the targeted communities. According to community leaders, cesspits are used in George Town and Northside communities. Goat Yard reportedly uses portable toilets which are provided by government.

The results of the PPA and Institutional Assessment showed that the government provides solid waste collection and disposal services to all the targeted communities, generally twice weekly. White waste - large household appliances - is collected on stipulated dates by the public service or carried by householders to the landfill. Two things are noteworthy here. The first is that reportedly, the quality of the service needs to be improved and action needs to be taken to work along with communities to reduce the incidence of burning of garbage which was reported as an environmental hazard by leaders in Bodden Town and George Town.

Addressing the issue of littering in some communities (for example, Goat Yard, West Bay), and behavioural change in general would be important for sustainable development of Cayman Islands. However, there are those who felt that an attitudinal change is required throughout the society with respect to waste management generally. The re-education and sensitisation of the population about the true value of waste and all aspects of waste management would be key to achieving buy-in, and for the success of the a full-scale recycling programme.

ACCESS TO TERTIARY EDUCATION

The roll-over strategy of the Government is premised on the availability of Caymanians to fill positions rendered vacant by non-Caymanians completing their contracts. Much depends on the numbers of Caymanians pursuing and completing high level studies. In respect of Tertiary Education there have been two important developments over the last thirty years. Firstly, a number of institutions in the United States saw the benefit of opening small colleges in the Caribbean. Most of these incoming institutions reserved places for nationals of the country in which facilities were being established. There are institutions of this type operating in the Cayman Islands.

The second development has been the application of the new information technology in the establishment of distance education as a viable medium in the expansion of tertiary education. On both counts, nationals of the Cayman Islands have been able to derive benefits. Table 3 provides some information on enrolment in distance education by quintile. At the present time, those in the higher quintiles were more likely to avail themselves of tertiary level education through this medium.

Whatever the current problem of standards in the provision of education in the Cayman Islands, the long tradition in schooling dating back to the early years of the 20th century has meant that the Caymanian

population is basically literate. However, it is well known that the knowledge economy of the 21st century requires much more than basic literacy.

The high levels of reward available relatively in some areas of the economy that link the Cayman Islands to the international economy have allowed the country to access the required human resources for competitive participation, irrespective of the attainments of the native Caymanian population.

This is clearly not the paradigm that the Government or native citizens seek as the model of development for the 21st century. The higher level participation of the Caymanian population in the transformation process depends on access and performance in the educational system. Increasingly, the country has been laying the infrastructure for such participation.

In sum, the data generated in the SLC show that poverty in the Cayman Islands is low, and indigence is non-existent. The data on health insurance suggest good penetration although women seem to have differential access. Assistance programmes targeted at the less well off show a tendency to equitable treatment, suggesting an underlying efficiency in targeting, of such an agency as the DCFS. On the other hand, there are challenges evident in such areas as housing, access to pre-schools for those in the lowest quintile, the general prevalence of chronic diseases and educational performance as judged by certification.

VOICES OF THE POOR

The discussions in Participatory Poverty Assessment and the in-depth interviews provided the opportunity for the voices of poorer people in the Cayman Islands to be heard. The multiple deprivations to which the poor are subjected are reflected in some of the statistical information in the SLC. However, it is in the words of the poor as they express their pain and hurt that give meaning to the statistical data. Variations in the perceptions of poverty and deprivations are based on how participants defined poverty. However, there were differential perceptions that varied by socio-demographics of groups and communities.

The qualitative data from the PPA reveal that women, men and family are increasingly facing economic, social and psychological pressures that are causing family ruptures. The breakdown of social relations between women and men is affecting children, the youth, and family life.

The PPA data suggest too that while absolute poverty may not be a major issue in the Cayman Islands, relative poverty and social deprivations are contributing to stigmatisation and discriminations against certain groups in the society and to the sense of social exclusion.

CHILDREN

Children face great psychological trauma and stigmatisation because of their economic situation. If their parents are

unable to provide lunch money children stay away from school rather than become labeled as “poor”.

Children are also teased by their neighbourhood peers – “*your house looks so poorish*”. A mother reported that her daughter always asks “*mummy why don’t we go and live somewhere else*”.

YOUTH

The young people recognised that poverty was not simply about the lack of income and material things, but that it was also about,

“not having a mother or father to care for you”.

Clothing is particularly important for social status among youth who can negatively impacted when they are observed to be wearing old, dirty and torn clothing. One youth reported that

“they tease me in school and refuse to play with me because they say that I smell...but miss we do not have enough money to buy deodorant or new underwear and clothes.”

The youth expressed anger, frustration and humiliation because of their living conditions and socioeconomic status. One youth admitted that, “*sometimes I get angry and go to my room and listen to music*”.

Another said that,

“when we go to some of our friends’ houses and witness something we don’t have...we feel like if we are at the bottom of the list. It is frustrating...really frustrating”.

Some of the youth were more hopeful and linked their experiences to building character, *“you learn not to be selfish”, or “you learn new skills like when they say you can’t”*.

The youth of the study identified discrimination in the type of education they received as well as in employment practices. Not having a proper education was seen as something they were being denied because of their family background and the community in which they lived. In one group it was felt that *“our schools don’t teach the good education like other schools...schools just want to suck the money out of poor people”*.

There was also concern about differential educational opportunity among communities. The perception is that there is an absence of equality. One youth commented that,

“people in Savannah high grade push their children, but people in the island down grade East Enders”.

Overall, the youth believe that children of rich people have a higher quality of education. According to one youth, *“In Cayman...is not black versus white but rich versus poor”*.

Social status was also linked to employment opportunities, the community in which one lived, and citizenship.

“people look down on poor people as if they don’t have any confidence in us; they think we can’t do their high jobs”.

There was a perception that some districts were more favoured than others.

“...., we are one of the smallest districts so they (the government) don’t think we need much”.

National status was also a base for discrimination as perceived by non-Caymanian youth.

“people discriminate against races. People come up and say Jamaicans are this and that”

But the anger leads to negative thoughts about the society and an acceptance that one can resort to an alternative path:

“Start doing bad things...some want to commit suicide, some go into prostitution, others hustle or sell drugs”

“You have a different attitude towards your goals...like you trying but cannot get anywhere, so you quit...maybe sell drugs”

“You are forced to throw away your dreams”

The youth can explain what they see around them in their neighbourhoods, and subcultural responses become acceptable.

WOMEN

While the official data suggest low poverty and no indigence, the voices of women in poorer communities suggested serious deprivation.

One woman suggests that

"We can do without...we can go to bed hungry, but children cannot. Children cry out...a sad cry".

Another remarked that

"I get frustrated because I have to explain to my children when I say no is because I cannot afford something that they want."

The acute pain and sense of defeat of a mother are observed in another example, when in times of difficulty, she tells her children, "time for fasting". Most of the women, however, try to protect their children from knowing the real financial state of their households. They worry about what will happen to their children if something happens to them or if they cannot work.

The coping strategies that need to be employed are also a source of embarrassment. Increased economic participation is the first recourse, including:

- Baking or cooking food items for sale;
- Working longer hours;
- Working extra shifts;
- Working extra jobs;
- Seeking assistance from the Department of Children and Family Services;
- Participating in "gaming" (illegal number game);
- Participating in informal saving schemes "throwing a partner";

- Seeking financial loans or aids from family, friends, or neighbours; and
- Having relationships with more than one partner (sequential or simultaneously) or resorting to 'boopsing'.

"poverty sometimes will make you do things out of the way...like have more than one man" because "if you nah find work, you have no money...you have fi go tek man".

Women as the primary caretaker of the family carry a major psychological burden.

MEN

Men also experience emotional pain when they are unable to provide for their children. The pressure of the gender assigned role of provider when not fulfilled impacts their self-concept and creates embarrassment with children:

"When you are unable to help the family financially you feel bad as a Man."

"My kids see other children with things and they want that, then they say daddy did not buy that for me"

"When I tell my son I do not have the money to buy him sneakers...he trips out on me"

"It affects my children bad...they not feeling what you tell them"

In the face of difficulty, there is the stereotype that men face

'women try and cope...men pick up and go.'
'man tells the woman...you deal with it.'

THE ELDERLY

The Elderly respondents also believe that they are discriminated against because

"society makes you feel like you are not recognised...if you were white you would be recognised".

The Elderly felt ashamed in having to ask family, friends and neighbours for help.

PERSONS WITH DISABILITIES

Whatever the provision being supplied by the DCFS, those with disabilities felt 'forgotten' since they became disabled. Society did not seem to be kind to persons with disabilities:

'no one knows me.'

The disabled felt a high level of vulnerability because of their dependence on others in both and public and private spheres of their lives. They faced such problems as:

- Lack of assistance for mobility in respect of transportation;
- Lack of employment – governmental policy has not facilitated the employment of the disabled;
- The absence of educational and retraining programmes for the disabled;
- Limited access to government and public places, including schools, bathrooms, businesses, and parking;
- Absence of programmes to make housing more accessible and

affordable to disabled persons and their families;

- Absence of a residential home for the disabled;
- Paucity of rehabilitation programmes and assistance with equipment and devices;

Overall, the findings of the PPA reveal that although individuals, households, groups and communities may be resource poor they are resilient, resourceful, and value their dignity and honour. While most would agree that they were 'poor', there was an insistence that they were 'not poor, poor'.

In-depth discussions with related households provided even deeper insights into poverty in the Cayman Islands. A number of major concerns emerged. There is a problem of access to land for housing in the Cayman Islands and poorer people have been forced to make arrangements within the extended family. Drug Abuse is a problem. Imported labour represents a large percentage of the employed work-force in the Cayman Islands. Employers are reluctant to pay decent wages to Caymanians. The rapid social and cultural change that has taken place in the country might have created some level of socio-cultural dissonance.

There is also the decline in the social capital of yesteryear in which there was a well developed sense of social obligation and reciprocity that attended the experience of being poor. None of the persons

interviewed mentioned the role of the Community Development Agency of the Government as a stakeholder in the building of communities.

THE INSTITUTIONAL ASSESSMENT

The Institutional Assessment was conducted on a range of organisations. These organisations were divided for the sake of analysis into the following areas of focus:

- The Polity;
- The Economy;
- Social Services; and
- Housing, Infrastructure and Management of the Environment

Their role in reversing poverty was examined in the context of their being developmental, preventive, supportive and remedial. The performance of these organisations currently and their likely contribution in the emerging strategy for improving the quality of life were addressed.

At the level of the polity, the main issues on facing the country are:

- Immigration;
- The role of local government and the devolution of power from the centre to other levels of Government;
- Individual rights and the security of the citizen.

Immigration law has much to do with the integrity of the state itself, and extends to population policy, and industrial policy in the Cayman Islands. The growth of the economy is premised on the importation of labour. The implementation of the law seeks to ensure that in the perceived social arithmetic, the number of non-Caymanians at any point in time does not exceed the number of Caymanian citizens resident on the island.

The supporting measures and institutions are structured around this fundamental objective, and seem internally coherent, as long as supply of labour and personnel from abroad, responds to the pull factors in the Cayman Islands in keeping with its human resource requirements at any point in time. The need for monitoring all the relevant factors with the use of economic and social planning methodology seems necessary and would require the investment of appropriate resources.

The study reveals disparities in living conditions especially between Grand Cayman and Cayman Brac, which need to be addressed, including through some measure of devolution with the governance structure to allow greater involvement of the people Cayman Brac in the running of their affairs. Some listing in the direction of devolution can harness previously untapped resources of the people not only in Cayman Brac and Little Cayman, but also in the East End.

The security issue in the Cayman Islands poses an incipient challenge given that it is targeted by the international narco-trafficking industry and the resources seem deficient given the long coast line of the country. The level of drug abuse suggests that the country has not yet been able to mount effective interdiction.

The Economy relies on the performance of two pillars – Tourism and Financial Services, which in the course of 2008, have proved to be highly volatile. The paradigm shift of policy is designed to empower the native Caymanian population to become entrepreneurs and to place some of the responsibility for the continuing transformation of the economy in the hands of these entrepreneurs. Caymanians are no longer to be mere bystanders. There are other opportunities in Agriculture and Fisheries and the non-traded sector – distribution, commerce and construction.

The social services are wide ranging and include not only those established by the State, but a number of NGOs operating on the principle of voluntarism. There are a few agencies in the state sector that are well run and well organised to target their clients. The examination of the contribution of these service providers to the respective age cohorts establishes that there is a high level of effectiveness among some of them.

Inevitably there are gaps, and some of these relate to areas of dysfunction in the society – the spread of drug culture, male underperformance in education, prevalence of chronic diseases, recidivism, the increase

in marginalised youth, social dissonance – and others to administrative weakness, like the decline in the provision of community development services.

The evidence on the housing crisis that the country faces is well established from the data at all levels of the survey, and the relative lack of response in the face of the crisis, and in the midst of a buoyant real estate market driven partly by external demand. There are a number of agencies operating in the field of the environment management and planning.

While there is much to be done in the upgrading of the legislation and regulatory framework under which they operate, there is much to applaud in their performance. Together, they have the capacity to be a centre of excellence with broad responsibility for managing the fragile ecological structure that is the Cayman Islands and thus allow the country to expand its tourism sector without compromising sustainability.

RECOMMENDATIONS

A number of key recommendations are outlined, including:

- Devolution and improvement of the governance structure through local government, starting with the Sister Islands;
- Active incorporation of Caymanians in the growth process through entrepreneurial training and

- upgrading and professional development for the key sectors;
- Elimination of any barriers to the participation of women in fields currently dominated by males;
 - Development of capacity in agriculture and fisheries sectors with a view to addressing viable backward linkages to tourism and to domestic demand, especially in the face of escalation of food prices;
 - Active participation of Caymanians in business, commerce and construction sectors and development of training in that regard;
 - Conduct of Survey of Effective Literacy and Lifestyle Functioning Skills;
 - Introduction of minimum wage machinery;
 - Reduction of geographic disparities through targeted physical infrastructure;
 - Development of infrastructure in anticipation of climate change;
 - Introduction of updated legislation and regulation for environmental management;
 - Establishment of a centre of excellence with collaboration among key agencies;
 - Development of public transport system;
 - Expansion of investible resources for housing;
 - Universalising of pre-schools;
 - Improved protection for elderly;
 - Provision of formulary for chronic diseases for elderly, who, for whatever reason are not covered by CINICO;
 - Improvement of protection for groups at risk;
 - Expansion of opportunities for continuing/lifelong education and training;
 - Promotion of wellness;
 - Combating drug trafficking and crime;
 - Revamping community development;
 - Systematic approach to case load management;
 - Link transfers to the vulnerable to food index.
 - Development of Real Estate Investment Trust; and
 - Recommitment to Economic and Social Planning.

Analysis of the data collected for the NALC in the Cayman Islands has established that the country has one of the lowest rates of estimated poverty in the Commonwealth Caribbean. Even more interesting, there was no evidence of indigence. This attests to the high rates of secular growth that has taken place in the last half century. The Cayman Islands were a typical sending country with most of the population in search of income abroad. The beginning of the 21st century

finds the country as the destination with large numbers seeking salvation in the Caymanian sun.

These felicitous findings however, have to be treated with caution. Inequality as measured by the Gini coefficient is high relative to the per capita income of the country. There are obvious disparities across the districts and between Grand Cayman and the Sister Islands, which reflect the pattern of development that has been pursued so far.

The PPA, which is based on a qualitative assessment methodology, reveals that there are households and pockets in communities in poverty stricken conditions and with an acute sense of deprivation. Indeed, the PPA, in giving voice to the poor, uncovers problems that remain undetected in the quantitative information provided by the SLC. The low level of measured poverty does not mean that people at the bottom of the economic and social pyramid are not hurting.

The PPA as well as the discussions with key personnel among institutions in the Cayman Islands, brings evidence of social dissonance as the rapid pace of urbanisation and change leave some groups behind. Domestic violence, neglect of the elderly, poor socialization of children, and the impact of excessive hours of work on family life are a few of the social ills that emerge to the fore. An incipient drug culture and the attendant ills are very evident. The international narcotics syndicates have not left the Cayman Islands untouched and

there are tell-tale signs of some elements of the society becoming engulfed in the sector.

On a positive front, the country is blessed with a range of organisations in the area of social services which, in collaboration with the State, and anchored on a high level of voluntarism, allows many in need to secure assistance. There remain gaps however, in spite of the best efforts of the DCFS, which is the premier government agency engaged in the social services delivery. This results in hardships, as were identified in interviews with some of victims themselves.

Housing conditions for the lowest income groups are acute, and are exacerbated by the large influx of low level labour in the economy in the Cayman Islands. The Government has reorganised health service delivery, and is perhaps the only country in the Commonwealth Caribbean that has moved its health sector in the direction of a full cost recovery mode with insurance support to treat with individual needs as they arise.

Penetration of health insurance is high but there are some who have fallen between the cracks. The Educational System is being reorganised and initiatives are being taken to create fluidity in the labour market, but with the overriding objective being the filling of as many places as possible at the highest echelons of industry with trained or qualified nationals.

Indeed, this reflects the underlying economic strategy of the Government, which is committed to an apparent

reinsertion of the Cayman people into the international economy, by empowering them to secure high level employment and/or to develop the capacity to establish and run their own businesses. In the economic thrust of the last century, it was accepted that foreign direct investment would enter and provide the jobs for some Caymanians, and with the revenues provided to the Government, contribute to the expansion of the state and public sector hiring. In the early 21st century, the thrust is to maintain the rate of growth, but to move the Caymanian from being participant observer, to being actor.

Low rates of poverty and high quality of life for large numbers are the current reality. The country is well placed to address issues of poverty and vulnerability. However, it is obvious that the most important considerations are the empowerment of the Caymanian people for the next phase of transformation and the reduction of inequality generally. Other priority issues,

from the perspective of the TOC, are the devolution of decision-making, the reduction of geographic disparities, drug interdiction, dissonance among the youth, the promotion of wellness and preparation for climate change. The NAT and other stakeholders that have been involved in this project should be well equipped to assist in developing priorities with the information that is now available from the NALC.

The course of the international economy in 2008, and the crisis of September 2008, might lead to major changes in conditions for people in the Caymanian Islands, given the heavy reliance of the country on Tourism and Financial Services. The NALC provides a base for the examination of the initial impacts. It provides also a wealth of data that can be used for the first steps in a multi-sectoral plan that can take the country into the second decade of the 21st century, and establishes the framework in which the national community of the Cayman Islands can set its priorities.



**PART I:
ANALYTICAL FRAMEWORK
AND METHODOLOGY**



CHAPTER ONE – INTRODUCTION

1.1 BACKGROUND

This study follows on a programme of assessments of living conditions initiated by the Caribbean Development Bank (CDB) since 1995, as part of the Bank's strategic targeting of interventions in BMCs. Similar studies, which have been conducted in more than ten Borrowing Member Countries (BMCs) to date, have yielded results that have been used by the CDB and other donor and funding agencies, as well as by the respective governments, in developing interventions for improving the conditions under which people live. The studies have usually resulted in the reform of social policies, reshaping of organisations and the redesign of social programmes.

The current National Assessment of Living Conditions (NALC) in the Cayman Islands seeks to assess the conditions affecting the welfare of people and to identify a Programme of Action that would reduce the extent and severity of poverty and vulnerability in the country. Moreover, a number of technical and other personnel were trained over the course of the project, in order to ensure that the Cayman Islands would be able to continue monitoring changes in living conditions and in developing appropriate interventions,

as needed over time, to improve living conditions of those at the bottom of the economic and social pyramid.

The study was funded by the CDB, with financial assistance from the Department for International Development of the United Kingdom (DFID), the Canadian International Development Agency (CIDA) and the United Nations Development Programme (UNDP), in response to a request for assistance from the Government of the Cayman Islands (CIG).

1.2 DEFINING POVERTY

Poverty refers to any situation in which an individual, or group possesses less than some standard of living that has generally been defined as acceptable. This standard may be determined on the basis of either: a) the material condition of other persons or groups in the society or, b) the gap between what is possessed and some objective indicator of elementary human need. Poverty is, therefore, a complex of multiple deprivations.

Most definitions of poverty focus on the notion of material deprivation, which accords with commonsense or the layman's understanding of the phenomenon. From the time of the pioneering work of Booth (1887)¹ among the working class of 19th

1 Booth, Charles. (1887). "The Inhabitants of Tower Hamlets (School Board Division), Their Condition and Occupations," *Journal of Royal Statistical Society*, Vol. 50, pp 326-340.

century Britain, and then of Rowntree (1902)², to the work of the World Bank (2000) in the last quarter of the 20th Century, poverty has been popularly defined in terms of material deprivation. Beyond this narrow conceptualisation, there has been, in more recent times, a move towards a broader definition of poverty.

Sen (1987)³ in his work on famine, proffered the concepts of entitlements and capabilities that call attention not only to food requirements, and the importance of freedom from hunger, but proclaim the desire of most persons for self-actualisation⁷. In the modern world this means access to basic education, to primary health care, personal safety, to the supply of information necessary to make informed choices and to participate in the running of the society. It also means being a part of a cohesive self-affirming social network. Latterly, Sen (2000) has defined development as essentially human freedom, that is to say, the freedom of the individual to live the life that he or she desires.⁴ Such conceptualisations broaden our understanding of poverty along two lines.

First, they alert us to the fact that in our understanding of poverty there are goods and services that are essential to the wellbeing of the individual that are outside

of the individual's control. These have to do with the existence of social infrastructure and the provision of social services by the State. Secondly, we are alerted to a conceptualisation of poverty that entails the non-possession of tangible as well as intangible things. According to this conceptualisation, poor people are now deemed to be, not only those that suffer from lack of food, clothes and shelter, but also those whose personal and social circumstances limit the range of choices that they are free to make in the process of self actualisation.

Perhaps the most well known practical expression of this concept of development is the UNDPs, Human Development Report and its Human Development Index. The HDR defines development as the process of enlarging people's choices. It has developed an index of well-being that includes life expectancy and literacy. This kind of conceptualisation has also influenced the World Bank. In 1999 the World Bank described poverty as "multidimensional, extending from low levels health and lack of education, to other non-material dimensions of well-being, including gender gaps, insecurity, powerlessness and social exclusion."

A corollary of this second dimension of poverty and one that is important in strategising for its eradication is that the poor possess intangibles in the form of social capital that constitutes an important part of their survival strategy. Social capital speaks to the trust that exists between citizens in a nation, or members of a

2 Rowntree, B. Seebohm. (1902) *Poverty. A Study of Town Life*. London: MacMillan and Co. 2nd edition.

3 Sen, Amartya. (1987). *The Standard of Living*, Cambridge: Cambridge University Press.

4 Sen, Amartya. (2000). *Development as Freedom*, New York, USA: First Anchor Books (a division of Random House Inc.).

community. It determines the quality of social relations as measured by their cohesiveness and the extent to which they are informed by goodwill.

Social capital affects economic activities and relationships in any society since it is embedded in social networks. Social capital, in the most general terms, is a product of the historical experiences and culture of a society since these are the determinants of the norms and values that inform social relations. More specifically, it is the outcome of the social, political and ethical framework of the society and how these are organised and managed.

Intrinsically related to this concept of social capital, are the coping strategies used by the poor to deal with their social conditions. Coping strategies can take a variety of forms, some of which are detrimental to overall socioeconomic well-being, while others may be positive and can inform social policy in the eradication of poverty.

For the purpose of this study, the poor are defined as those in society, who suffer disadvantage with regard to the possession of those goods, or facilities deemed to be necessary according to some generally accepted social standard, or some fundamental physical need.⁵ There are two facets to this definition, one relative the other absolute: both are utilised in the study. Where persons at the lower end of the economic pyramid achieve this

standard, there may still exist conditions that leave them marginalised and relatively deprived of opportunities for self-actualisation.

1.3 TERMS OF REFERENCE

1.3.1 OBJECTIVES OF THE NALC

The overall objective of the NALC was to assess the current conditions affecting the welfare of people, and to identify a programme of policies, strategies, actions and projects that would reduce the extent and severity of poverty in the Cayman Islands, enhance social development, and improve overall quality of life, especially for those at the lower end of the economic and social pyramid.

Specifically, the NALC sought to:

- A. Calculate a poverty line for the Cayman Islands and determine the characteristics, extent, geographic concentration, severity and causes of poverty;
- B. Identify and analyse the dynamic links among the following:
 - a. Employment, unemployment, and conditions in the formal and informal sectors and poverty (e.g. size, composition and changes in the structure of employment, sectoral distribution, role of women and profitability);
 - b. Poverty and issues affecting development of the natural

⁵ Reported Health and Poverty in the Caribbean: How useful are the LSMS Data?" *Social and Economic Studies*, Vol. 55. No.4. 2006, SALISES, Mona.

- resources sector (e.g. agricultural production, land and marine use policy, financial and infrastructural support, environmental constraints and market access);
- c. Poverty and issues such as the development of squatter settlements and increased crime, substance abuse and HIV/AIDS;
 - d. Poverty, access to housing and housing conditions;
 - e. Structural changes in the society such as economic, social and cultural (including issues of migration and citizenship) and the generation, maintenance or reduction of poverty;
 - f. Poverty and processes of social, economic, cultural, civil and political discrimination and exclusion, including analysis of the links between access to human rights and poverty;
 - g. Economic growth and development policies on poverty and inequality indicators;
 - h. Poverty and the effects of recent natural disasters;
 - i. Poverty and gender;
 - j. Poverty, natural hazards and disasters and disaster risk reduction; and
 - k. Governance and poverty (e.g. democratic processes, participation of civil society in governance, government transparency and accountability, capacity within government to plan and deliver pro-poor and participatory programmes);
- C. Analyse the impact of the social and economic policies and institutional and legal environment on poverty, (particularly public expenditure, resource allocation and the impact of monetary and fiscal policies on expenditure and resource allocation), the regulatory, social and legal framework, the institutional arrangements and socio-cultural systems;
 - D. Assess the effectiveness of existing responses by government institutions, non-governmental organisations (NGOs) and community-based organisations (CBOs), to the poverty situation (including the impact and adequacy of available resources for poverty reduction, safety nets, other social protection measures and programmed interventions to alleviate or reduce poverty including, where necessary, non-formal mechanisms);
 - E. Review the priority civil society and public actions required to assist in moving households out of poverty; and
 - F. Develop a programme of action which sets out strategic options for addressing critical issues emerging from the research and proposals for specific actions including improvements in existing social

development programmes, or changes to social and economic policy, as well as institutional and legal frameworks and investment projects with emphasis being given to strengthening or enhancing the effectiveness of government, NGO and CBO efforts to reduce poverty and to address its root causes.

The study also included as part of its process, a strong focus on capacity building, providing training and institutional strengthening where necessary, in order to ensure that future studies of this kind, as well as monitoring activities, could be undertaken on an ongoing basis.

It is anticipated that this report will assist all local stakeholders - the public and private sectors, NGOs and CBOs - in planning and formulating short, medium and longer-term strategies to reduce poverty and vulnerability by addressing its root causes, and devising specific interventions aimed at improving the life chances of the poor. The results are also a useful guide to interventions by CDB and other development partners.

1.3.2 ROLE OF THE PARTNERS

The Caribbean Development Bank, as the primary agency with oversight of the study, reviewed the work of the Consultants and monitored delivery to ensure that this was consistent with the Terms of Reference of the Study. The CDB ensured that, from the very beginning, the country was well prepared for the conduct of the study and

had put in place the necessary infrastructure to derive maximum benefit from the process.

The Government of Cayman Islands (CIG) ultimately held responsibility for the study, and for ensuring that the Cayman Islands retained ownership of the process.

A National Assessment Team (NAT) was appointed by the Government, to assist in coordinating a comprehensive approach to implementing the NALC. This multi-sectoral team was comprised of members of government departments and ministries, NGOs, CBOs, faith based organisations (FBOs) and the private sector.

The Cayman Islands, through the NAT, was responsible for data gathering, data entry and other field activities related to NALC. However, the TOC guided the NAT through this exercise and provided technical assistance as necessary, to ensure the timeliness and quality of data collection and analysis.

The responsibilities of NAT included, but were not limited to:

- (a) Planning and coordinating NALC;
- (b) Assisting in the execution of NALC, particularly;
 - (i) The use of participatory methods;
 - (ii) Field-work for NALC; and
 - (iii) Comment on Reports.
- (c) Working with TOC in developing the survey instruments or adapting

existing survey instruments for NALC;

- (d) Ensuring that cultural and other social aspects were adequately accounted for in NALC;
- (e) Assisting in the interpretation of survey and community research findings;
- (f) Providing TOC with documents on national, social and economic policy and conditions including national and sectoral plans, special reports and legislation;
- (h) Assisting in the preparation of the draft and final NALC reports;
- (i) Organising and participating in community and national workshops and consultations to review the draft and final NALC reports; and
- (j) Assisting in the formulation of a draft poverty reduction programme for the country.

The Team of Consultants (TOC) had the responsibility for guiding the assessment process, assisting the NAT in rapidly resolving implementation issues and constraints, advising and coaching NAT personnel in the execution of their tasks and closing any gaps in the skills of NAT personnel.

The TOC participated in community and national planning/review workshops and consultations, to elicit inputs from the various social partners during the assessment process. The TOC was also responsible for generating the various

output reports of the assessment exercise in consultation with NAT members.

The services provided by TOC included the following:

- Assessing the statistical data and information already available in the Cayman Islands, so that maximum use could be made of existing statistical systems in conducting the assessments;
- Strengthening the capacity of relevant agencies through training of appropriate local counterparts (including members of NAT) in the use of participatory approaches, in the application of the agreed assessment methodology, to do the requisite field work and to monitor poverty indicators and conduct future NALC;
- Developing, in conjunction with the Economics and Statistics Office (ESO), appropriate survey instruments which will provide disaggregated data on the basis of sex, nationality, religion, disability and geographical location and adapting existing survey instruments for use as necessary (e.g. Questionnaires used for household and manpower surveys and computer software) in collaboration with the NAT, and regional institutions engaged in developing poverty indicators;
- Adapting, for the purposes of the Household Budgetary Survey (HBS), an expenditure classification system

that conforms to the official United Nations (UN) international classifications of household expenditure (UN Classification of Individual Consumption according to Purpose);

- Planning and conducting the assessment process in collaboration with and ensuring timeliness, quality control of expected outputs at each stage of the process and consolidating the results of the process into the required assessment reports for consideration and acceptance by the relevant government officials, NGOs, CBOs and CDB;
- Designing the process to ensure the strategic involvement of all stakeholders with the objective of ensuring that CPA provides policymakers, programme managers, NGOs, and communities with the information that they require; and
- Facilitating stakeholder workshops at key points in the process to ensure that key stakeholders are actively involved in the poverty analysis and the discussion of strategic options for addressing critical issues emerging from the research and analysis.

1.4 STRUCTURE OF REPORT

The report on the NALC is presented in four Volumes:

- Volume 1:* The Main Report
- Volume 2:* Voices of the Poor and Vulnerable – Report on the Participatory Assessment
- Volume 3:* Institutions at Work in the Cayman Islands – Report on the Institutional Analysis
- Volume 4:* Statistical Tables and Technical Appendices to the Survey of Living Conditions and Household Budgetary Survey

Volume 1 (this report) synthesises the results from the various components and presents a discussion of the key issues and findings, along various themes of interest. This volume is separated into three Parts:

- Part I:* Analytical Framework and Methodology
- Part II:* Living Conditions in the Cayman Islands: - Findings of the NALC
- Part III:* Quality of Life in the Cayman Islands

CHAPTER TWO – METHODOLOGY

The study consisted of a Macro-Economic and Social Analysis (MESA); a composite survey comprised of a combined Survey of Living Conditions (SLC) and Household Budgetary Survey (HBS); a Participatory Poverty Assessment (PPA); and an Institutional Analysis (IA). These four components of the study combined quantitative and qualitative research methods, in ways that complemented each other to provide a comprehensive picture of living conditions in the Cayman Islands.

The methodologies applied in implementing the various components are outlined briefly in the subsequent subsections, and are discussed in detail in the respective Volumes of the Report.

2.1 THE COMBINED SURVEY OF LIVING CONDITIONS AND HOUSEHOLD BUDGETARY SURVEY (SLC/HBS)

The Survey of Living Conditions and Household Budgets (SLC/HBS) collected quantitative data on living conditions in the Cayman Islands. This provided the source data for the calculation of the indigence line, and the poverty line and for deriving estimates of vulnerability. It was a comprehensive survey which combined a survey of living conditions with a survey of household income and expenditure, and collected information through the administering of questionnaires to a sample of 1,144 households or 3,230 persons, representing 6 percent of the population.

Household surveys are the single most important source of data for assessing poverty and by extension, for making comparisons of living conditions. The household surveys used in the measurement of poverty and living conditions generally contain comprehensive information covering expenditure on food and non-food and all income sources. Surveys of Living Conditions or living standards measurement surveys (LSMS) use a less detailed and systematic method for the collection of data on income and expenditure than do Household Budgetary Surveys (HBS). Typically, many expenditure details would be collected in an SLC at an aggregated level and for a much longer reference period: the reference periods used for an SLC are normally one year for durables and one week or one month for non-durables/perishables like food. In an HBS, on the other hand, the collection of this information is much more detailed and is done in accordance with the UN's COICOP (Classification of Individual Expenditure according to Purpose) with reference periods that are much shorter.

In more recent times countries have sought to combine SLCs with HBSs in order to benefit from the better quality expenditure information yielded in an HBS survey and at the same time, obtain the greater depth of information on living conditions (health, education, employment etc) which SLCs seek to collect. The information sought consisted of four types: *Demographic and Other Individual Characteristics, Living Conditions, Expenditure, and Access to Public*

Services. This is the backdrop for the present study.

For this purpose, four separate but interdependent instruments were used in the data collection: a household questionnaire, an individual questionnaire, a diary of expenditure and a memory jogger. Enumerators were trained to visit each household on at least three occasions, and households were asked to provide information on all members, irrespective of age. However special emphasis was placed on the spender (a person 18 years of age or over or an employed person irrespective of age). Spenders were also asked to complete a memory jogger with information which would be transferred to the diaries of expenditure kept by the household for a period of two weeks.

2.1.1 TECHNICAL DETAILS OF THE SLC/HBS SAMPLE DESIGN AND METHODOLOGY

In order to capture all the important characteristics of a group or society, statisticians usually utilise the stratified random sampling approach in collecting data on the universe. Stratified random sampling is a cost-effective way of selecting households in a population such that different subgroups have different (but known) chances of being selected but each household has an equal chance of selection within any given subgroup.

The sample frame for the selection of the sample of households to be interviewed for the Cayman Islands SLC/HBS was based on a listing of block and parcel addresses

for all of the islands, updated in November of 2006. From this, a list of Enumeration Districts (EDs) - or Primary Sampling Units (PSUs) - was determined and the total number of addresses for each ED within the larger administrative area was determined. This allowed the development of a schedule at the district level which formed the basis for the selection of the sample.

Households were selected with probability proportional to size of the District and the PSU - the overall objective was to obtain a uniform sampling fraction across the larger districts and a larger but uniform sampling fraction across the smaller districts.

Table 2.1 summarises the outcome of the Cayman Islands SLC/HBS 2007. “Expected Household Count from Sample” is the minimum total number of addresses visited for the conduct of the survey. “Obtained Household Count from Sample” is the number of questionnaires completed by the enumerators conducting the enumeration exercise. “Total Households 2007” measures the total number of households derived from the weighing of the sample to the level of the population. “Main Questionnaire District Weight” is the inverse of the sampling rate (i.e. 1/12, 8.3% is the expected size of the sample for some districts and 10% for Cayman Brac/Little Cayman, East End and North Side). This rate also takes into account refusals, no contacts and growth in the population since the last census. When the district weight is applied to the SLC/HBS 2007, data at the district level the total population estimates are derived i.e. the last column of Table 2.1.

TABLE 2.1: SAMPLE SIZE AND RESPONSE RATE CAYMAN ISLANDS SLC/HBS 2007

District	Expected Household Count From Sample	Obtained Household Count From Sample	Sample Size Obtained	Main Questionnaire District Weight
George Town	1,002	602	5.6	17.80
West Bay	428	182	4.9	20.29
Bodden Town	245	151	6.1	16.37
East End	83	57	12.8	6.48
North Side	82	69	13.3	9.07
Cayman Brac	156	83	8.1	12.42
All Cayman Islands	1,996	1,144	6.1	

The completion of the Diaries of Expenditure required heavy reliance on the cooperation of households. There are two aspects to the response rate: firstly, households completing the main questionnaire may or may not respond to the diary in which case it is a total non-response. Secondly, if the households respond, they may respond for either one of both weeks for which they are asked to keep the diaries.

The response rate reported in Table 2.2 shows the total response comprised of the two aforementioned aspects of non-response: the expected and numbers of diaries obtained are reported, followed by the district level response rate on both diaries as a percentage of the response rate on the main questionnaires. The Diaries' weight at the District level follows; this is an adjustment of the District weights reported at Table 2.1 specifically for the additional amount of non-response recorded on the diaries.

In general, the data collected were of good quality: the household and persons questionnaires were almost entirely pre-coded to eliminate errors in the coding process. COICOP codes were applied automatically in the household and person questionnaires to eliminate the need for manually coding these questionnaires (a past feature of HBS surveys which has made them especially difficult to process).

There were very few structural problems with the flow of questions in the questionnaire, since it was thoroughly tested through the use of several pre-tests. The labour and immigration section of the questionnaire, which was based on a template from previous surveys done in other parts of the Caribbean, was substantially revised by the ESO to cater to the specific needs of the Cayman Islands. The TOC also removed the crime section from the initial draft questionnaire presented, at the country's request.

TABLE 2.2: RESPONSE RATE ON EXPENDITURE DIARIES

District	Expected Number of Diaries from households	Number of Diaries Obtained	Diaries District Response Rate %	Diaries Weight %
George Town	1,204	1,048	87	20.76
West Bay	364	276	76	28.41
Bodden Town	302	248	82	21.73
East End	114	80	70	11.75
North Side	138	99	72	12.16
Cayman Brac	166	127	77	14.06
Total	2,288	1,878	82	

In order to ensure a high quality of data, certain checks were built into the process both at the enumeration and data capture stages. Enumerators were trained for a period of approximately 30 contact hours using an enumerators' manual which detailed the procedures for completing each section of the questionnaire.

This combined SLC/HBS was administratively particularly difficult to implement. Some of the challenges faced are detailed below:

- a) The period for the conduct of the survey had to be extended to ensure that at least the main seasonal pattern of economic activity was covered. In this regard, the survey covered the period February to May 2007. The use of this time period ensured that a good deal of the major seasonal factors in the economy of the Cayman Islands was accounted for. In addition, due to the special difficulties of implementing this survey, the time

expected for its completion proved to be an underestimate. Therefore, an additional period of 2 – 3 months was required. Re-training enumerators was necessary, because of the large drop-out rate experienced during the first phase of the survey.

- b) All questions in the survey which requested information on household expenditure had to be coded using an adapted version of the UN's COICOP. This meant that aggregates such as Food and Non-Alcoholic Beverages had to be built by adding detailed components of that main group at the seven digit level in the classification system. This presented computer programming and other related challenges. In addition, households frequently reported expenditures at a main or subgroup level of the COICOP which presented problems for aggregation. Generally, the rule applied in these cases was to

examine the proportionate distribution of the expenditure for the item in the group in question and apply this distribution to the “unclassified” expenditures at the main or sub-group level.

- c) The administration of the combined SLC/HBS survey was particularly difficult. At the household level, the average length of the interview was one and a half hours. Supermarket vouchers were given as an incentive to encourage participation in the survey, but there were some problems in delivering these vouchers to the households on time. Nevertheless, this approach worked reasonably well in encouraging households to respond even if it was especially difficult to administer. Where the data from the diaries could not be obtained in spite of these efforts and that of the supervisors and the ESO, imputations had to be made using the responses to the question on food purchased in the last week and month from Section 8 of the household questionnaire. This information was reported for the household and served as a backup where information on food was not available from the Daily Expenditure Diaries.

As with most of the ratios and total estimates derived from the tables in this study and based on the sample design, and the sampling rates and using the *ultimate cluster variance estimation technique*, a

standard error can be computed. In the case of the headcount index, the estimate of 1.87 can lie between 0.82 and 2.92 with 95% of confidence (Table 2.3). More sample errors on ratio and total estimates are presented in Volume III of the Report.

2.2 INSTITUTIONAL ANALYSIS (IA)

The work mainly of economic historians in the 1980s and 1990s has brought to the fore the importance of institutions in the conduct of economic inquiry.⁶ Work on poverty is considerably enhanced by the examination of the institutional structures of society and in assessment of their effectiveness in treating with the poor. Moreover, there is differential capability in society in access to the institutional structures, and social capital may be an intervening variable.

While the terms “institutions” and “organisations” are often used interchangeably, the former refer strictly to the rules and practices that shape the behaviour of organisations and individuals in society. Some of these institutions are formal in the form of written constitutions, laws, regulations, contracts, etc and others are informal, but are reflected in the form of values and norms, but are no less influential for their being informal.

6 North, Douglas. (1990). *Institutions, Institutional Change and Economic Performance*, New York: Cambridge University Press.

TABLE 2.3: VARIANCE ESTIMATES ON MAJOR SAMPLE RATIOS

Variable	Estimate	Standard Error	C.V. (%)	95% Confidence Lower	95% Confidence Upper	Design Effect
Headcount	1.87	0.54	28.70	0.82	2.92	5.07
Unemployment Rate	2.21	0.44	14.90	1.34	3.07	1.27

Number of observations: 3,230

Much of the work on institutional analysis in poverty assessment, however, has to be conducted through research on organisations, both formal and informal, which mediate the flow of resources to households and individuals, both poor and non-poor. Education and training systems, credit organisations, local government entities, public sector and civil society organisations - NGOs and CBOs - in their operations, impact on the poor. Representatives of selected organisations and institutions in the country, whose interventions and programmes were deemed to be of relevance for the living conditions of residents and, in particular, of poorer people, were interviewed.

The IA involved the collation of primary data from interviews with personnel in some seventy-one (71) organisations, and from secondary data available in reports and other relevant documentation, on the operations and performance of these organisations. Where possible, these data were supplemented by information from community residents, obtained during the PPA, on institutions and organisations working in their communities, including comments on the effectiveness of their interventions, from the point of view of beneficiaries.

A topic guide was used in securing information from organisations on their effectiveness in treating with problems of poverty and living conditions generally, and this was rated against their specific mandates and terms of reference. The fundamental objective was to establish the degree to which organisations are *pro* poor in their work, and to determine how the system of organisations and institutions in the country collectively services the poor, the vulnerable and the society in general.

2.3 PARTICIPATORY POVERTY ASSESSMENT (PPA)

Participatory processes are now seen as an essential component of any research to determine the type and level of poverty in a country. These approaches do much more than provide qualitative data to complement the quantitative data produced by the more traditional surveys: they give a voice to the poor and vulnerable by providing opportunities for them to articulate their perceptions and experiences, to analyse and reflect on their reality, and to share the strategies and mechanisms that they use to cope and survive.

In this way, Participatory Poverty Assessments (PPAs) deepen our understanding of poverty, its characteristics and various dimensions, and highlight the problems, needs and priorities of the poor, as viewed by the poor themselves. The data generated by PPAs are therefore critical in determining the type of interventions and programmes to be implemented in Poverty Eradication and Alleviation Programmes.

The objective of the PPA was not to measure poverty, but rather to provide insights on the perceptions, experiences and effects of difficult living conditions on individuals, households, groups, and resource-poor communities. More specifically, the PPA sought to:

- a) Collect concrete and specific data on living conditions in selected communities in order to produce a multi-dimensional view of poor living conditions and deprivation, its distribution and the factors that contribute to its existence;
- b) Collect and analyse gender specific data on living conditions and deprivation, its characteristics, and coping mechanisms;
- c) Increase understanding of poor living conditions and deprivation based on the perceptions and experience of individuals, of households, and of different groups in these communities;
- d) Identify the vulnerability and risks faced by resource poor individuals and households as they strive to sustain their livelihoods;
- e) Identify assets and resources, human and natural, to which individuals, households and groups have access;
- f) Obtain information from individuals, groups and households about:
 - i. The initiatives that they take to sustain their livelihoods,
 - ii. The public services and facilities that are available to them and the constraints and obstacles that they encounter in their attempts to access these,
 - iii. Their concerns, needs and priorities, and
 - iv. The interventions and actions that in their view are needed in order to improve their living conditions and to alleviate and reduce poor living conditions and deprivation; and
- g) Generate data that can be used to formulate policies that are informed by the voices of those most affected by poor living conditions.

The PPA was launched in October, 2006, with the first training session in December, 2006 followed by a refresher training workshop in January, 2007. Teams of local Field Research Facilitators and members of the NAT were trained in the use of participatory research methods and techniques. Use of these methods was based on the philosophy and belief that ordinary people are capable of “doing research” and of generating realistic, reliable and valid

information about their reality, of analysing and interpreting that information, and of agreeing on ways in which the information can be used to change their reality.

Fieldwork began in January, 2007 and continued over a period of four months. Information was collected from individuals, households, special interest groups, community leaders and community members in 10 selected communities. Information collected focused on the indigenous knowledge and experiences of “ordinary” people and “vulnerable” groups that are often marginalised in the research process.

The criteria used to select the communities were based on the understanding that the communities would be representative of communities that may be experiencing poor living conditions. The communities selected were therefore expected to represent the presence of different population demographics (nationals and non-nationals); livelihood groups; economic activity and income levels; geographic location (urban/non-urban, isolated, etc); levels of infrastructure development; and specific social issues like crime, substance abuse and drugs etc.

Using these criteria and purposive sampling technique, 10 communities were selected. This included 9 communities in Grand Cayman (2 in George Town, 2 in West Bay, 1 in Bodden Town, 1 in East Side, and 1 in North Side) and 2 in Cayman Brac. Little Cayman was treated as 1 community: because of the small population, a different

research approach was adopted. Here, only field interviews were conducted with specific individuals and households.

The communities selected for study were expected to reflect poorer living conditions, and some level of deprivation, and to share a number of characteristics but it was not anticipated that they were homogeneous.

Qualitative data were collected through a range of diverse methods, including field research interviews with household members and community leaders as well as community workshops, focus group discussions, and transect walks.

TABLE 2.4: LIST OF PARTICIPANTS BY RESEARCH GROUPS AND SEX

Research Group	Males	Females	Total
Community Leaders	03	12	15
Community Workshop Participants	28	81	109
Householders	03	13	16
Youth	37	34	71
Elderly	08	34	42
Women	n/a	60	60
Men	32	n/a	32
Disabled	08	05	13
Unemployed	10	18	28
Total	138	248	386

Data were obtained from observation, collected through questionnaires and interviews, and in focus group discussions, and generated by community residents as they participated in the community workshops in interactive exercises, in community resource and wealth mapping,

and in the use of creative tools, to assess poverty and deprivation as well as sense of wellbeing and the quality of life in their communities. Figure 2.1 shows some sample research tools that were used in the PPA.

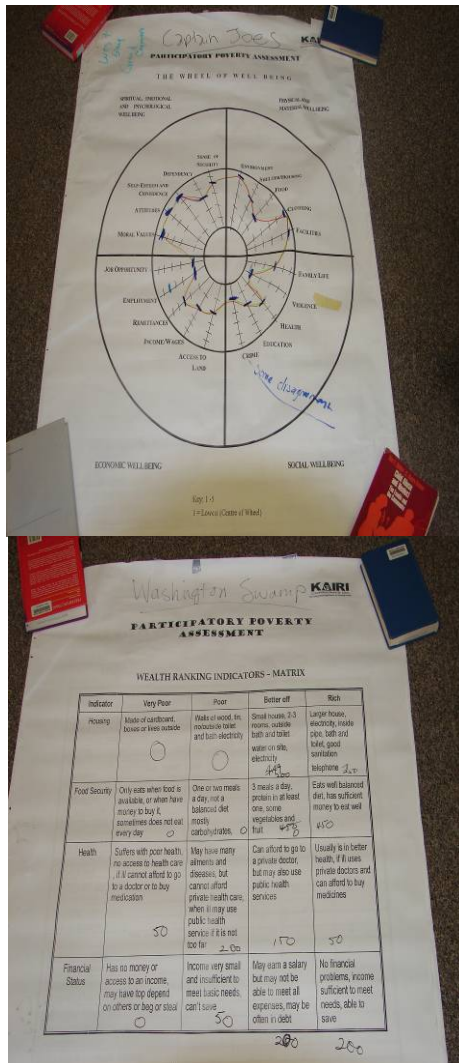


FIGURE 2.1: SAMPLE RESEARCH TOOLS FROM THE PPA

In-depth interviews were conducted with individuals from the sample communities. The criteria used to select individuals were based on the likelihood of their having a family background of multigenerational

poverty, and/or a male perspective. Some Community Leaders were also interviewed as part of this component of the study.

The data therefore consisted of reports, direct observations, and document reviews. Some forms of categorical data were collected from the wealth ranking indices and wheel of wellbeing instruments used in the community workshops. Triangulation ensured consistency in the results from the various data collection methods and techniques and sources, and allowed for comparisons, for example, between urban and rural poverty.

Particular attention was paid to the social and psychological impact of living in resource-poor situations and for gender differences in experiences, perceptions, and coping strategies. Deliberate efforts were made to include women as part of the research sample, to include gender-specific questions in all the interview schedules, and to apply a gender analysis to the data collected.

2.4 MACRO SOCIO-ECONOMIC ANALYSIS

The NALC is premised on the results generated from an examination of households. However, the quality of life of households is impacted by conditions in the wider society and community, and indeed, for highly open economies like the Cayman Islands, by forces in the international economy. Thus, the Macro-economic and wider societal variables have to be analysed in the conduct of NALC.

The macro socio-economic analysis relied on secondary information collected mainly from governmental institutions and from research exercises that have been conducted in recent years. The growth and transformation of the economy of the Cayman have been phenomenal, and provide the backdrop to living conditions witnessed today. The rate of growth has been supported by a system of importing labour, which, from time to time, can raise fears prompted by the socio-psychological

carrying capacity of the nationals of the country. There have been challenges in the main sectors responsible for this transformation, and there are also threats on the horizon, which can impact on the social fabric of the society.

The findings of the macro and socio-economic analysis form the context within which the quantitative and qualitative data gathered in the field, can inform understanding of conditions. These are presented in Chapters 3 and 4.

CHAPTER THREE – GEOGRAPHY, HISTORY, AND POPULATION DEMOGRAPHICS

3.1 COUNTRY GEOGRAPHY AND HISTORY

The Cayman Islands is comprised of an archipelago of three islands – Grand Cayman, Cayman Brac and Little Cayman⁷. They are located to the south of Cuba and to the northwest of Jamaica on the Cayman Trench or Bartlett Deep which is the deepest part of the Caribbean Sea. The islands together are comprised of a land mass of 259 square kilometres. They are all low-lying, with the highest point being the Bluff on Cayman Brac at 43 metres and consist of lime-stone and are surrounded by coral reefs.

The climate is tropical marine with two seasons – dry and rainy – in the course of the year. The islands lie in the path of the major tropical storms that visit the Caribbean in the period June to November. Hurricane Ivan was the most ferocious to have hit in recent years. Their low-lying nature puts them at risk given the prediction of sea-rise in the face of global warming.

The Cayman Islands did not seem to have supported major settlements of native people of the Caribbean when Columbus arrived in the area. The islands were sighted by him in 1503 on his fourth trip to the New World. Cayman Brac and Little Cayman were described as “very small low lying

islands full of tortoises.” This was the origin of the country’s original name “Las Tortugas.” The current name is said to be derived from the Carib-Indian word for crocodile, which referred to the ‘lizard-like serpents’, reported by Sir Francis Drake during his 1585-86 voyage.

In the earliest post Columbian history, the islands served as source for fresh supplies, and undoubtedly as a hide-out to pirates, buccaneers, and others operating in this part of the Caribbean. Pirates Week is one of the major festivals in the events calendar of the Cayman Islands, and gives recognition to this aspect of the foundation of the Cayman Islands. In effect, the islands did not attract early attention by way of permanent settlement in the earliest colonial period, which explains the relative unimportance of the Cayman Islands until the latter half of the 20th century.

The first recorded settlements were located on Little Cayman and Cayman Brac during 1661-71. The first census of the Islands was taken in 1802, showing a population on Grand Cayman of 933, of whom 545 were slaves. By the time slavery was abolished in 1834, there were over 950 slaves owned by 116 families.

Although Cayman was at the time a dependency of Jamaica, the reins of government by that colony were loosely held in the early years, and a tradition grew of self-government in the Cayman Islands, with matters of public concern decided at

⁷Web sources: <http://www.gov.ky> and; <http://www.gocayman.ky>

meetings of all free males. In 1831, a legislative assembly was established. The constitutional relationship between Cayman and Jamaica remained ambiguous until 1863 when an Act of the British Parliament formally made the Cayman Islands a dependency of Jamaica. When Jamaica achieved independence in 1962, the Islands opted to remain under the British Crown, and an administrator appointed from London assumed the responsibilities previously held by the Governor of Jamaica.

A new constitution was adopted in 1962. The present constitution currently provides for a Governor appointed by the Queen, a Legislative Assembly and a Cabinet. Except for very special circumstances, the Governor accepts the advice of the Cabinet, which comprises three appointed official members and five ministers elected from the 15 elected members of the Assembly. The Governor has responsibility for the police, civil service, defence and external affairs but handed over the presidency of the Legislative Assembly to the Speaker in 1991. There is discussion at the present time, of 'modernisation' through the enactment of changes to the existing constitution to make it more consistent with the new realities of

the Cayman Islands. There is an imminent referendum on the Constitution in 2008.

3.2 TRENDS IN POPULATION SIZE AND COMPOSITION

The size of the resident population of the Cayman Islands was 39,410, based on the 1999 Population and Housing Census. In 2006, the size of the population of the Cayman Islands had increased and was estimated to be in the vicinity of 50,000 persons. At the time of the 1999 Population and Housing Census, the majority - amounting to a little more than one half of the population - lived in George Town while about 21 percent lived in West Bay and approximately 15 percent in Bodden Town which was the district that had experienced the largest inter-censal population growth during the 1990s with an annual rate of population growth of 5.4 percent. Over the same period, annual rates of population growth in other districts such as George Town and West Bay were 4.8 percent and 3.9 percent respectively. The graph and pie charts in Figures 3.1 and 3.2 show the growth of population and the increasing concentration over time.

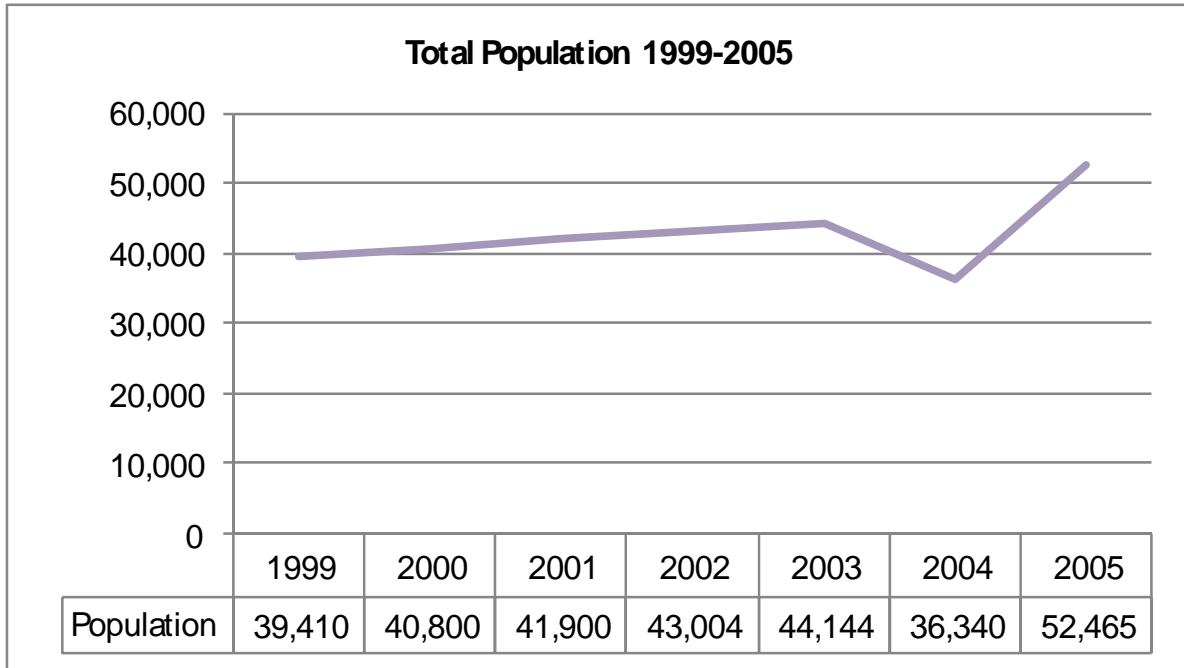


FIGURE 3.1: TOTAL POPULATION 1999 TO 2005

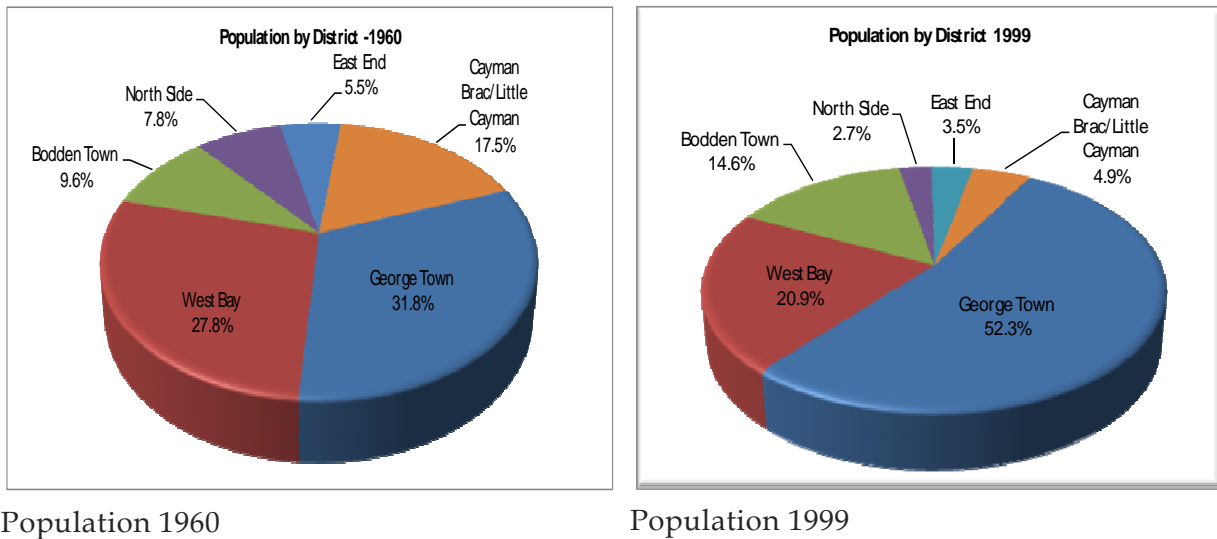


FIGURE 3.2: POPULATION BY DISTRICT – 1960 AND 1999 COMPARED

The Islands cover an area of approximately 260 square kilometres (100.4 square miles) and have a population density of 139.5 persons per square kilometre. This means that Cayman Islands covers a land space that is virtually equivalent to that of St. Kitts

and Nevis but somewhat smaller than that of other Caribbean countries such as Grenada, St. Vincent and the Grenadines and Antigua and Barbuda. The Cayman Islands are less densely populated than each of these countries with the exception of St.

Kitts and Nevis which has a population of approximately the same size as the Cayman Islands. With respect to Anglophone Caribbean countries that assume the form of islands, Dominica and the Bahamas are the only two that have lower population densities than the Cayman Islands. With regard to British territories, each of the British Virgin Islands, Anguilla and Bermuda covers a smaller land space than the Cayman Islands. While the population density of Bermuda is much larger, that of the British Virgin Islands and Anguilla is notably smaller.

These dynamics facilitate a better assessment of the population of the Cayman Islands in relation to its physical space. Insofar as the Cayman Islands possess relatively more favourable attributes that are indicative of its wealth generation capacity, the aforementioned dynamics point toward relatively favourable experiences that could potentially impact the socio-economic well-being of the residents of the Cayman Islands. At the same time, it is worth noting that the population size of the Cayman Islands experienced a more than four-fold increase over the 40-year period spanning between 1960 and the onset of the new millennium. While modest increases were evident in the districts of North Side, East End and Cayman Brac/Little Brac, increases in excess of six-fold were observed in the Districts of George Town, West Bay and Bodden Town across the 40-year period. Such changes in population size are the result of variable patterns of fertility, mortality and, in particular, migration, the latter being the principal factor accounting

for population growth in the Cayman Islands.

3.3 AGE-SEX COMPOSITION

According to the 1999 Population and Housing Census, the size of the female population of the Cayman Islands exceeds the size of the male population. For the three islands that comprise the Cayman Islands, Table 3.1 shows a sex ratio of approximately 95 males per 100 females. In the different age groups, there appears to be a preponderance of females among persons 15-29 years, 30-49 years and 65 years or older. Such differentials in sex ratios may largely be a function of differentials in migration that might be associated with the sex of migrants. The much more favourable sex ratio observed among persons 65 years or older could be a function of higher levels of mortality that are generally more characteristic of male populations than female populations and become manifest in greater longevity among females who are dominant in the older age cohorts.

The Report of the Population and Housing Census in the Cayman Islands reveals that the mean age of the islands' population increased from 31 years in 1989 to 32.8 years in 1999. Moreover, Table 3.1 shows that about one fifth of the population were children under 15 years and that approximately 6 percent were persons 65 years or older, at the time of the census. A much higher proportion, approximately two-fifths of the population, were persons in prime working age groups, between the ages of 30 and 49 years.

TABLE 3.1: AGE-SEX COMPOSITION OF CENSUS POPULATION, 1999

Age Group	Number			Percentage			Sex Ratio
	Both Sexes	Male	Female	Both Sexes	Male	Female	
0-14	7,598	3,830	3,768	19.5	20.1	18.9	101.6
15-29	8,706	4,218	4,488	22.3	22.2	22.5	94.0
30-49	15,966	7,703	8,263	40.9	40.5	41.3	93.2
50-64	4,486	2,268	2,218	11.5	11.9	11.1	102.3
65+	2,195	980	1,215	5.6	5.1	6.1	80.7
Not Stated	69	34	35	0.2	0.2	0.2	97.1
Total Population	39,020	19,033	19,987	100.0	100.0	100.0	95.2

Source: 1999 Population and Housing Census, Cayman Islands

Table 3.2 provides a means of discerning changes in the age structure of the population of the Cayman Islands between 1970 and 1999. Generally, they are indicative of the ageing of the population of the Cayman Islands: while the median age of the population fell within the age group 20-24 years in 1970, it increased, and fell within the age group 25-29 years in 1979 and 1989. By 1999, the median age increased even further and fell within the age group 30-34 years. Table 3.2 also shows that the ageing population of the Cayman Islands could be due mainly to phenomenal increases in the relative sizes of working age populations 25-44 years and to a lesser extent, those aged 45-64 years. Additionally, persons aged 25-44 years accounted for increasingly larger shares of the total population of the Cayman Islands across the period between 1970 and 1990, the respective proportions being 23.1 percent in 1970, 29.2 percent in 1979, 38.1 percent in 1989 and 44.5 percent in 1999. With respect to corresponding proportions for persons

45-64 years, increases were also observed but were not as pronounced.

The pattern of ageing and, in particular, temporal increases in the relative sizes of the selected working age populations is consistent with migratory patterns that have impacted the population of the Cayman Islands. Economic conditions of the Cayman Islands are attractive by regional, and surely, international standards, and have drawn international labour services from all corners of the globe. With respect to elderly populations 65 years or older, Table 3.3 shows increases in their absolute sizes between 1970 and 1999. In contrast, Table 3.2 shows declines in the proportion of the population aged 65 years and over, between 1970 and 1999. Such an outcome reinforces the notion that the ageing of the population of the Cayman Islands is largely a function of migratory trends that have resulted in overwhelmingly large increases in the sizes of sub-populations of working age.

TABLE 3.2: AGE DISTRIBUTION OF CENSUS POPULATION – CENSUS YEARS, 1970-1999

Selected Age Groups	1970	1979	1989	1999
0-14	38.2	29.1	22.8	19.5
15-24	16.1	18.8	17.1	11.1
25-44	23.1	29.2	38.1	44.5
45-64	14.7	16.0	15.8	19.1
65+	7.2	6.4	6.4	5.6
Median Age Group	20-24	25-29	25-29	30-34
Total Population	100.0	100.0	100.0	100.0

Source: 2005 Statistical Compendium, Cayman Islands

TABLE 3.3: SIZE OF ELDERLY SUB-POPULATIONS – CENSUS YEARS, 1970-1999

Selected Age Groups	1970	1979	1989	1999
65-69	252	439	521	797
70-74	205	299	412	563
75-79	136	213	307	377
80-84	94	118	191	255
85-89	69	94	170	202

Source: 2005 Statistical Compendium, Cayman Islands

Table 3.4 shows that the size of different youthful sub-populations had increased across the census years between 1970 and 1999. At the same time, recent fertility outcomes in the Cayman Islands seem to be different from those observed in a number of other Anglophone Caribbean countries where the annual number of births has been on the decline. Table 3.5 in the section below shows that the annual number of births has not been declining in the Cayman Islands.

But not withstanding increases in population size due to increases in the annual number of births during the 1990s relative to the 1980s on one hand, and the 2000s relative to the 1990s on the other, the ageing process due principally to migration of phenomenal numbers of working age persons, persisted during the 1990s and will likely persist during the present decade as long as the migratory trends continue with phenomenal inflows of young working age persons, and with increases in longevity within the Cayman Islands. In 1999, life expectancy at birth was estimated to be 75 years for males and 79 years for females.

TABLE 3.4: SIZE OF YOUTHFUL SUB-POPULATIONS – CENSUS YEARS, 1970-1999

Selected Age Groups	1970	1979	1989	1999
Under 5	1383	1468	2017	2740
5-9	1349	1766	1925	2713
10-14	1150	1620	1816	2147

Source: 2005 Statistical Compendium, Cayman Islands

3.4 MIGRATION AND POPULATION GROWTH

Table 3.5 provides time series of key demographic statistics for the Cayman Islands between 1980 and 2005. In 2004, when there was phenomenal negative net migration in the aftermath of Hurricane Ivan, the size of the population of the Cayman Islands declined, bringing to a temporary halt, a period of constant growth by amounts estimated to be between 1000 and 2000 persons per annum since 1987. Subsequent to the passage of Hurricane Ivan, the recovery process precipitated a

return of residents “en masse”, resulting in a return to usual population size. Nonetheless, immigration has been the engine of population growth in the Cayman Islands and except for 2004, has consistently had a greater impact on population growth than natural increase through the entire period between the end of 1987 and the end of 2005.

The Cayman Islands have attracted immigrants from across the world. This is supported by work permit statistics that point to the Caribbean and principally Jamaica as the main source of work permit applicants with much smaller but noteworthy number of applicants having their origins in Guyana, the Dominican Republic, Trinidad and Tobago, Cuba and Barbados. The second largest number of work-permit applicants has their origins in Asia, by far the vast majority being from the Philippines, with India being the only other Asian country with noteworthy numbers of applicants.

Substantially large numbers of applicants ranging between 1,000 and 2,000 per annum have had their origins in Canada, the United Kingdom and the United States. In addition to the United Kingdom, other European countries, such as Ireland and Germany, have been the main sources of

work permit applicants. With reference to the rest of the world, work permit applicants are mainly from Latin American countries such as Honduras, Colombia, Nicaragua and Costa Rica; Australia, New Zealand and South Africa are other sources.

An examination of Table 3.6 provides information on the citizenship status of immigrants based on data emanating from the 1999 Population and Housing Census. Of the 39,020 residents enumerated, about 52.5 percent were Caymanians and 47.5 percent were Non-Caymanians. Altogether, just over one fifth of the residents in the Cayman Islands at the time of the 1999 census were citizens of Jamaica while smaller proportions were born in the United States (5.2%), United Kingdom (6.1%), Canada (4.0%) and Honduras (2.2%).

In accordance with the 1999 Population and Housing Census, Table 3.7 presents a distribution of the Non-Caymanian citizens resident in the Cayman Islands according to their period of arrival. Accordingly, the vast majority arrived in the Cayman Islands in the late 1990s, approximately 44 percent between 1995 and 1998 and another 15 percent in 1999. These observations are consistent with the respective period estimates of net migration presented in Table 3.5.

TABLE 3.5: SUMMARY DEMOGRAPHIC STATISTICS, 1980-2005

Selected Years	End of Year Population	Annual Population Change	Net Migration	Natural Increase	Births	Deaths
1980	17,557	539	329	230	326	96
1985	21,104	564	313	251	367	116
1990	26,969	1,274	891	383	490	107
1995	33,332	1,401	1,026	375	485	110
1996	35,200	1,868	1,433	435	560	125
1997	36,600	1,400	951	449	572	123
1998	38,400	1,800	1,372	428	545	117
1999	39,600	1,200	724	476	604	128
2000	40,800	1,200	718	482	619	137
2001	41,900	1,100	610	490	622	132
2002	43,004	1,104	641	463	583	120
2003	44,144	1,140	670	470	623	153
2004	36,340	(7,804)	(8,219)	415	611	196
2005	52,465	16,125	15,596	529	699	170

Source: 2005 Statistical Compendium, Cayman Islands

TABLE 3.6: DISTRIBUTION OF RESIDENT POPULATION BY COUNTRY OF CITIZENSHIP, 1999

Country of Birth	No.	%
Cayman Islands	20,491	52.5
Jamaica	8,320	21.3
United States of America	2,040	5.2
United Kingdom	2,392	6.1
Canada	1,562	4.0
Honduras	873	2.2
Rest of the World	3,266	8.4
Not Stated	76	0.2
Total Population	39,020	100.0

Source: 1999 Population and Housing Census, Cayman Islands

TABLE 3.7: NON-CAYMAN RESIDENTS BY PERIOD OF ARRIVAL IN THE CAYMAN ISLANDS, 1999

Period of Arrival	No.	%
Before 1950	5	-
1950-1969	113	0.6
1970-1979	552	3.0
1980-1985	1,030	5.6
1985-1989	1,820	9.9
1990-1994	3,976	21.5
1995-1998	8,099	43.9
1999	2,691	14.6
Not Stated	167	0.9
Total Population	18,453	100.0

Source: 1999 Population and Housing Census, Cayman Islands

3.5 SOCIO-DEMOGRAPHIC CHARACTERISTICS OF RESIDENTS

Table 3.8 describes the religious affiliation of the population of the Cayman Islands based on the 1999 Population and Housing Census. While persons belonged to a wide array of Christian religious groups, the largest single group (24%), were affiliated with the Church of God. Roman Catholics and Presbyterians accounted for 11.0 percent and 11.8 percent of the population respectively. In addition, a relatively high proportion, amounting to about 10 percent, indicated that they had not been affiliated to any religion, with another 6 percent claiming to have been non-denominational. However, males were more likely than females to have had no religious affiliation or to be non-denominational.

The age distributions of the Caymanian and Non-Caymanian populations are shown in Table 3.9. The Caymanian population is substantially larger than the Non-Caymanian population among children under 15 years and elderly persons 65 years or older. Though the difference is much smaller in relative terms, the size of the Caymanian population has also been observed to exceed the size of the Non-Caymanian populations among young persons 15-24 years and older adults 45-64 years. However, among the younger adult population 25-44 years and in prime working age groups, the size of the Non-Caymanian population is substantially greater than that of the Caymanian

population. In fact, such persons 25-44 years accounted for more than half (55.3%) of the Non-Caymanian population.

Relying on evidence emerging out of the Labour Force Survey Report (Spring 2006), a comparative assessment of the socio-economic attributes of the Caymanian and Non-Caymanian population provides some interesting insights about these two sub-populations. With respect to educational attainment, Non-Caymanians appear more likely than Caymanians to have attained higher level educational credentials such as Bachelor's Degrees, Graduate Degrees, Diplomas and professional qualifications.

The Labour Force Report also shows that employed Non-Caymanians were more likely than their Caymanian counterparts to be employed in the construction sector, the hospitality industry and in private households. This characteristic was evident irrespective of individuals' sex in the case of persons employed in the hospitality industry, applied as well primarily in the case of men among workers in the construction sector and primarily in the case of females among workers in private households. Otherwise, Caymanians were just as likely or more likely when compared to their Non-Caymanian counterparts, to be employed in the other economic sectors. This suggests that there are sectors which are more favoured by Caymanians, or for which they are better equipped to enter. There is segmentation of the labour market on the basis of national/ethnic differences.

TABLE 3.8: CENSUS POPULATION BY RELIGION AND SEX, 1999

Religion	Number			Percentage		
	Both Sexes	Male	Female	Both Sexes	Male	Female
Anglican	2,235	1,101	1,134	5.7	5.8	5.7
Baptist	3,387	1,624	1,763	8.7	8.5	8.8
Church of God	10,153	4,651	5,502	26.0	24.4	27.5
Jehovah Witness	446	192	254	1.1	1.0	1.3
Pentecostal	2,064	898	1,168	5.3	4.7	5.8
Presbyterian/United	4,592	2,126	2,466	11.8	11.2	12.3
Roman Catholic	4,308	2,150	2,158	11.0	11.3	10.8
Seventh Day Adventist	3,208	1,482	1,726	8.2	7.8	8.6
Wesleyan Holiness	604	282	322	1.5	1.5	1.6
Non-Denominational	2,260	1,162	1,098	5.8	6.1	5.5
None	3,821	2,400	1,421	9.8	12.6	7.1
Other	1,502	739	763	3.8	3.9	3.8
Not Stated	440	226	214	1.1	1.1	1.1
Total Population	39,020	19,033	19,987	100.0	100.0	100.0

Source: 1999 Population and Housing Census, Cayman Islands

TABLE 3.9: CENSUS POPULATION BY SELECTED AGE GROUP AND CITIZENSHIP STATUS, 1999

Selected Age Groups	Caymanian	Non-Caymanian	Caymanian (%)	Non-Caymanian %
0-14	5,988	1,596	29.2	8.6
15-24	4,436	4,249	21.6	23.0
25-44	5,745	10,206	28.0	55.3
45-64	2,487	1,997	12.1	10.8
65+	1,821	373	8.9	2.0
Not Stated	14	32	0.1	0.2
Total Population	20,491	18,453	100.0	100.0

Source: 1999 Population and Housing Census, Cayman Islands

3.6 POPULATION POLICY AND IMPLICATIONS FOR SOCIAL PROGRESS

The size of the population of the Cayman Islands appears to be growing at a phenomenal rate since the passage of Hurricane Ivan. Notwithstanding the fact that the residents of the Cayman Islands have been experiencing living standards superior to those of neighbouring Caribbean countries and territories, poverty and in particular, sub-standard living conditions, have to be explored in the context of demographic structures that characterise the Cayman Islands. Thus, while the level of poverty in the Cayman Islands may be low, greater concern ought to be placed upon relative poverty and the characteristic features of different attributes pertaining to vulnerable sub-populations and in particular, those belonging to

different groups predicated upon socio-economic status.

Insofar as the principal concern underlying the study of poverty and the essence of living conditions is the empowerment of disadvantaged individuals to promote greater access to resources deemed essential to sustaining a healthy life, inequality can be determined on the basis of differential exposure, access and consumption of such resources across individuals. While it may appear virtually impossible to eradicate inequality in liberal democratic settings and in many societies globally, studies of poverty and social inequality still have great utility in societies such as the Cayman Islands. To this end, the thrust should be geared towards promoting greater equity in the distribution of resources and where necessary, eradicating poverty conditions where they exist.

CHAPTER FOUR – MACRO-ECONOMIC ANALYSIS

4.1 ECONOMIC PERFORMANCE

Cayman Islanders have a strong tradition of hardiness and independence of spirit, which sustained them through many difficult years when their country was sometimes referred to as "the islands time forgot." In those years, they earned their livelihoods at sea, either as fishermen, including fishing for turtles, or as crew members on foreign-owned ships, or by working in unskilled or semi-skilled jobs in North and Central America. In 1906, more than a fifth of the population was estimated to be at sea, and even as late as the 1950s, the Government Annual Report on the economy indicated that the main 'export' was seamen whose remittances were the mainstay of the economy.

Since those days, the economy has grown in remarkable fashion, achieving levels of per capita GDP that are the envy of countries in other parts of the region. Over the last 30 years, government administrations have pursued policies aimed at developing the infrastructure, education, health and social services of the Islands, fostering the stability which is an important factor in the continued growth of Cayman's two main industries, tourism and financial services.

4.1.1 INTERNATIONAL CONTEXT⁸

In 2006, global economic growth was estimated at 5.4 percent, up 6 percentage points from the 4.8 percent recorded in 2005. Domestic demand remained strong across many of the advanced economies, except the USA, during 2006, presaging general buoyancy in the first half of 2007. Despite a sharp downturn in the housing market, the US economy managed to stay afloat into the year 2007, with decent growth of employment especially in the services sector – which kept consumption levels up.

However, by the second half of 2007, according to the International Monetary Fund (IMF), there was evidence that the world economy was entering a difficult period. The housing market in the United States collapsed as the stripping in the subprime mortgage market exposed weakness in a number of financial institutions, in the United States and in other financial markets. The slowing of growth into the year 2008 has presented the portents of a recession, which the US Authorities are committed to forestall, by a mix of fiscal and monetary measures. Shocks to the US economy are of particular interest because of the potential for transmission across countries through trade and financial channels. One notable example was that of the burst of the tech-

⁸ This section draws heavily on the IMF, World Economic Outlook, April, 2007 and October, 2007.

bubble in 2000-2001 and the resultant impacts on financial markets. The events of September 11, 2001 impacted international tourism, with repercussions for the Cayman Islands.

The first three months of 2008 have witnessed a see-saw in stock markets, which movements have undeniable implications for the economy of the Cayman Islands. It is of great significance, however, that it is the emerging economies of China and India, in particular, which have quickly become major engines of growth in the World Economy. While these two are not unaffected by the slowing of growth taking place in the advanced economies, their take-off is substantial enough to continue the process of internal growth, as well as contribute to the World Economy. The increase in the prices of a number of primary products and raw materials has been attributed to demand in these two economies: the escalation in the price of food and of energy in world markets is not unrelated to developments in these two emerging economies. On the other hand, the rise in energy prices has triggered a shift to alternative fuels and to ethanol in particular, which has resulted in the transfer of land from food and animal feed production, to fuel for automobiles and other transport vehicles. This has resulted in an inflationary spiral driven by the price of food in a number of countries.

Another interesting development is the attempt on the part of a number of Latin American countries led by Venezuela, to create a counter to the IMF and World Bank,

in the treatment of international trade, fiscal and monetary difficulties within the region. There are also moves on the part of some countries to de-peg their currencies from the weakening dollar of the United States and to hold a wider basket of currencies. There has also been an increase in the price of precious metals, like gold. The dominance of the United States economy and currency in the World Economy seems to be waning.

However, this does not spell a decoupling of the United States economy from the World Economy. Indeed, there have been a number of high profile investments by Chinese and Indian companies in the United States, and there is the growth in sovereign investment, as a number of Governments in the Arab oil-producing countries and others, take up stock in US corporations, including major banks, suggesting the greater integration of financial and other markets. The collapse and rescue of one of the major American banks in March, 2008, and the impact on other financial markets following the subprime fiasco in the United States, in the latter part of 2007 and in 2008, demonstrate the high level of integration of financial markets across the world.

Other features in global economic performance include the threat of global climate change that has led to major weather episodes in recent years, the surges in oil prices, unbridled inflation and related financial and volatility risks, and rising protectionist pressures. According to the IMF, as efforts to address global

environmental issues increase, these are expected to add to the cost of doing business. The Stern (2006)⁹ Review on the Economics of Climate change estimates that it could cost about 1 percent of GDP each year just to stabilise carbon emissions.

Thus, the two main drivers of the economy of the Cayman Islands – Financial Services and Tourism – have been subject to substantial volatility. Notwithstanding the fact that recovery has been swift in the past, the country cannot be oblivious to the fundamental shifts that are taking place in the World Economy. Evidently, the cycles in economic performance of the economy of the Cayman Islands depend crucially on the deftness of fiscal and monetary policies pursued in the major economies. As the locus of the growth pole moves from the North Atlantic to the emerging Asian economies, the Cayman Islands authorities would need to understand how well the economy adjusts to the early 21st century reality of a new dynamic that supplants the USA which has been the prime driver of the World Economy for at least three decades.

The context of the longer-term trajectory of the World Economy can be seen in the performance of the advanced countries over the period 1999 – 2006, that is to say, from the end of the Asian crisis to the middle of

the first decade of the 21st century (Table 4.1). Overall, the highest growth trends were witnessed in the Asian region (Singapore, South Korea, Taiwan and Hong Kong). Over the eight-year span from 1999 to 2006, South Korea has presented with the highest average real growth rate (5.72% over the eight year period), closely followed by Singapore (5.7% on average). There was an overall trend of falling real growth rates in the advanced economies; the year 2001 accounted for a major depression in the growth trends of all countries, owing, no doubt to the events of September 11.

Table 4.2 presents a summary of inflation trends in the advanced economies from 1989 to 2006, and gives projections for 2007 and 2008. It suggests that inflation rates have been growing overall in the advanced world, with the United States accounting for much of this growth. In the United States alone, consumer prices have been consistently the highest of all the advanced countries, peaking at 3.4 percent in both 2000 and 2005. Conversely, Japan has had consistently low levels of consumer prices over the period 1999 to 2006. The Cayman Islands experienced higher rates of inflation than the advanced economies in 2005, reaching as high as 7.3 percent, but the rate fell to 0.8 percent in 2006 (Table 4.2). All the portents in respect of the markets of oil and energy and of food suggest that consumer prices will remain significantly above the level in 2006/2007.

9 Nicholas Stern, 2007. *The Economics of Climate Change, the Stern Review*. Cabinet Office – HM Treasury.

TABLE 4.1: ADVANCED ECONOMIES: REAL GDP

Real GDP (Annual % Change)	Avg. 1989-98	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Advanced Economies	2.7	3.5	4.0	1.2	1.6	1.9	3.3	2.5	3.1	2.5	2.7
United States	3.0	4.4	3.7	0.8	1.6	2.5	3.9	3.2	3.3	2.2	2.8
Euro Area	...	3	3.9	1.9	0.9	0.8	2	1.4	2.6	2.3	2.3
Japan	2.0	-0.1	2.9	0.2	0.3	1.4	2.7	1.9	2.2	2.3	1.9
United Kingdom	2.0	3.0	3.8	2.4	2.1	2.7	3.3	1.9	2.7	2.9	2.7
Canada	2.1	5.5	5.2	1.8	2.9	1.8	3.3	2.9	2.7	2.4	2.9
Korea	5.9	9.5	8.5	3.8	7.0	3.1	4.7	4.2	5.0	4.4	4.4
Taiwan Province of China	6.8	5.7	5.8	-2.2	4.2	3.4	6.1	4	4.6	4.2	4.3
Hong Kong SAR	3.8	4.0	10.0	0.6	1.8	3.2	8.6	7.5	6.8	5.5	5.0
Israel	5.1	2.9	8.7	-0.6	-0.9	1.5	4.8	5.2	5.1	4.8	4.2
Singapore	7.8	7.2	10.1	-2.4	4.2	3.1	8.8	6.6	7.9	5.5	5.7
New Zealand	2.1	4.3	3.6	2.6	4.6	3.2	4.4	2.1	1.5	2.5	2.6
Cyprus	4.7	4.8	5.0	4.0	2.0	1.8	4.2	3.9	3.8	3.9	4.0
Iceland	1.8	4.0	4.4	3.6	-0.3	2.7	7.7	7.5	2.9	...	1.9

p= projected. Source: IMF, World Economic Outlook, April 2007

TABLE 4.2: SUMMARY OF INFLATION, SELECTED ECONOMIC GROUPINGS

SUMMARY OF INFLATION											
	Avg 1989- 98	1999	2000	2001	2002	2003	2004	2005	2006	2007 ^p	2008 ^p
Consumer Prices											
Advanced Economies	3.5	1.4	2.2	2.1	1.5	1.8	2.0	2.3	2.3	1.8	2.1
United States	3.3	2.2	3.4	2.8	1.6	2.3	2.7	3.4	3.2	1.9	2.5
Euro area	...	1.1	2.1	2.4	2.3	2.1	2.1	2.2	2.2	2.0	2.0
Japan	1.5	-0.3	-0.4	-0.8	-0.9	-0.2	...	-0.6	0.2	0.3	0.8
Other advanced economies	4.0	1.1	1.8	2.1	1.7	1.8	1.7	2.1	2.1	2.0	2.1
Cayman Islands				1.1	2.4	0.6	4.4	7.3	0.8		

p= projected; Source: International data IMF, April 2007; Cayman Islands data source: ESO

4.1.1.1 WORLD TOURISM¹⁰

In 2006, World Tourism enjoyed its third year of sustained growth, despite challenges including natural disasters, terrorism threats, escalating oil prices, and political and economic uncertainties. Tourist arrivals grew from an estimated 694 million in 2003 to 764 in 2004, 806 million in 2005 and eventually reached 846 million in 2006. Tourism receipts also grew in 2006, reaching US\$733 billion, up from US\$680 billion in 2005.

Tourism destinations are ranked in terms of their performance on two key tourism indicators - tourist arrivals and receipts. The top position in terms of arrivals for 2006 was occupied by France while the USA ranked highest in terms of tourism receipts¹¹. International tourist receipts were estimated to be US\$ 733 million, in 2006, 8.4 percent higher than the previous year. Europe was the largest recipient of international tourist receipts in both 2005 and 2006, with US\$ 348.8 billion and US\$374 billion in receipts respectively.

In the Caribbean, international tourist receipts increased from US\$20.8 billion to US\$ 22.1 billion over the period 2005 to 2006, a 6.3 percent increase. The slowing of the World Economy and moreover the decline in consumer spending in the latter part of 2007 and the first months of 2008 in the United States, are likely to impact on

arrivals in the Cayman Islands which is still heavily reliant on this latter country as the source for its tourism sector. The sub-prime crisis in the United States and its fall-out effect on the international banking system and consequently on the international economy, will slow economic growth in the Cayman Islands.

4.1.2 REGIONAL CONTEXT

The prime sources of growth in the Caribbean are always dictated by developments in the international economy, given that all the countries of the region are heavily reliant on the level of exports to the international economy. Much depends on the nature of their export sector and the conditions faced for output in the international economy. The removal of preferential treatment for primary agriculture like bananas, sugar and rice hurt some of the countries of the region, while those dependent on tourism and financial services generally have enjoyed reasonable rates of growth up until recently.

Among the More Developed countries, Trinidad and Tobago had the highest real GDP growth rate (8%), while Guyana experienced negative growth (-1.9%) in 2005. In the so-called Lesser Developed country category, the Cayman Islands seemed to perform the best in terms of GDP per capita at current prices.¹² However, the

¹⁰ Source: <http://unwto.org/facts/menu.html>

¹¹ The difference in performance in these two indicators is explained by the fact that each destination has a different profile in terms of duration of stay, expenditure level and cost of living.

¹² The designation of 'Lesser Developed' has become an anachronism and a misnomer, given the consistently higher per capita GDP in some of the so-called 'lesser developed' compared to the other countries of the region over the last twenty years.

Cayman Islands appeared to have slower real growth rate (6.5%) than the Turks and Caicos Islands (11.8%) (see Table 4.3).

4.1.3 DOMESTIC CONTEXT

The financial services and tourism sectors performed well in the economy of the Cayman Islands as can be seen in Table 4.4. These foreign exchange earning sectors, together with the construction sector, accounted for much of the growth that was evident in 2006.

Merchandise Imports in the Cayman Islands have steadily increased from 2001 to 2005. In 2001, the value of merchandise imports was \$515.1 million. The following year imports fell to \$496.6 million then rose to \$556.8 million and \$725.9 million in 2003 and 2004 respectively. By 2005, imports had risen to \$990.4 million which accounted for a 92.3 percent increase in merchandise imports over the period 2001 to 2005.

Exports on the other hand had fallen over the period 2001 to 2005. The value of exports was \$2.4 million in 2001, reaching a high of \$4.3 million in 2003, but then fell to \$1.3 million by 2005 (Table 4.5). The country lacks the raw material base and the other attributes for the development of sectors producing competitive products for export markets; visible exports have remained inconsequential in its export earnings.

4.1.3.1 FINANCIAL SERVICES

Financial Services is the main driver in the economy of the Cayman Islands, accounting for 22 percent of total Government Revenue in 2006. The Cayman Islands Monetary Authority (CIMA) regulates the licensing, and registration of financial services businesses in the islands. CIMA collected over \$60m (US\$73.5m) in Financial Services Fees for Government in 2006-07 on behalf of the Government for the financial year ending 30 June 2007.¹³ This represents an increase of over 8 percent on the CI\$55.7 (US\$67.9m) for the previous year. Fees from the investments and securities sector accounted for 47 percent (CI\$28.4 million) of the total collected. Growth in this sector, from 7,845 funds in June 2006 to 8,972 at June 2007, together with an increase in mutual fund fees in 2006 accounted for the increase. The banking sector accounted for 33 percent (CI\$20 million), the insurance sector 12 percent (CI\$7 million) and fiduciary services 8 percent (CI\$5 million).

During January 2007, the Cayman Islands Monetary Authority in collaboration with Price Waterhouse Coopers initiated a study that looked at the impacts of implementing the Basel II for the Cayman Islands Banking

13 Source: <http://www.cimoney.com.ky/section/media-centre/default.aspx?id=1690>

Industry.¹⁴ This international convergence of capital measurement and capital standards, is a mandatory requirement for all internationally active banks, and determines capital adequacy for banks based on their level of risk exposure. The study concluded that the implementation of the new Basel II framework would be beneficial to the Cayman Islands as it offers a more risk-sensitive methodology and provides opportunity for tailoring the requirements to fit the structure of the Cayman banking industry.

The United Kingdom had the largest share in terms of international assets with US\$6.87 trillion in 2006, compared to the Cayman Islands, which was in sixth place position in terms of international assets with US\$1.7 trillion. Japan and the United States had US\$2.04 trillion, and US\$2.31 trillion respectively. Events in the last quarter of 2007 and in early 2008 would have an impact on the Cayman Islands as they have done elsewhere, even if there is no shift in its relative position.

4.1.3.2 TOURISM

Tourism is the other lead sector of the Cayman Islands accounting for a substantial percentage of the employment, income and GDP growth in the economy. The country has been able to establish itself as an important destination in the international tourism sector. The United States has been, and remains the primary source for stay-over visitors to the Cayman Islands. The proximity of the Cayman Islands is an operative factor: Miami is just about one hour away from Grand Cayman, by commercial jet travel.

Data for the most recent year, 2006, shows that the US accounted for 81.3 percent of all stay over visitors, while Europe and Canada accounted for 6.2 percent and 5.6 percent respectively. Visitor arrivals steadily increased over the period with the year 2000 and 2004 being the only years to record decreases in visitor arrivals (Table 4.6). Visitor expenditure in the Cayman Islands fluctuated over the period 1998 to 2004, with decreases in the years 1999, 2001 and 2003.

¹⁴Source:http://www.cimoney.com.ky/uploadedFiles/Regulatory_Framework/Banking/BaselIIIImpactStudySummary.pdf

TABLE 4.3: CARIBBEAN ECONOMIES SELECTED ECONOMIC INDICATORS 2005

Country	GDP Per Capita at Current Prices (US\$)	Real Rate of Growth in GDP (%)	Annual Change in Consumer Prices (%)	Central Government Recurrent Revenue as %GDP	Central Government Recurrent Expenditure as %GDP	Disbursed and Out-Standing External Public Debt December (US\$Mn)	External Debt Service Ratio (%)
MDC's (Total/Average)	6,407	...	...	28.9	26	9,298.60	8.1
The Bahamas	18,990	2.6	2.2	17.1	17.3	551.3	2.8
Barbados	11,212	3.8	6.1	34.3	32.9	761.3	5.3
Guyana	1,090	-1.9	7.6	34	32.6	1,095.80	4.4
Jamaica	3,633	1.4	15.3	29.3	31.8	5,375.50	54
Trinidad and Tobago	11,092	8	6.9	32.1	24	1,514.80	2.1
LDCs Total/Average	8,634	...	...	24.9	22.8	...	...
Belize	3,807	4	3.7	23.8	24.5	842	33.6
OECS (Total/Average)	5,939	...	...	26.6	26.1	1,877	...
Antigua and Barbuda	10,513	5.3	2.1	21	24	313.4	5.4
Dominica	4,251	3.4	1.7	31.5	29.3	208.4	7.8
Grenada	4,758	12.1	3.5	26.4	22.1	449.1	5.8
Montserrat	9,189	1.7	3.3	29.1	65.8	12.4	...
St. Kitts & Nevis	8,695	4.1	3.6	37.5	38	306.6	20.1
St. Lucia	5,374	5.8	4	24.2	20.8	350.3	7.3
St. Vincent & the Grenadines	4,101	2.2	3.7	28.9	27.7	237.5	10.1
Other LDCs (Total/Average)	33,779	...	...	23.6	19.5	...	...
Anguilla	12,314	11	4.6	28	23.3	11.9	1.6
British Virgin Islands	37,656	...	2	24.1	20	...	...
Cayman Islands	47,336	6.5	7	22.3	17.6	220.5	...
Turks and Caicos Islands	18,636	11.8	3.7	27.1	25.1	54	...
All Countries (Total/Average)	6,758	...	...	28.1	25.4	...	...

Source: CDB, Social and Economic Indicators BMCs 2006

TABLE 4.4: ECONOMIC PERFORMANCE OF THE CAYMAN ISLANDS

Key Macroeconomic indicators	1999	2000	2001	2002	2003	2004	2005	2006
GDP current market prices (CI\$M)	1383.5	1444.9	1482.3	1546	1603.2	1688.8	1929.9	2034.8
GDP real (1986) prices	803.8	811.7	816.2	830.3	846.9	854.5	910	951.9
Real GDP growth (%)	3.4	1	0.6	1.7	2	0.9	6.5	4.6
Per Capita GDP	35449	35943	35848	36419	36771	38173	39913	39137
Inflation Rate (%)	6.8	2.7	1.1	2.4	0.6	4.4	7.3	0.8

Note: the high inflation rates were caused by bottlenecks in market supply following Ivan

TABLE 4.5: MERCHANDISE IMPORTS AND EXPORTS (CI\$M)

	2001	2002	2003	2004	2005
Imports	515.1	496.6	556.8	725.9	990.4
Exports	2.4	3.0	4.3	2.1	1.3

Source: ESO

TABLE 4.6: VISITOR ARRIVALS BY COUNTRY OF ORIGIN, 1998-2006

Stay Over tourist Arrivals by Country of Origin ('000)					Total Stay Over	Cruise	Total Arrivals
Year	USA	Europe	Canada	Other	('000)	('000)	('000)
1998	295.2	34.7	18.4	55.9	404.2	871.4	1275.6
1999	280.3	34.5	18.9	61	394.7	1035.5	1430.2
2000	281.6	22.6	15	34.3	354.1	1030.9	1385
2001	270.1	20.4	13.6	34.9	334.1	1214.8	1548.9
2002	244.9	17.9	13.6	26.2	302.8	1574.8	1877.6
2003	232.4	18.2	14.1	28.8	293.5	1819.3	2112.5
2004	205.2	15.3	12.1	27.3	259.9	1693.3	1953.2
2005	118.8	12.7	10.5	25.8	167.8	1799	1966.8
2006	217.4	16.7	14.9	18.3	267.3	1930.1	2197.4

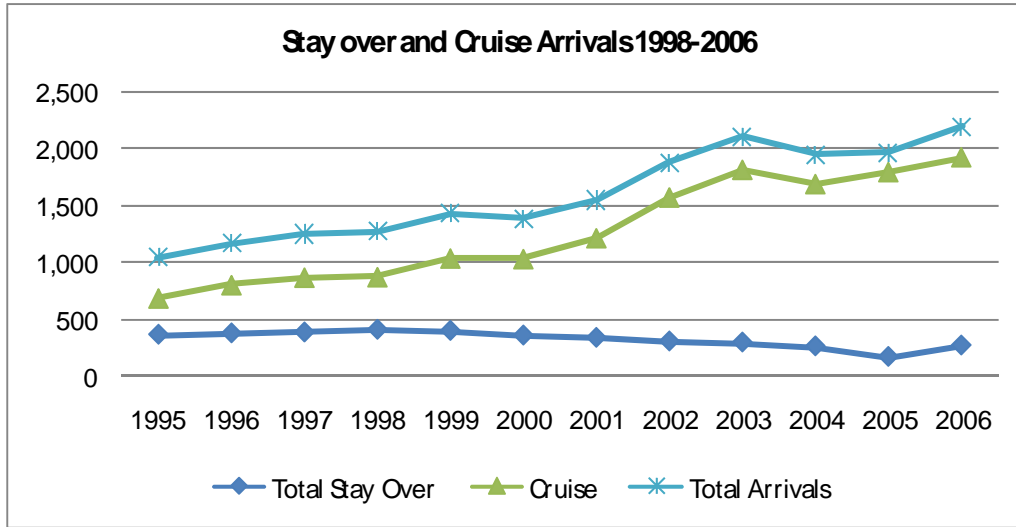


FIGURE 4.1: VISITOR ARRIVALS TREND (STAYOVER AND CRUISE), 1995 TO 2006

Room stock depreciated considerably after Ivan due to renovations that had to be completed, but by 2006, with the opening of the Ritz Carlton and other attractions such as the Boatswains Beach, and as a result of other initiatives, including the Go East Programme, the stay over market saw a rebirth.

4.1.3.3 CONSTRUCTION

Total building permits increased from 871 in 2003 to 1,290 in 2006. The majority of permits were issued for the construction of houses and apartments/condominiums. In the year 2006, 69.1 percent of building permits were issued for the construction of houses and apartments/condominiums alone (Table 4.7). Building permits issued for the construction of commercial buildings accounted for 15.2 percent of permits issued in 2006. Planning approvals

followed the same trend with the majority of planning approvals being issued for the construction of houses, and apartments/condominiums, followed by commercial buildings (Table 4.8).

TABLE 4.7: GRAND CAYMAN BUILDING PERMITS ISSUED

Sectors	2003	2004	2005	2006	2005-06 % Change
Houses	375	341	533	517	-3.0
Apt./ Condominiums	211	145	164	374	128
Hotel	5	0	31	2	-93.5
Government	21	8	5	8	60.0
Commercial	35	26	163	197	20.9
Industrial	19	42	8	35	337.5
Other	205	192	64	157	145.3
Total	871	754	968	1,290	33.3

Source: Cayman Islands Planning Department

TABLE 4.8: GRAND CAYMAN PLANNING APPROVALS
GRANTED

Grand Cayman Planning Approvals					
Sectors	2003	2004	2005	2006	2005-06 % Change
Houses	414	395	575	375	-34.8
Apt./ Condominium	132	112	136	222	63.2
Hotel	0	1	4	2	-50.0
Government	16	17	20	25	25
Commercial	81	65	104	75	-27.9
Industrial	36	21	27	40	48.1
Other	564	502	467	641	37.3
Total	1,243	1,113	1,333	1,380	3.5

Source: Cayman Islands Planning Department

4.1.3.4 REAL ESTATE

The value of Freeland Property Transfers increased by 39 percent between 2003 and 2005, from 324,300 to 450,800, but then fell to 342,000 in 2006 (Table 4.9). The factors responsible for the more recent decline are not readily apparent. However, over the long-term time trajectory of the last three decades, the Real Estate sector would have grown *pari passu* with the expansion of the tourism sector of the country, raising alarm bells in those quarters where there is some concern about the capacity of native Caymanians to secure decent and affordable accommodation. The presence of speculative capital from abroad in the real estate market in the Cayman Islands would inevitably create competition between the Caymanian population and richer foreigners, over scarce prime land resources.

TABLE 4.9: FREEHOLD PROPERTY TRANSFERS
(000'S), 2003-2006

Year	2003	2004	2005	2006
Value of Freeland Property Transfers (CI\$ M)	324.3	339.2	450.8	342.0
Number of Freeland Property Transfers	2,357	2,335	2,640	n/a

Source: Lands and Survey Department, Cayman Islands

4.1.4 FISCAL OPERATIONS

Government current revenue more than doubled during the period 1998 to 2006 (Table 4.10). Over the same period, current expenditure increased from CI\$ 214.7 million to CI\$ 384.3 million. This represented an 80.0 percent increase in current expenditure, indicative of the building up of surpluses on the part of the Government.

Over the period 2002 to 2005, Central Government Total Expenditure grew by 22.1 percent from CI\$277.9 million in 2002 to CI\$339.4 million in 2005. Over the same period, total revenue increased by 36.5 percent between 2002 and 2005 (Table 4.11). Most significantly, the Government has maintained a surplus of revenue over expenditure thus allowing the country to finance most of its infrastructure and other expenditure with minimum resort to debt financing

TABLE 4.10: SUMMARY OF FISCAL OPERATIONS (CI \$M)

Year	1998	1999	2000	2001	2002	2003	2004	2005	2006
Current Revenue	248.6	275.7	277.7	284.4	314	326.2	336	426.9	500.4
Capital Revenue	0	0	0.5	0.9	0	0	0.4	0	0
Current Expenditure	214.7	245.2	268.4	290.6	277.9	283.7	349.2	339.4	384.3
Capital Expenditure	31.3	37.6	43.2	26.1	17.6	21.2	28.2	47.5	39.6

Source: ESO

TABLE 4.11: TOTAL GOVERNMENT REVENUE 2002-2005

Estimates (CI\$M)	2002	2003	2004	2005
Total Government Revenue	314.0	326.2	336.4	428.6
Total Government Expenditure	277.9	283.7	349.2	339.4

Source: ESO

4.1.4.1 Debt

The ratio of Debt to in the Cayman Islands was well within acceptable levels throughout the four year period of 2003 to 2006. This ratio reached a high of 9 percent in 2005 but declined to 8.3 percent in 2006 (Table 4.12).

4.2 TRADE AGREEMENTS AND OTHER TREATIES

As an Overseas Territory of Britain, the Cayman Islands is a party to most of the trade agreements signed by the UK, the most significant being the Treaty establishing the World Trade Organisation. The country is not a major exporter of goods. However, the provisions of the Treaty relating to the trade in services create a context for the services-driven economy that is the Cayman Islands.

It was in the context of this Treaty that OECD member states initiated action to have the Cayman Islands declared to be engaged in harmful tax competition, and in 2001, it was listed by the OECD countries as a tax haven and non-cooperative in the fight against money laundering. The Government quickly enacted legislation which rendered this charge nugatory.

In seeking to comply with requirements set by the United States in respect of the exchange of information, Cayman Islands adjusted its privacy laws, and signed a Mutual Legal Assistance Treaty with that country.

It is also a signatory of Basel I which treats with the integration of the financial services sector and has already put in place measures to upgrade its supervisory infrastructure in keeping with Basel II, in which regard, it expects to be fully compliant in another two years.

TABLE 4.12: SUMMARY DEBT INDICATORS CAYMAN ISLANDS

Debt Indicators	2003	2004	2005	2006
Central Gov't Debt	131.5	145.3	172.9	168.4
Debt/GDP ratio	8.2	8.6	9.0	8.3
Revenue Ratio (%)	1.8	2.2	2.2	1.8
Debt Service/GDP (%)	8.1	1.0	1.1	1.2
Debt Service /Current Revenue (%)	40.0	5.0	4.9	4.7

Source: ESO

As an Overseas Territory of the United Kingdom, the Cayman Islands are signatories of the Convention on International Trade in Endangered Species, 1976 (CITES) which proscribes international trade in respect of wild fauna and flora which are endangered. It has attracted attention for its Turtle Farm which is a tourist attraction. The Farm has also been involved in the shipment of sea turtles to aquariums in other parts of the world. With the assistance of the UK Government, it has sought to have the Farm declared a legal captive-breeding facility which would allow green turtle products to be traded by the country. This has invoked the ire of a number of conservation groups across the world, and is seen as contrary to the spirit of the CITES Convention.

Cayman Islands is an Associate Member of the Regional Bloc - CARICOM - which allows the country to engage in certain areas of functional cooperation that apply among the member states. While it has not been an active observer, in the fora of CARICOM in the past, there is evidence that it is becoming more involved in participation in areas of sport and culture.

4.3 OTHER CURRENT ECONOMIC ISSUES

While the country has become a major international financial centre, and has attracted business from around the world, including encouraging the establishment of banks from within the Caribbean region in the Cayman itself, there is not much evidence of an active involvement in the neighbouring economies from this base. It is well known that Singapore as a financial centre has played an active role in the neighbouring economies, thus allowing financial intermediaries to utilise intimate knowledge of surrounding economies in securing niche market earnings on investments from Singapore. It would appear that such broader goals have not enticed investors locating in the Cayman Islands. In effect, industrial policy relating to the sector seems to be set entirely by the international private sector, with the Government merely accommodating and facilitating, in keeping with the direction in which the main actors in industry want to go.

The country is also important as a registry of vessels and can register vessels of all sizes from yachts to super tankers. It is deemed to be an important player in the

registration of luxury yachts. The Cayman Islands Shipping Registry has achieved ISO 9000 quality standards, making it one of the premier operators among such agencies internationally. This adds to the first class representation that the country seeks to project in its positioning itself as a supplier of services in the international market.

4.4 GOVERNANCE STRUCTURE

The Cayman Islands is an Overseas Territory of Britain and thus, the Head of State is the Queen of England. The Governor appointed by the Queen is the representative in the country. The Constitution recognises three branches of Government - Executive, Legislative and Judicial. The Executive is headed by the Governor, with the Leader of Government Business, having a special role in determining the agenda before the Executive.

The local Legislative Assembly enacts laws for the administration of the country. The Legislative Assembly is comprised of three members appointed by the Governor and a plurality elected by universal adult suffrage. Within the last two decades, there is evidence that the two-party system has taken firm roots, and the periodic elections allow the electorate to exercise their franchise. The Opposition operates as the next government in waiting. All citizens achieving the age of 18 are entitled to vote and to stand for elections. The Laws of the United Kingdom apply where the existing legislative framework does not cover particular challenges.

There are areas of grey in this regard. The death penalty was abolished in the Cayman Islands on its abolition in the United Kingdom. However, the according of the right to marriage to persons of the same sex, while permissible in the UK does not apply in the Cayman Islands. This may not prevent a couple from taking the matter to the court in the Cayman and, its possibly being determined extraterritorially. The Privy Council in Britain is the final Court of Appeal for the Cayman Islands.

There is no formal structure in place for local Government, although in respect of Cayman Brac and Little Cayman, the Office of District Commissioner is being used as a node for organising local decision-making on the affairs of the respective island. On the island of Grand Cayman itself, there is emerging some sense of citizen participation in the East End of the island, under the 'Go East Initiative'.

There are a number of organisations among civil society that wield considerable influence, with which the Government would meet from time to time to discuss matters of public interest. The Chamber of Commerce and the religious bodies are two that can be readily identified. There is ongoing discussion on the revision of the existing constitution with a view to ensuring that the structures in place are well adapted to the emerging requirements of a society that desires to remain as an Overseas Territory of Britain, while having devolved to the community of the Cayman Islands, those decisions that they are well equipped and competent to make.

4.5 LEGAL FRAMEWORK /INTERNATIONAL ACCORDS/SOCIAL JUSTICE AND HUMAN RIGHTS

As a British Overseas Territory, the Cayman Islands observe a range of international conventions, including those that accord fundamental human rights. The legal system mirrors that of the United Kingdom with the separation of powers of the Legislature, the Executive, and the Judiciary. The Governor is the representative of the Queen, and while many functions of Government are discharged with authority fully devolved to the local legislature, in matters of defence and foreign relations, the Government of the United Kingdom remains responsible for the people of the Cayman Islands. The Governor sits in the Cabinet, and exercises functions that may extend into areas of grey, as to the extent of the powers of that office to act outside of decisions taken by the Cabinet.¹⁵

Citizens of the Cayman Islands enjoy, as well, a special status in respect of rights in the United Kingdom, and in that regard, also in Europe. Since the full deepening of Europe into a formal political entity, the rights of people in the Overseas Territories, including those citizens of the Cayman Islands, have been specifically elaborated.

There has been a long historical relationship of the Cayman Islands with Jamaica, with

¹⁵ The decision of the Governor to establish a Commission of Enquiry without apparently seeking the approval and advice of the Cabinet is said to have created a 'constitutional crisis'. See <http://www.caribbeannetnews.com/news-4558--30-30--.html>

which it was joined for much of the colonial period. The early expansion in demand for workers was filled by the inflow of labour from Jamaica, and many Caymanian citizens of today have close family ties in Jamaica. However, in the face of the possibility of the Caymanian population being overwhelmed by non-Caymanian residents, and, in particular, by labour inflows from Jamaica, the Government of the Cayman Islands introduced visa requirements on nationals of Jamaica seeking to visit the country in 2005. The Government of Jamaica reciprocated, thereby making it obligatory on Caymanians visiting Jamaica to secure visas. The episode has introduced a new dimension and inevitable tension in the relations between the Governments of Jamaica and the Cayman Islands and between the peoples of the two states.

As one of sixteen countries deemed by the United Nations to be Non-Self-Governing Territories, there is discussion from time to time at the world body, on the degree and level of progress that the Cayman has made in respect of self-determination. The prevailing sentiment in the Cayman Islands seems to suggest that the population is generally unwilling to opt for formal political independence, in terms of 'decolonisation' as has been defined by the United Nations, but would prefer some kind of associate status with Britain.¹⁶

There is no evidence that the British Government wants to prevent the people of

¹⁶ See Special Committee on Decolonization, Press Release, GA/COL/3086 <http://www.un.org/News/Press/docs/2003/gacol3086.doc.htm>

the Cayman from seeking formal political independence. However, in their remaining an Overseas Territory, there are requirements that the UK Government insists on, given its ultimate responsibility for the rule of law in the Cayman and its desire to ensure that there is nothing that departs from the standards for the administration of justice in the United Kingdom itself.

The effect of all this is that the Cayman Islands accept and are willing to enact formally and observe much of the spirit of legislation that applies in the United Kingdom and in Europe. This includes a number of international conventions including the Convention on Human Rights. However, the pace at which legislation is enacted in the Cayman Islands to give effect to these conventions may reflect areas in which some sections of the society or most of the society have reservations, on the appropriateness to conditions in the Cayman Islands.

In some cases, the legislation enacted in the Cayman Islands seeks to comply with the requirements of similar laws in the United Kingdom, with adaptations to treat with the special circumstances of the Cayman Islands; a recent example is the Immigration Law of the Cayman Islands which protects its 'roll-over' policy, while adhering to the requirement that allows a non-European citizen to apply for citizenship if he/she has been domiciled continuously, in any part of the European Union for ten years or more. On the other hand, there seems little enthusiasm to follow the United Kingdom in permitting same sex marriages. The

Government of the Caymans is committed to constitutional provisions that make it, in the words of the Leader of Government Business,

'unlawful to discriminate on the grounds of, inter alia, race, age, religion or sexual orientation'¹⁷

There are ardent religious organisations in the Cayman Islands which are much opposed to the granting of 'Gay Rights', and this is a major issue in the revision of the Constitution of the Cayman Islands, which is likely to include a Bill of Rights. The religious groups regard any imposition by the Foreign and Commonwealth Office in respect of the mandatory acceptance of Rights to Homosexuals as an infringement of the right to self-determination of the people of the Cayman Islands. The Government has found itself in an invidious situation with regard to human rights issues, in its seeking to observe principles accepted in the UK and in the EU, and in retaining respect for the culture and mores of a large and vocal section of Caymanian society.

An active Human Rights Committee and a number of dynamic NGOs ensure that there is lively discussion in the public domain. The Committee has suggested that there are weaknesses in the existing legislation on matters relating to:

- Refugee rights in the light of the Convention on Refugees;

¹⁷ Cayman Net News, May 1, 2007, 'Gay Marriage Law Imminent?' <http://www.caymannetnews.com/cgi-script/csArticles/articles/000141/014156.htm>. The Net News quotes the Honourable Kurt Tibbetts, the Leader of Government Business in the Legislative Assembly of the Cayman Islands.

- Labour Policy and the Human Rights especially with regard to domestic workers, often subject to abusive situations;
- The Immigration Law;
- The absence of a Minimum Wage Law in the Cayman Islands; and
- Employment Law of 2004, which is on the statute books but is not enforced.

It has campaigned as well, for the adoption of conventions and treaties of relevance to the Cayman Islands, in respect of:

- Civil and political rights;
- Economic, social and cultural rights;
- The elimination of racial discrimination;
- The elimination of discrimination against women;

- The rights of the child;
- Torture, and other cruel and degrading treatment or punishment; and
- The status of refugees.

A Freedom of Information Act (FOIA) was enacted in 2007, giving the public the right to access most of the records of the Government. Prior to the enactment of this piece of legislation, while the FOIA of the United Kingdom did not extend to British Overseas Territories; since any copy of any document held by the Government of the United Kingdom is subject to FOIA, it was possible for any decision of the Cayman Islands Government to become public through this mechanism. The Governor of the Cayman was not excepted from the FOIA of the United Kingdom. There is a free press, and there is open public discussion of issues that attract the attention of the public.

**PART II:
LIVING CONDITIONS IN THE
CAYMAN ISLANDS -
FINDINGS OF THE NALC**

CHAPTER FIVE – KEY POVERTY AND VULNERABILITY INDICATORS

5.1 LINE ESTIMATES – INDIGENCE, POVERTY AND VULNERABILITY

The **Poverty Line** is constructed in two distinct stages: first there is the estimation of an indigence line or food poverty line; next the indigence line is adjusted upwards to account for non-food basic needs.

The concept of *indigence* is premised on the notion that every individual must satisfy certain basic nutritional requirements for survival. A basket of goods is selected in such a way as to maximise one's nutrient intake at the lowest possible cost. The market cost of the selected basket is then derived and the monetary value of purchasing the selected basket of basic food is calculated. Households unable to meet the cost of obtaining this basket of food items are categorised as *critically poor*, or *indigent*.

Using software developed by the Caribbean Food and Nutrition Institute (CFNI) which estimates the nutritional and caloric content of all foods generally consumed in the Caribbean, *a priori*, a selection is made by the software of the basket of foods amounting to 2,400 kilocalories, across all

the food groups, at the minimum cost. The cost associated with this 'balanced' diet per day (which can also be expressed per month) is referred to as the indigence line. Households with per capita consumption below this line are deemed to be *indigent*.

The combination of food items selected to generate the minimum daily cost diet for an adult based on 2,400 kilocalories for the Cayman Islands, amounted to CI\$ 1.83 per day (CI\$ 668 per annum), and is the estimated indigence or food poverty line for an adult (equivalent) in the Cayman Islands. The food share of 16.8 percent in the two poorest quintiles (I and II) was determined based upon analyses of the survey data and the reciprocal of the food share was computed (5.96). This figure was multiplied by Indigence Line of CI\$668 to derive a Poverty Line for the Cayman Islands of CI\$3983 per annum per adult (or CI\$332 per month per adult).

5.2 POOR AND VULNERABLE HOUSEHOLDS AND INDIVIDUALS

The headcount index, the most frequently referenced indicator of poverty, is the percentage of the population living in households with an adult equivalent per capita consumption that falls below the

poverty line¹⁸. In the case of the Cayman Islands the poverty headcount index was estimated to be 1.9 percent (corresponding to 1.5 percent of all households) in 2007.

The vulnerability line is 125 percent of the poverty line (or 25% above it).¹⁹ It measures the number of persons who are susceptible to becoming poor due to an unanticipated event such as a natural disaster or to economic shocks. In the case of the Cayman Islands while 1.9 percent of the population were deemed to be poor, an additional 1.8 percent fell below the vulnerability line of CI\$4,979. Thus, a total of 3.7 percent of individuals were deemed to be either poor or vulnerable. This figure corresponds to 3.1 percent of all households that could be deemed poor or vulnerable (Tables 5.1 and 5.2).

18 Because households differ in composition and size, household consumption on its own is a misleading indicator of the welfare of its individual members. Therefore, the common practice is to “normalise” the members of the household into the concept referred to as “consumption per equivalent male”. An equivalence scale will measure the number of males that the household is deemed to be equivalent to: for example, the consumption of a boy and a girl can be based on the scale applied to one adult male. The result of such methods is that most equivalence scales tend to assign an adult male equivalence of less than one to adult females and children; females and children tend to consume less of most goods than do adult males. It is often assumed that this reflects a difference in “needs”; that women and children need less consumption to achieve the same level of well-being as men.

19 In determining the need for social protection, it is useful to take account of those who are above the poverty line but can easily be forced into poverty with any negative change in macro-economic conditions, natural disasters or because of other risks. The use of 25 percent is not entirely arbitrary if social protection is to be meaningful. For a framework for social protection see Asian Development Bank (2001). *Social Protection Strategy*. Manila, Asian Development Bank.

TABLE 5.1: SOCIO ECONOMIC STATUS OF POPULATION

Socio Economic Status of Population	Estimated Population	Percent	Cumulative Percent
Poor	998	1.9	1.9
Vulnerable	966	1.8	3.7
Non Poor/Non Vulnerable	51,328	96.3	100.0
Total	53,292	100.0	

TABLE 5.2: ECONOMIC STATUS OF HOUSEHOLDS IN CAYMAN ISLANDS

Socio Economic Status of Households	Estimated No. of Households	Percent	Cumulative Percent
Poor	277	1.5	1.5
Vulnerable	298	1.6	3.0
Non Poor/ Non Vulnerable	18300	97.0	100.0
Total	18875	100.0	

The Headcount for the Cayman Islands is significantly lower than that of other Caribbean countries. Table 5.3 presents the headcount index for selected countries, based on Surveys of Living Conditions conducted in various years.

TABLE 5.3: HEADCOUNT INDEX – SELECTED CARIBBEAN STATES COMPARED

Country	SLC Year	Headcount Index (%)
*Antigua and Barbuda	2005/ 2006	18.6
Bahamas	2001	9.3
Belize	2002	33.0
*BVI	2002	11.0
*Dominica	2002	32.7
*Grenada	1998	30.8
Guyana	1999	36.9
*St Kitts/Nevis	2000/20 01	(St Kitts) 30.5 (Nevis) 32.0
*St. Lucia	2005/20 06	28.8
*St Vincent and the Grenadines	1996	37.5
Trinidad and Tobago	2005	16.7

*Source CDB; All others, SLC of the respective countries

5.3 SEVERITY AND POVERTY GAP INDICES (BY DISTRICT)

The head count index is easy to understand, interpret and communicate. The head count is most often used as the basis for assessing overall progress in reducing poverty. The headcount, however, has a serious drawback that relates to its ability to measure the impact on the poor of specific policies. Specifically, if a poor person becomes poorer, a good poverty measure ought to decline in order to reflect this. However, the headcount index is unaffected by changes in the income/consumption of poor persons.

The Poverty Gap Index is a better measure of poverty since it does not violate the Sen's monotonicity axiom, but it is more difficult to work with and to interpret than the headcount index. It gives a good indication of the depth of poverty since it is a function of the distances of the poor below the poverty line.

The Poverty Gap Index gives the mean proportionate distance across the whole population of the poor from the poverty line, and represents the minimum cost of eliminating poverty using targeted transfers: in other words, if all persons below the poverty line are given just enough money to get them above the poverty line, the cost would be the total sum of these transfers. The Poverty Gap, however, has a serious weakness which Sen describes as a violation of the Transfer Axiom.

The Foster-Greer-Thorbecke (P2) Index ("Poverty Severity Index") complies with all of the axioms described previously and is defined as a weighting of the poverty gaps of the poor based on distribution of consumption within those poverty gaps.

This measure can be thought of as being composed of two components: an amount due to the poverty gap, and an amount due to the inequitable distribution of consumption amongst the poor. While there are difficulties interpreting this measure, it has utility because of its ability to rank order distributions of poor persons more meaningfully than alternative measures; not

because of analysts’ interests in interpreting precise numbers obtained.

For Cayman Islands, the Poverty Gap Index was estimated to be 0.44 while the Poverty Severity Index was estimated to be 0.20. Table 5.4 presents comparable data for selected Caribbean countries.

5.4 INEQUALITY AND INCOME DISTRIBUTION

5.4.1 THE GINI COEFFICIENT

The Lorenz Curve is used in economics to describe income inequality based upon gauging inequity in the distribution of income or wealth amongst individuals in the population. The Lorenz Curve is a function of the cumulative proportion of

ordered individuals mapped onto the corresponding cumulative proportion of their income or wealth. If the incomes of all individuals within the population were equitably distributed, the Lorenz Curve would be a straight diagonal line, called the line of equality. If there is any inequity in distribution of income, then the Lorenz Curve would fall below the line of equality. The total amount of inequality can be summarised by the Gini Coefficient (also called the Gini Ratio), which is the ratio between the area enclosed by the line of equality and the Lorenz curve, and the total triangular area under the line of equality. The Gini Coefficient (or Gini Ratio) is a summary statistic derived from the Lorenz Curve and measures income inequality in a population.

TABLE 5.4: POVERTY GAP AND SEVERITY INDICES – SELECTED CARIBBEAN STATES COMPARED

Country	SLC Year	Poverty Gap Index	Poverty Severity Index
*Antigua and Barbuda	2007	6.63	3.75
Bahamas	2001	na	na
Belize	2002	11.1	na
*BVI	2002	4.1	1.7
*Dominica	2002	10.2	4.8
*Grenada	1998	15.3	9.9
Guyana	1999	12.4	na
*St Kitts/Nevis	2000/2001	2.5	0.9
*St. Lucia	2005/2006	9.0	4.1
*St Vincent and the Grenadines	1996	12.6	6.9
Trinidad and Tobago	2005	4.63	1.96

*Source CDB; All others: Country Poverty Assessments of the respective countries

The Gini Coefficient ranges from a minimum value of zero, when there is perfect equality of incomes which are equitably distributed among all individuals, to a theoretical maximum of one, representing absolute inequality. The results of a Gini coefficient of 0.3995 indicates a fairly high level of income inequality in the Cayman Islands – i.e. a considerable disparity between the share of income consumed by those in the lowest (1st) quintile compared with those in the highest (10th) quintile.

One approach to analysing the consumption patterns in a country is to compare the share of consumption of the top deciles compared with the bottom deciles. In the Cayman Islands the tenth decile accounts

for 30.4 percent of total expenditure in the Cayman Islands. The top two deciles (the top quintile) together accounted for 47.3 percent (almost half) of the country’s consumption expenditure, while the bottom 20 percent accounted for 5.8 percent. Table 5.6 presents the Gini Coefficients for selected Caribbean countries.

5.4.2 MEAN ANNUAL PER CAPITA EXPENDITURE BY QUINTILE

The mean per capita expenditure in the Cayman Islands is CI\$27,636 per annum. Mean per capita consumption in the highest quintile (CI\$67,000) is nine times that of the lowest quintile (CI\$7,500 in the lowest 20 percent of the population) (Table 5.7). This is indicative of the underlying inequality in the society.

TABLE 5.5: CONSUMPTION SHARES

Deciles	Population	%		% Cumulative		Gini
		Consumption	Population	Consumption	Population	
1	5306.09	2.266	9.96	2.3	10	0.002
2	5322.19	3.551	9.99	5.8	20	0.008
3	5292.34	4.547	9.93	10.4	30	0.016
4	5389.22	5.587	10.11	16.0	40	0.027
5	5350.63	6.603	10.04	22.6	50	0.039
6	5341.14	7.996	10.02	30.5	60	0.053
7	5309.81	9.824	9.96	40.4	70	0.071
8	5320.49	12.356	9.98	52.7	80	0.093
9	5323.33	16.838	9.99	69.6	90	0.122
10	5336.67	30.434	10.01	100.0	100	0.170
Total	53291.91	100.00	100.00			
				Gini (with deciles)		0.3995

TABLE 5.6: GINI COEFFICIENT – SELECTED CARIBBEAN STATES COMPARED

Country	SLC Year	Gini Coefficient
*Antigua and Barbuda	2005/2006	0.48
Bahamas	2001	0.46
Belize	2002	0.40
*BVI	2002	0.23
*Dominica	2002	0.35
*Grenada	1998	0.45
Guyana	1999	0.43
Jamaica	2005	0.38
*St Kitts/Nevis	2000	0.37
*St. Lucia	2005/2006	0.42
*St Vincent and the Grenadines	1996	0.56
Trinidad and Tobago	2005	0.39

*Source CDB; All others, Country Poverty Assessments of the respective countries

TABLE 5.7: MEAN PER CAPITA EXPENDITURE BY QUINTILES

	Per Capita Consumption Quintiles					
	Poorest	II	III	IV	V	Total
	Mean (CIS)					
Per capita Consumption Expenditure	7,484	13,301	19,821	30,750	66,777	27,636

Per capita = total divided by adult equivalent size household

5.4.3 AVERAGE EXPENDITURE BY QUINTILE

On average, mean food expenditure in the lowest quintile is 19.6 percent of total expenditure in that quintile, whereas in the highest quintile, mean food expenditure accounts for 8.1 percent of total expenditure (Table 5.8). The percentage allocated to food in the first quintile is lower than would be found in most other Caribbean countries, which is underpinned also by the absence of indigence. Table 5.9 shows the share of food and non food expenditure across quintiles.

5.4.4 NON-FOOD EXPENDITURE

Housing and utility bills dominated expenditure of households (Table 5.10). Transportation and food were the next two items of major expenditure in households, though their respective shares of total expenditure were less than 10 percent.

Overall, Housing, Water, Electricity and Gas constituted the highest share of expenditure among all households in the

Cayman Islands, (39.1% of total expenditure). Expenditure in this category did not fall below 35.5% in any of the quintiles. The share of expenditure on food and non-alcoholic beverages decreased across quintiles, from 13.9 percent in the lowest quintile to 4.1 percent in the highest quintile. The lowest share of total expenditure went to Alcoholic Beverages and Tobacco, irrespective of consumption quintile.

Health and Education were among the categories that received relatively low shares of expenditure (2.6% and 2.9% respectively). However, a steady increase in the share of expenditure allocated to these items is observed to be increasing for households in higher quintile groups. By comparison, more was spent overall on Communication (6.8% of total expenditure by all residents) and Transportation (8.8%). Residents in the lowest quintile allocated 12.2 percent of their expenditure on Communication, 9.7 percent on Miscellaneous Goods and Services and 7.6 percent on Transportation.

TABLE 5.8: SHARE OF FOOD AND NON FOOD EXPENDITURE BY QUINTILES

	Poorest	II	III	IV	V	Total
	Percent					
Total Food Expenditure	19.6	24.3	12.5	11.0	8.1	11.3
Total Non Food Expenditure	80.4	85.0	87.5	89.0	91.9	88.7
Total Expenditure	100.0	100.0	100.0	100.0	100.0	100.0

TABLE 5.9: SHARE OF FOOD AND NON FOOD EXPENDITURE ACROSS QUINTILES

	Poorest	II	III	IV	V	Total
	Percent					
Total Food Expenditure	13.7	17.0	18.5	22.9	27.8	100.0
Total Non Food Expenditure	7.2	12.3	16.5	23.7	40.4	100.0
Total Expenditure	7.9	12.8	16.7	23.6	39.0	100.0

TABLE 5.10: DISTRIBUTION OF EXPENDITURE BY QUINTILE

PER CAPITA CONSUMPTION QUINTILE	Poorest	II	III	IV	V	All Cayman
Food And Non-Alcoholic Beverages	13.9	11.4	8.3	8.4	4.1	7.6
Alcoholic Beverages, Tobacco	1.1	0.9	0.5	0.8	0.6	0.7
Clothing And Footwear	6.4	3.7	3.5	3.2	3.2	3.6
Housing, Water, Electricity, Gas	35.5	36.8	43.0	38.2	39.7	39.1
Furnishings, Household Equipment	2.5	5.4	4.2	6.2	7.1	5.8
Health	1.9	1.9	2.0	2.8	3.0	2.6
Transportation	7.6	8.3	8.6	10.6	8.1	8.8
Communication	12.2	9.5	8.5	5.9	4.5	6.8
Recreation And Culture	2.9	3.0	2.9	3.8	5.5	4.1
Education	1.3	1.9	2.6	3.0	3.5	2.9
Restaurants And Hotels	5.0	5.1	3.7	4.6	3.9	4.3
Miscellaneous Goods And Services	9.7	12.1	12.1	12.4	16.8	13.7
Total	100.0	100.0	100.0	100.0	100.0	100.0

Another interesting finding is in the comparison of the expenditures of Cayman and Non-Caymanian residents as a proxy for the distribution of income between the two groups. Figure 5.1 shows the distribution between nationality status of household heads in each decile (i.e. Caymanian vs. Non-Caymanian). On average, 53.5 percent of the heads were Caymanian and 46.5 percent were Non-Caymanian. The figure shows that in the three lowest deciles, Non-Caymanians dominated, reflective of the fact of their dominance in the lower levels of the

occupational pyramid. More than sixty percent of the household heads in the first three deciles are Non-Caymanians. However, while Caymanians dominated the other deciles, in the tenth decile, the gap between Caymanians and Non-Caymanians was closed considerably, and the percentage of Non-Caymanians in the highest decile was remarkably close to the overall percentage of Non-Caymanian heads in the population at large. This is reflective of the large presence of Non-Caymanians at the highest level of the occupational and income pyramid.

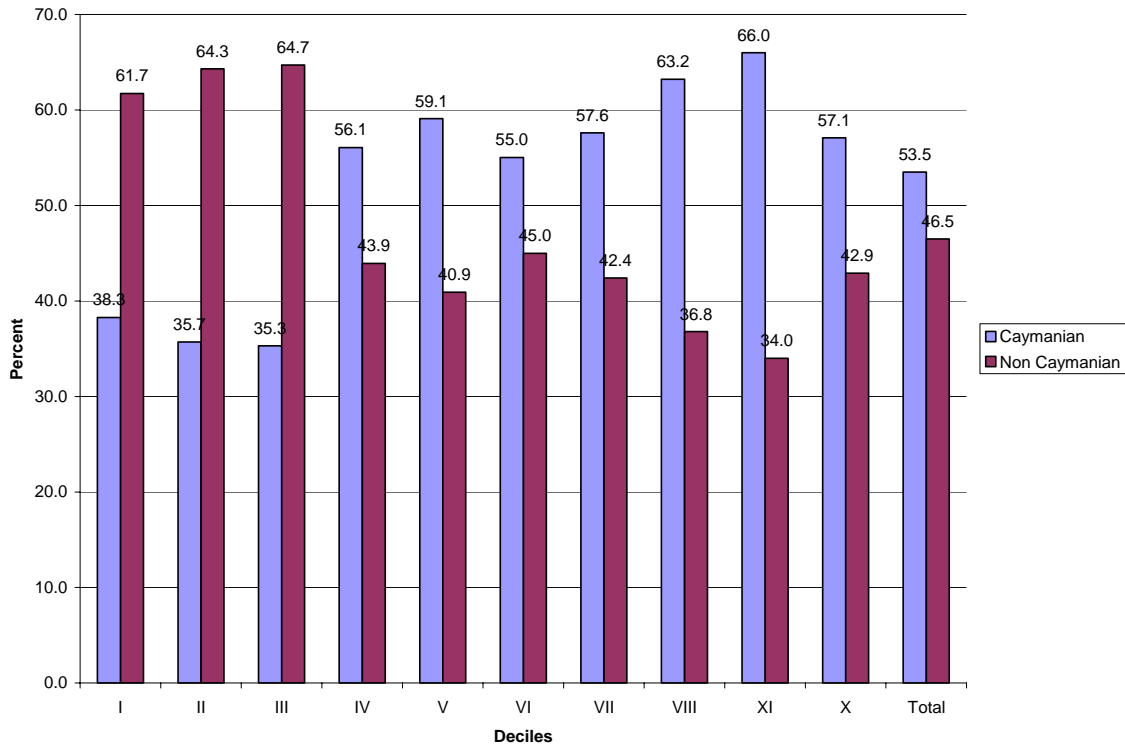


FIGURE 5.1: HEADS OF HOUSEHOLDS BY NATIONALITY STATUS AND DECILES

5.5 KEY VULNERABILITY INDICATORS

Estimates of poverty point to sections of society that experience identifiable risks and challenges in living conditions. However, there are groups that may, on the basis of present estimates, escape poverty, but can succumb as economic and social processes take their toll on those who may be just above the poverty line. Bouts of unemployment precipitated by the decline in demand for the output of a sector, and in the case of Caribbean economies, slight changes in the international economy, can have a major impact on large swathe of the society. The heavy reliance on tourism, one of the more fickle sectors in the international economy, exposes groups in the Cayman population to risks of exposure

to poverty. It is useful, therefore, to assess the extent of vulnerability in the society, beyond estimating poverty.

A now conventional approach is to raise the poverty line by 25 percent and to examine what percentage of the population would fall among the poor under such circumstances.²⁰ The estimates presented below are some of the findings in the application of this approach.

**The criterion of 'insufficient employment' seems an irrelevance in the context of the Cayman Islands: this indicator based on less*

²⁰ Studies done for the Caribbean Development Bank in recent years have adopted this approach. The CDB has been involved in promoting efficient social protection as a mechanism for treating with poverty in Borrowing Member Countries. The Asian Development Bank has established a model worthy of emulation in this regard.

than one in two adults employed in the household usually indicates insufficient employment in other Caribbean Countries. However, the high percentage observed here alongside low levels of poverty, vulnerability and unemployment, seem to be an indication of wealth. The wealthy foreign residents in the country are not working. Nor do the spouses of those in households in the highest quintiles. The fact that many persons choose not to work is corroborated in other information on the labour force.

5.6 PERFORMANCE ON THE CARIBBEAN MDGS

In September 2000, the international community committed to an agenda for poverty reduction, by signing a United Nations (UN) Declaration, which listed eight “Millennium Development Goals” (MDGs), identifying goals, targets and indicators for measuring quality of life improvements. These MDGs, which were originally created and expressed in terms of 8 goals, 18 targets and 48 indicators, all time-bound between 2000 and 2015 (although some goals refer to a base year of

1990), have become an internationally accepted framework for measuring development progress. The MDGs focus largely on social, human and environmental development.

Commonwealth Caribbean countries have tended to display levels of achievement on the MDGs that approximate those of advanced countries. Thus, the goal of universal primary enrolment sets no challenge to countries of the region, since this was achieved as far back as the 1960s in most of them. Given this, there has been a thrust to develop indicators that set relevant goals for countries in the region.

The Caribbean has since adapted the targets and indicators consistent with those recommended in the context of the MDGs, better to reflect regional development objectives. The result is a list of Caribbean-specific Millennium Development Goals (MDGs), with a set of revised targets and an extended list of 89 indicators, which have replaced the original 48. Table 5.12 highlights the achievement of the Cayman Islands in respect of the Caribbean MDGs.

TABLE 5.11: INDICATORS OF VULNERABILITY FOR CAYMAN ISLANDS, 2007

Indicator of Vulnerability		
Poverty Line (Annual in local currency)		CI\$3,983
Vulnerability Line (Annual)		CI\$4,979
Indicators of Vulnerability	% households	% individuals
Poverty Headcount Index (Adult Equivalent)	n.a.	1.9
Low per capita household consumption (below 125% of poverty line)	4.1	5.0
Low adult equivalent household consumption (below 125% of poverty line)	2.8	3.7
Low educational attainment (defined as not having passed any school examination)	n.a.	19.2
No schooling (school age children not attending school last week for at least one day)	n.a.	6.2
* Insufficient employment (less than one in two adults employed in the household)	19.5	19.1
High dependency ratio (less than one person of working age for every two persons not of working age)	2.8	3.5
Poor access to safe water (if no piped water)	2.7	1.9
Poor quality of housing (toilet is a pit latrine or worse)	0.0	0.0
Low asset base (whether household has 3 or less out of 9 possible common durables)	13.9	9.9

n.a. is not available

TABLE 5.12: CAYMAN ISLANDS PERFORMANCE ON MILLENNIUM DEVELOPMENT GOALS

GOAL 1. ERADICATE EXTREME POVERTY AND HUNGER		
Target 1	Indicators	Status
Halve, between 1990 and 2015, the proportion of people who fall below the poverty line	1. Proportion of households living below the poverty line	In 2007, 1.9% of the population was deemed poor. The poverty line for the Cayman Islands was CI\$334 per month.
	2. Poverty gap ratio	The poverty gap ratio was 0.44 in 2007.
	3. Share of poorest quintile in national consumption	The Gini Coefficient was 0.40 in 2007. The poorest quintile accounted for 5.8% of consumption.
	4. Proportion of employed living in households that are below the poverty line, by sex (of household head)	In 2007, 97.6% of the poor were employed.
Target 2	Indicators	Status
Halve, between 1990 and 2015, the proportion of people who suffer from hunger	5. Prevalence of underweight children by sex	9.4% of newborns had low birth weight (<2,500 g)*
	6. Proportion of population below minimum level of dietary energy consumption by sex	In 2007, there were no reported cases of individuals living below the indigence line. The indigence line (the minimum level of dietary consumption) was CI\$56.11 per month.
Target 3	Indicators	Status
Halve, between 1990 and 2015, the proportion of persons without access to basic services	7. Proportion of population with access to electricity by sex of head of households	In 2007, 98.6% of households had access to electricity. 97.3% of households in the lowest quintile had access to electricity.
	8. Proportion of households using pit latrines by sex of household head	The majority of households in the Cayman Islands had a septic tank or cesspool as their type of sewerage system. There were no reported cases of the use of pit latrines in the Cayman Islands in 2007.
Target 4	Indicators	Status
Halve, between 1990 and 2015, the proportion of persons living in inadequate housing	9. Proportion of population in inadequate housing by sex of head of household	The majority of households (96.9%) had the main material of the roof of their dwelling made of sheet metal, shingle (asphalt or wood), concrete or tile. The mean number of persons per bedroom was 1.38 in 2007. Electricity was accessible to 98.6% of the population with no reported cases of the use of kerosene.

GOAL 2. ACHIEVE UNIVERSAL PRIMARY AND SECONDARY EDUCATION		
Target 5	Indicators	Status
Ensure that, by 2015, children everywhere (boys and girls alike) will be able to complete a full course of primary and secondary schooling, up to Grade 12	10. Net enrolment ratio in primary education by sex	In 2005, the primary school net enrolment ratio was 83.9% for both sexes, 79.6% for females and 88.6 percent for males (UNSD).
	11. School attendance among primary school children by sex	
	12. Proportion of pupils starting Grade 1 who reach Grade 5 by sex	In 2004, 78.1% of pupils starting grade 1 reached the last grade of primary education. (UNSD)
	13. Net enrolment ratio in secondary education by sex	
	14. Proportion of pupils who reach Grade 12 (fifth form) in secondary school by sex	
	15. Proportion of students who matriculate at Grade 12 with passes in at least two subjects English (or official language of country) and Mathematics by sex	
	16. Literacy rate of 15-24 year-olds by sex	
	17. Number of primary and secondary schools addressing gender stereotyping in the curriculum	
	18. Percentage of schools with age appropriate curricula	
	19. Percentage of trained teachers in primary and secondary schools	
20. Average number of children in class by grade by school		
GOAL 3. PROMOTE GENDER EQUALITY AND EMPOWER WOMEN		
Target 6	Indicators	Status
Eliminate gender disparity in primary and secondary education, preferably by 2005, and in all levels of education no later than 2015	21. Ratio of girls to boys in primary, secondary and tertiary education	
	22. Ratio of literate women to men of 15-24 years	
	23. Proportion of students who take Math and Science examinations at Grade 12 by sex	

GOAL 3. PROMOTE GENDER EQUALITY AND EMPOWER WOMEN		
Target 7	Indicators	Status
Eliminate gender disparity in income and occupational opportunities at all levels and in all sectors, no later than 2015	24. Share of women in wage employment in the non-agricultural sector	91.6% of women were employed in industries within the non-agricultural sector.
	25. Average national income of men and women by sector of employment	
	26. Employed persons by occupational status by sex	97.5% of males were employed in the Cayman Islands in 2007, while 96.5% of females were employed.
	27. Proportion of seats held by women in National Parliament	
	28. Proportion of women holding office in local government	
Target 8	Indicators	Status
Reduce by 60% by 2015, all forms of gender-based violence	29. Incidence of reported physical abuse by sex of the abused	
	30. Existence of integrated national action plans to eliminate gender based violence by 2010	
	31. Type of crime by age and sex of offender and age and sex of victim	
	32. Age and sex of persons who report experiencing physical violence in the past year at the hands of an intimate partner	
	33. Percentage of sexual assault cases completed through the court process in a 12-month period of the date of charge	
GOAL 4. REDUCE CHILD MORTALITY		
Target 9	Indicators	Status
Reduce by two thirds, between 1990 and 2015, the under-five mortality rate	34. Under-five mortality rate by sex	
	35. Infant mortality rate by sex	
	36. Proportion of children 1-5 years of age who have received complete immunisation coverage (BCG, three doses of DPT and oral polio, measles)	
	37. Number of children injured through, violence by sex and age	
	38. Number of children killed through violence, by sex and age of victim and perpetrator	
		Total infant mortality rates were estimated at 7.8 deaths/1,000 live births in 2007. For males it was 8.94 deaths/1,000 live births and females 6.65 deaths/1,000 live births (CIA The World Factbook).

GOAL 5. IMPROVE MATERNAL HEALTH		
Target 10	Indicators	Status
Reduce by three quarters, between 1990 and 2015, the maternal mortality ratio	39. Maternal mortality ratio per 1,000 population	
	40. Proportion of births attended by skilled health personnel	
Target 11	Indicators	Status
Universal access to reproductive and sexual health services through the primary healthcare system by 2015	41. Proportion of contraceptive demand satisfied	Total fertility rate was estimated to be 1.89 children born/woman in 2007 (UNSD)
	42. Adolescent fertility rate	
GOAL 6. COMBAT HIV/AIDS, MALARIA AND OTHER DISEASES		
Target 12	Indicators	Status
Have halted by 2015 and begun to reverse the spread of HIV/AIDS	43. HIV prevalence among pregnant women aged 15-24 years	43% of women used some form of contraceptive (PAHO, latest available year 2000-06)
	44. Condom use, rate of contraceptive prevalence	
	a. Condom use at last high risk sex by sex	
	b. Percentage of population aged 15-24 years with comprehensive correct knowledge of HIV/AIDS by sex	
	c. Contraceptive prevalence rate	
	45. Condom use as a proportion of overall contraceptive use by persons, ages 15-24, in consensual unions by union type	
	46. Ratio of school attendance of orphans to school attendance to non-orphans (10-14)	
47. Proportion of children orphaned by HIV/AIDS by age group		
Target 13	Indicators	Status
Have halted by 2015 and begun to reverse the incidence of malaria and other major diseases	48. Prevalence and death rates associated with malaria	In 2006, there were 2 reported cases of malaria (PAHO)
	49. Proportion of population in malaria risk areas using effective malaria preventive and treatment measures	

Target 13	Indicators	Status
	50. Prevalence and death rates associated with tuberculosis	In 2005, the prevalence rate per 100,000 population was 6, while the death rate per 100,000 population was 0.5 (UNSD)
	51. Proportion of tuberculosis cases detected and cured under DOTS	The detection rate under DOTS was 112.2% in 2004 and the cured rate under DOTS was 100% in 2001 (UNSD)
	52. Existence of programmes that take into account the gender dimensions of power in the transmission and treatment of HIV/AIDS	
	53. Prevalence of chronic diseases by sex and age	
	54. Provision of support services for primary caregivers	
GOAL 7. ENSURE ENVIRONMENTAL SUSTAINABILITY		
Target 14	Indicators	Status
Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources	55. Proportion of land area covered by forest	In 1999, 48.4 percent of total land area was covered by forest. This percentage remained unchanged in 2005 (UNSD)
	56. Ratio of area protected to maintain biological diversity to surface area	
	57. Energy use (kg oil equivalent) per GDP (PPP)	
	58. Carbon dioxide emissions per capita	6.9745 metric tonnes of CO2 (2004) (UNSD)
	59. Proportion of population using solid fuels (with access to secure tenure)	
Target 15	Indicators	Status
Halve, by 2015, the proportion of people without sustainable access to safe drinking water and improved sanitation	60. Proportion of population with sustainable access to an improved water source	
	61. Proportion of urban population with access to an improved sanitation	
Target 16	Indicators	Status
Have achieved by 2020, significant improvement in the lives of at least 70% of persons living in poor communities	62. Proportion of households with access to secure tenure	

Target 17	Indicators	
Construct and Implement a vulnerability index for the Caribbean within the next five years, which is sensitive to economic, social and environmental threats	63. Percentage of coral reefs destroyed by human activity	
	64. Percentage of coral reefs destroyed by natural disasters	
	65. Incidence of natural disasters	Hurricane Ivan in 2004.
	66. Economic losses resulting from natural disasters	
	67. Social dislocation resulting from natural disasters	
	68. Existence of a sustainable framework for the collection, processing and analysis of data relevant to the construction of a Vulnerability Index	
GOAL 8. DEVELOP A GLOBAL PARTNERSHIP FOR DEVELOPMENT		
Target 18	Indicators	Status
Develop further an open, ruled-based predictable, non-discriminating trading and financial systems	69. Net ODA as a percentage of OECD/DAC donors' gross national product (targets of 0.7% in total and 0.15% for LDCs)	Given per capita GDP, the Cayman Islands would not ordinarily qualify for assistance.
	70. Proportion of ODA to basic social services (basic education, primary health care, nutrition, safe water and sanitation)	
	71. Proportion of ODA that is untied	
	72. Proportion of ODA for environment in Small Island Developing States	
Target 19	Indicators	Status
Address the special needs of the Least Developed Countries, LDCs (includes tariffs and quota free access for LDCs' exports; enhanced programme of debt relief for HIPC's and cancellation of official bilateral debt; and more generous programmes of debt relief for countries committed to poverty reduction)	73. Proportion of ODA for transportation in land locked countries	
	74. 74. Proportion of exports (by value and excluding arms) admitted free of duties and quotas	
	75. Services as a proportion of total exports	

Target 20	Indicators	Status
Address the special needs of landlocked countries and SIDS	76. Average tariffs and quotas on agricultural products and textiles and clothing from developing countries	
	77. Domestic and export agriculture subsidies in OECD countries	
	78. Sanitary and phytosanitary rules implemented by developed countries which exceed the standards specified by international organisations	
Target 21	Indicators	Status
Deal comprehensively with the debt problems of developing countries, through national and international measures in order to make debt sustainable in the long term	79. Cost of implementing sanitary/ phytosanitary measures as a percentage of the total value of exports for which these measures are required	
	80. Proportion of ODA provided to help build trade capacity	
	81. Proportion of official bilateral HIPC debt cancelled	
Target 22	Indicators	Status
In cooperation with developing countries, develop and implement strategies for decent and productive work for youth, women and especially vulnerable groups	82. Debt service as a percentage of export of goods and services	In 2007, the unemployment rate was 3%. 2.5% of males were unemployed and 3.5% of females were unemployed
	83. Proportion of ODA provided as debt relief	
	84. Unemployment rate by age group and sex.	
Target 23	Indicators	Status
In cooperation with pharmaceutical companies, provide access to affordable internationally approved essential drugs in developing countries	85. Proportion of population with access to affordable essential approved drugs on a sustainable basis	In 2002 there were 38,000 main lines in use and 17,000 mobile lines in use. (CIA – The World Factbook)
	86. Telephone lines per 1,000 people	
	87. Personal computers per 1,000 people	
Target 24	Indicators	Status
In cooperation with the private sector, make available the benefits of new technologies, especially information and communications	88. Ratio of personal computers to students in primary and secondary school	
	89. Use of internet by government to provide information to the population	

CHAPTER SIX – THE FACE OF POVERTY AND VULNERABILITY

6.1 THE GEOGRAPHIC DISTRIBUTION OF POVERTY AND VULNERABILITY

The pattern of early settlement and the nature of the growth process tend to create inequalities that can be defined in geographic terms. This is very evident in the Cayman Islands. The district with the highest percentage of poverty was Cayman Brac/Little Cayman – 7.0 percent of all persons in this district were found to be consuming at levels below the poverty line, while an additional 4.0 percent were estimated to be vulnerable. It should be noted, however, that Little Cayman was placed with Cayman Brac as one entity for sampling purposes. The native Caymanian population on Little Cayman may well constitute a minority in the midst of resident or long-stay visitors who own holiday or retirement homes there.

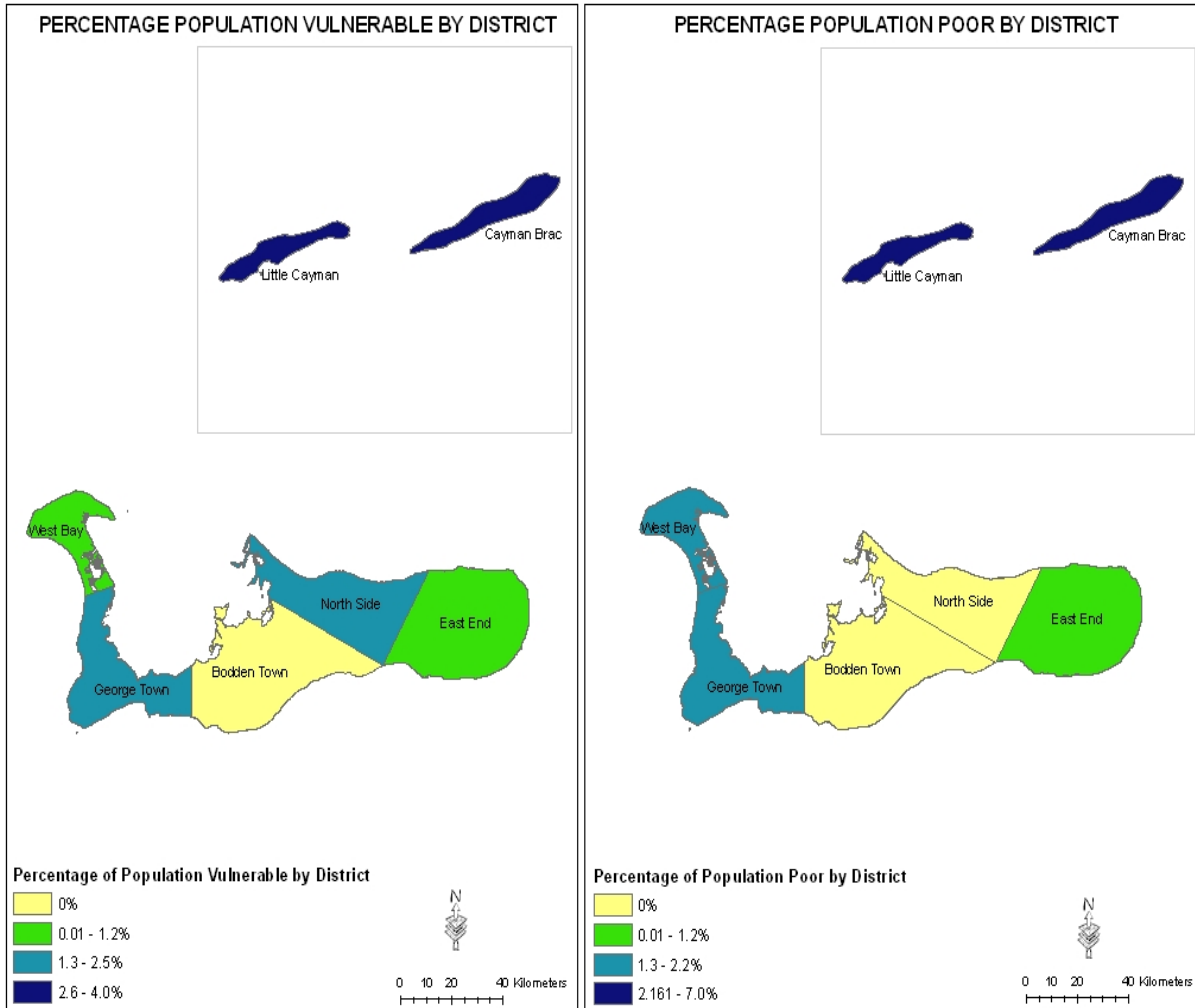
George Town was the district with the second highest prevalence of individuals living in poor households: 2.2 percent of the population in this district were estimated to be poor, and another 2.4 percent vulnerable (Table 6.1 and Map 1). In East End and West Bay, estimates reveal that 1.2 percent and 1.7 percent of the respective populations were poor, while 1.2 percent and 1.1 percent of the respective populations of East End and West Bay were found to have been living in households that were vulnerable.

Most of the poor and vulnerable were located in George Town, 62.4 percent of all the poor and 71.9 percent of all vulnerable individuals in the Cayman Islands live in George Town. West Bay and Cayman Brac/Little Cayman account for most of the rest – 18.3 percent and 17.4 percent of the poor are estimated to have been living in West Bay and East End respectively (Table 6.2 and Map 2).

TABLE 6.1: DISTRIBUTION OF POPULATION BY DISTRICT AND SOCIO-ECONOMIC STATUS

District	Socio Economic Status				Estimated Population
	Poor	Vulnerable	Non Poor/Non Vulnerable	Total	
	%	%	%	%	
George Town	2.2	2.4	95.4	100.0	28,836
West Bay	1.7	1.1	97.2	100.0	10,855
Bodden Town	0.0	0.0	100.0	100.0	8,300
North Side	0.0	2.5	97.5	100.0	1,302
East End	1.2	1.2	97.6	100.0	1,515
Cayman Brac/Little Cayman	7.0	4.0	89.0	100.0	2,484
Total (all Cayman)	1.9	1.8	96.3	100.0	53,292
Estimated Population	998	966	51,328	53,292	

CAYMAN ISLANDS SOCIO ECONOMIC STATUS

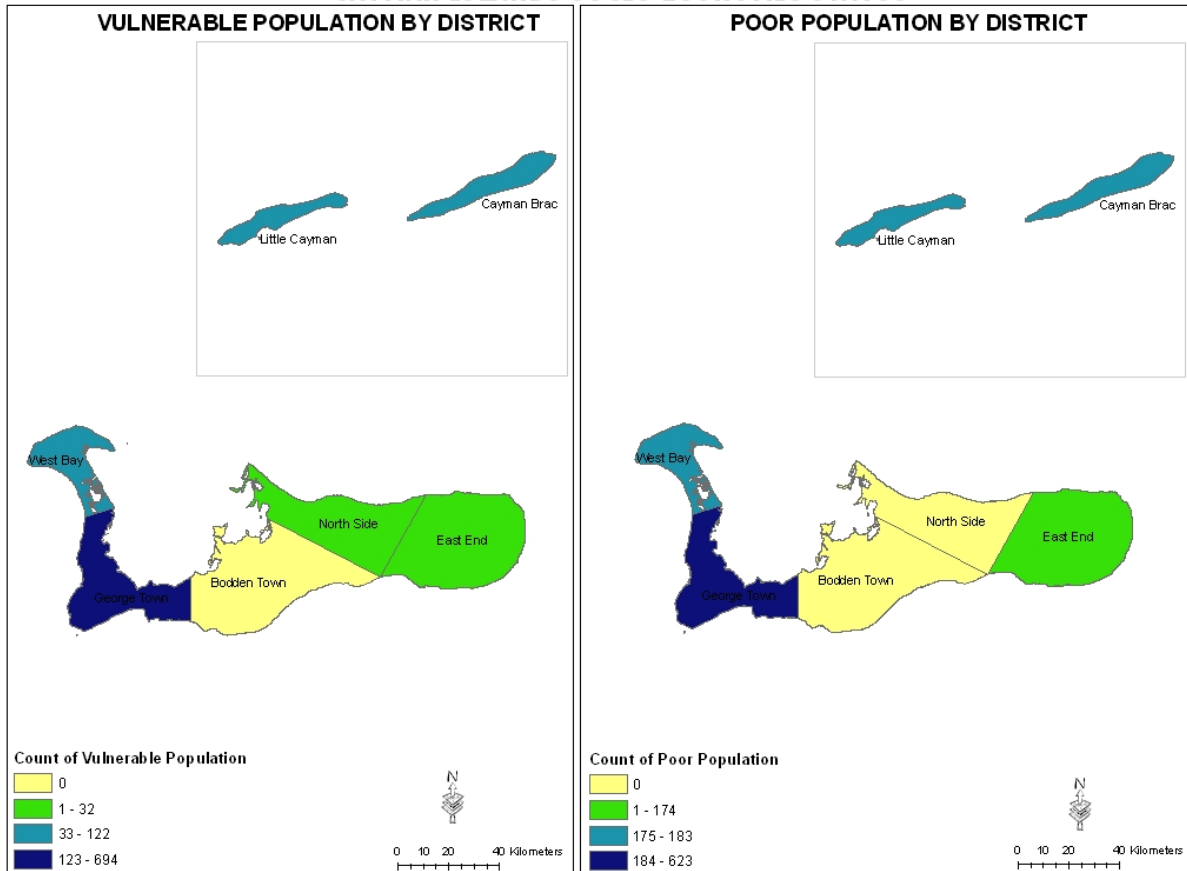


Map 1: Socio Economic Status by District

TABLE 6.2: DISTRIBUTION OF POPULATION BY DISTRICT AND SOCIO-ECONOMIC STATUS

District	Socio Economic Status			District Population as % of National Population
	Poor	Vulnerable	Non Poor/Non Vulnerable	
District	%	%	%	%
George Town	62.4	71.9	53.6	54.1
West Bay	18.3	12.6	20.6	20.4
Bodden Town	0.0	0.0	16.2	15.6
North Side	0.0	3.4	2.5	2.4
East End	1.8	1.9	2.9	2.8
Cayman Brac/Little Cayman	17.4	10.3	4.3	4.7
All Districts (Total)	100.0	100.0	100.0	100.0
Estimated Population	998	966	51,328	53,292

CAYMAN ISLANDS SOCIO ECONOMIC STATUS



Map 2: Distribution of Poor Population by District

6.2 THE DEMOGRAPHIC CHARACTER OF POVERTY AND VULNERABILITY

6.2.1 AGE DIFFERENTIALS

The age group with the greatest number of poor persons was the 35-39 age group which accounted for 11.7 percent of all poor persons and 7.5 percent of vulnerable persons (Table 6.3), though it is worth noting that among persons deemed to be vulnerable, the greatest proportions in excess of 10 percent were evident for adults 45-49 years and children under 5 years. Altogether, 25-49 year olds accounted for 42.9 percent of all poor persons and a similarly substantial share of the vulnerable population. Though these findings may appear to be inconsistent with observations showing lower likelihoods of poverty and vulnerability among persons in these age groups (Table 6.4), the higher overall concentrations of poor and vulnerable persons in these age groups are largely a function of larger population sizes that are characteristic of these age groups. Nonetheless, interpretive accounts based on these estimates ought to bear in mind the noteworthy proportions of poor and vulnerable persons for whom age group was unknown.

Children, aged 0-14, accounted for 14.2 percent of all poor persons. Of these, 5.6 percent were in the 0-4 age group, 3.8 percent in the 5-9 age group and 4.8 percent in the 10-14 age group. Compared to

persons in most of the other age groups, a relatively larger share of the 0-4 year olds were deemed to be vulnerable (2.7 percent) being higher than the national average of 1.8 percent. Among youth 15-24 years old, 15-19 year olds were more likely to be poor as well as vulnerable (3.7 percent and 2.2 percent) when compared to 20-24 year olds for whom the respective estimates were 1.8 percent and 1.7 percent.

TABLE 6.3: DISTRIBUTION OF POOR AND VULNERABLE BY AGE

Five Year Age Groups	Socio Economic Status		
	Poor %	Vulnerable %	% in Total Population
0-4	5.6	10.5	7.0
5-9	3.8	3.7	5.8
10-14	4.8	6.8	6.0
15-19	8.9	5.5	4.5
20-24	6.3	6.0	6.4
25-29	7.1	7.9	8.9
30-34	7.4	9.2	10.4
35-39	11.7	7.5	11.2
40-44	7.8	8.7	9.1
45-49	8.9	14.3	8.5
50-54	3.8	2.8	5.5
55-59	.9	1.8	4.4
60-64	2.0	4.4	3.3
65+	2.7	3.5	5.7
Not Stated	18.2	7.4	3.2
Total	100.0	100.0	100.0
Estimated Population	998	966	53,292

A small share (0.9 percent) of elderly persons 65 years or older was deemed to be poor, while 1.1 percent was estimated to be vulnerable (Table 6.4). It is interesting to note that in the 60-64 age group, 2.4 percent of persons were found to be vulnerable. This finding may be related to the retirement age of 60 years and a concomitant loss of earnings that they once enjoyed while in the labour force.

status. It was noted that females appeared more likely than their male counterparts to be either poor or vulnerable, 4.0 percent of the female population were estimated to be either poor or vulnerable compared to 3.4 percent among males (Table 6.5). Insofar as females accounted for 48.8 percent of the population (Table 6.6), the available data suggest that females were over-represented among the poor as well as among the vulnerable, accounting for 53.8 percent of the poor and 51.5 percent of the vulnerable.

6.2.2 SEX DIFFERENTIALS

The table below shows the distribution of population by sex and socio-economic

TABLE 6.4: DISTRIBUTION OF AGE GROUPS BY SOCIO-ECONOMIC STATUS

Five Year Age Groups	Socio Economic Status				Estimated Population
	Poor	Vulnerable	Non Poor/ Non Vulnerable	Total	
	%	%	%	%	
0-4	1.5	2.7	95.8	100.0	3743
5-9	1.2	1.1	97.6	100.0	3116
10-14	1.5	2.1	96.5	100.0	3210
15-19	3.7	2.2	94.1	100.0	2390
20-24	1.8	1.7	96.4	100.0	3408
25-29	1.5	1.6	96.9	100.0	4733
30-34	1.3	1.6	97.1	100.0	5537
35-39	1.9	1.2	96.8	100.0	5973
40-44	1.6	1.7	96.7	100.0	4868
45-49	2.0	3.1	95.0	100.0	4526
50-54	1.3	.9	97.8	100.0	2918
55-59	.4	.8	98.9	100.0	2357
60-64	1.2	2.4	96.4	100.0	1743
65+	0.9	1.1	98.0	100.0	3054
Not Stated	10.6	4.1	85.3	100.0	1717
Total (all Cayman)	1.9	1.8	96.3	100.0	53,292

TABLE 6.5: DISTRIBUTION OF POPULATION BY SEX AND SOCIO-ECONOMIC STATUS

Sex	Socio Economic Status				Estimated Population
	Poor	Vulnerable	Non Poor/Non Vulnerable	Total	
	%				N
Male	1.7	1.7	96.6	100.0	27,281
Female	2.1	1.9	96.0	100.0	26,011
Both Sexes	1.9	1.8	96.3	100.0	53,292

TABLE 6.6: POOR AND VULNERABLE POPULATION BY SEX

Sex	Socio Economic Status		
	Poor	Vulnerable	Total Population
	%		
Male	46.2	48.5	51.2
Female	53.8	51.5	48.8
Both Sexes	100.0	100.0	100.0
Estimated Population	998	966	53292

In the lowest quintile, living conditions in female-headed households were likely to be worse than those in male-headed households. This is borne out by the findings emerging out of Table 6.8 that female-headed households accounted for almost half of poor households and observations showing that only 35.5 percent of all households were female-headed. Moreover, 2 percent of all female-headed households were estimated to be poor, as opposed to about one-hundredth of a percent being estimated to be poor in the case of male-headed households. These latter results provide further support for the greater likelihood of unfavourable living

conditions among female-headed households when compared to male-headed households. Specifically, 2.05 percent of all female-headed households were estimated to be poor, as opposed to 1.15 percent in the case of male-headed households. Poor female-headed households constituted 0.7 percent of all households. Although poverty was found to be low in the Cayman Islands, the lot of poor women was likely to be particularly painful, given the segmentation of the labour market that relegated women to a greater percentage of the lower paying employment.

TABLE 6.7 HEADSHIP AND PER CAPITA CONSUMPTION QUINTILES

Sex	Poorest	II	III	IV	V	Total
Male	71.6	63.0	65.9	60.3	63.2	64.5
Female	28.4	37.0	34.1	39.7	36.8	35.5
Total (%)	100.0	100.0	100.0	100.0	100.0	100.0
Estimated Population	3171	3326	3631	3842	4905	18875

TABLE 6.8 HEADSHIP BY SOCIO-ECONOMIC STATUS

Sex	Poor	Vulnerable	Non Poor/ Non Vulnerable	Total
Male	50.5	71.8	64.6	64.5
Female	49.5	28.2	35.4	35.5
Total (%)	100.0	100.0	100.0	100.0
Estimated Population	277	298	18300	18875

6.2.3 DIFFERENTIALS BASED ON NATIONALITY

Table 6.9 shows variation in the socio-economic status of the population according to nationality. With respect to Caymanians, 1.5 percent were estimated to be poor while 2.4 percent of Non-Caymanians were poor. In terms of vulnerability to poverty, 1.8 percent of Caymanians as well as Non-Caymanians were estimated to be vulnerable. These findings suggest that patterns indicative of the socio-economic status of Caymanians do not differ much from those of Non-Caymanians except that the latter were found to be a slightly more likely to be poor.

It is also important to note that Non-Caymanians constituted a larger share of the poor than Caymanians (55.5%), but Caymanians constituted a larger share of the vulnerable group (56.9%) (Table 6.10).

TABLE 6.9: INCIDENCE OF POVERTY AND VULNERABILITY BY NATIONALITY

Nationality (Status)	Socio Economic Status		Population Estimate
	Poor	Vulnerable	N
	%	%	
Caymanian	1.5	1.8	30584
Non Caymanian	2.4	1.8	22707
Estimated Population	1.9	1.8	53292

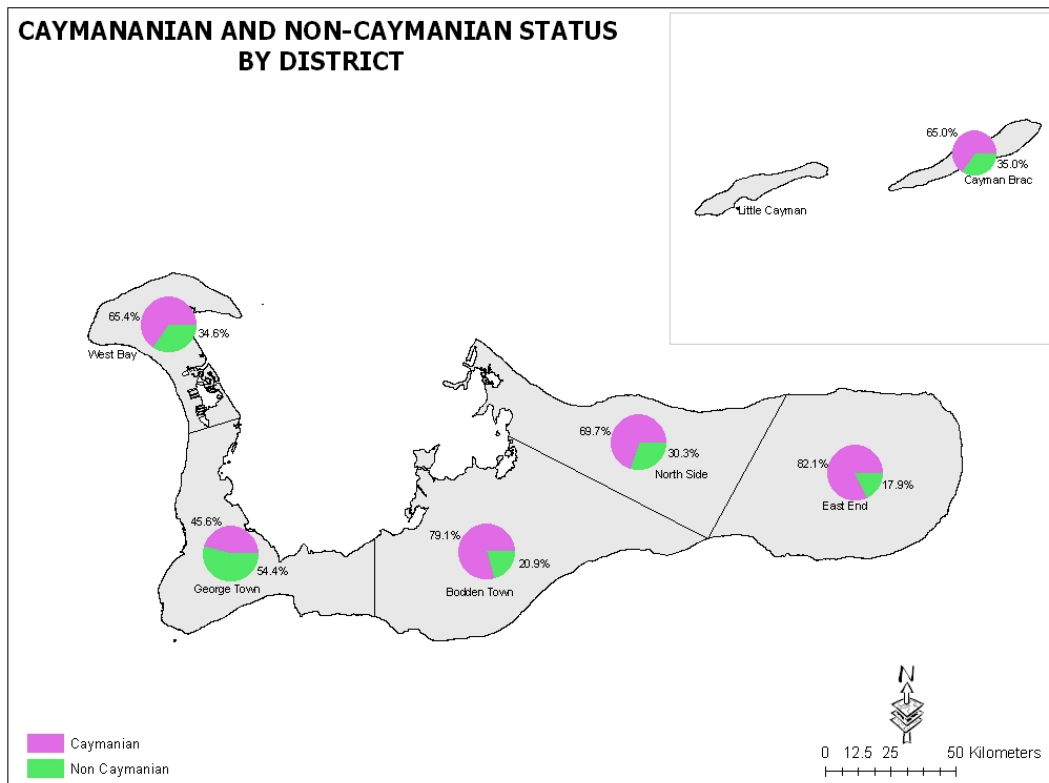
TABLE 6.10: DISTRIBUTION OF POOR AND VULNERABLE BY NATIONALITY

Status	Socio Economic Status		Share in total Population
	Poor	Vulnerable	%
	%	%	
Caymanian	44.5	56.9	57.4
Non Caymanian	55.5	43.1	42.6
Total	100.0	100.0	100.0
Estimated Population	998	966	53292

Compared to the other districts, George Town is the district with the highest number of non-Caymanians – 54.4 percent. Non-Caymanians account for 34.6 percent of the population in West Bay, 30.3 percent of the population of North Side and 35.0 percent of the population in Cayman Brac (Map 3).

6.2.4 ETHNICITY AND SOCIO-ECONOMIC STATUS

The population of the Cayman Islands is comprised predominantly of black (42.2%) and “mixed” groups, (23.0%), while whites represent 16.7 percent of the resident population. Blacks appear to be over-represented among the poor and vulnerable, while whites are under-represented among these groups, when compared to their presence in the total population (Table 6.11).



Map 3: Residents by Caymanian Status

TABLE 6.11 DISTRIBUTION OF POPULATION BY ETHNICITY

Ethnicity	Socio Economic Status			
	Poor	Vulnerable	Non Poor/Non Vulnerable	All Groups
	%			
Black	55.3	57.4	41.7	42.2
Indigenous People (Amerindian)	0.0	0.0	0.2	0.2
White	1.8	1.3	17.3	16.7
East Indian	0.0	1.8	1.4	1.4
Hispanic	2.7	2.6	5.7	5.6
Asian	7.1	0.0	5.4	5.3
Mixed	20.3	31.3	22.9	23.0
Don't Know	1.8	0.0	0.0	0.1
Not Stated	11.0	5.5	5.3	5.5
Total	100.0	100.0	100.0	100.0
Estimated Population	998	966	51,328	53,292

6.3 OTHER CHARACTERISTICS OF THE POOR AND VULNERABLE

6.3.1 CHARACTERISING POVERTY-CHRONICALLY, STRUCTURALLY, SEASONALLY POOR

The poverty estimated at any point in time includes groups that have widely varying experiences of poverty²¹. There are those who are in transient poverty. They are currently poor, but might not have been poor in the previous period. Temporary lay-off in the labour market might result in poverty in the present but this may be corrected in the near term by new

employment or the return to a job. Indeed, labour market efficiency is to some extent assisted by the movement of workers out of some employment into alternative employment, but this is usually with some lag between the exit from one source of employment to entry into another. There are sometimes issues of relocation.

There are also those in poverty who would take considerable time to be re-absorbed in alternative employment. The collapse of a sector is seldom complemented by the rise of another to absorb slack resources of labour and other factors. Structural unemployment can lead to poverty as workers have to be retrained, assuming new capital formation is triggered and creates new sustainable jobs. There are also seasonal factors that operate which may result in sections of society falling into

²¹Thomas, C. Y., 'St. Vincent and the Grenadines: Social Policy for Poverty Reduction,' Report prepared for the Secretariat of the Organisation of Eastern Caribbean States, Institute of Development Studies, University of Guyana, 2001

poverty, given that in the slack period, there may not be much in which to absorb workers whose major employment is in the sector subject to seasonal fluctuations. Tourism is exactly such an industry. Given the reliance of Caymanian tourism on visitors from the North Atlantic, the onset of the summer in the northern hemisphere is associated with the slow period in the sector in the Cayman Islands, and a fall in occupancy levels. Some of the poverty in the Cayman Islands mirrors these seasonal factors.

Another type of poverty is chronic poverty, which often leads to inter-generational cycles: the entrapment of one generation in poverty results in locking a succeeding generation into poverty. Children born into poverty-stricken conditions can easily repeat the cycle. They are likely not to attend pre-schools and they tend to have poor attendance records at school when they do enroll. Lacking an environment that is propitious to learning, they fail to complete school with qualifications that make them attractive to the employment market. Girls start families relatively early and have more children than they are able to take care of, setting themselves on course to repeat the cycle.

The dynamic features of these varying poverty conditions are not readily identifiable in the poverty estimates in the SLC, especially in a situation in which estimated poverty is as low as has been found in the Cayman Islands. However, in

the course of the PPA, and the in-depth interviews of households, the results of which are outlined in a later section of this study, there are examples of chronic and structural poverty that tell a story of poverty that remains unrevealed in the estimates from the SLC.

6.3.2 DISTRIBUTION OF THE POOR BY HOUSEHOLD SIZE AND COMPOSITION

Table 6.12 provides information on the characteristics of household by socio-economic status. While the mean size of poor households was higher than that of the non-poor, the number of children was slightly lower. In poor households, the number of adults and the number of earners were found to be much higher than in the case of non-poor households. This points to the fact that poor households and those in the lowest quintile were more likely to be non-Caymanian guest workers, with some living in crowded conditions to make ends meet in the face of the high cost of accommodation.

Table 6.13 provides estimates that are indicative of variation in the number of children in households across the different socio-economic states. As such, it is worth noting that among poor and vulnerable households, substantially large numbers had no children, a phenomenon that could be due to the present Immigration Rules that carry stringent conditions for immigrants seeking to bring their children to the Cayman Islands.

TABLE 6.12: SUMMARY HOUSEHOLD CHARACTERISTICS BY SOCIO ECONOMIC STATUS

Indicator	Socio Economic Status			
	Poor	Vulnerable	Non-Poor/Non-Vulnerable	Total
	Mean			
Size of Household	3.60	3.24	2.80	2.82
Number of Children	0.51	0.68	0.53	.53
Number of Adults	3.09	2.56	2.27	2.29
Number of Earners	1.80	1.74	1.59	1.60

TABLE 6.13: POOR AND VULNERABLE HOUSEHOLDS BY NUMBER OF CHILDREN IN HOUSEHOLD

Number of Children	Socio Economic Status			
	Poor	Vulnerable	Non Poor/Non Vulnerable	All Groups
	Frequency			No.
0	209	215	12671	13095
1	12	18	2858	2889
2	38	30	1890	1958
3	18	18	655	691
4	0	18	156	174
5 or more	0	0	68	68
Estimated No. of Households	277	298	18300	18875

6.4 POOR AND VULNERABLE BY INCOME-EARNING ACTIVITIES

With reference to persons engaged in income-earning activities, Figure 6.1 permits a cursory exploration of the poor in accordance with their principal occupational pursuits. Accordingly, the majority of poor persons is likely to be employed as models, salespersons and demonstrators (27.8%). Moreover, other occupational groups such as workers in sales and service elementary occupations

and craft and related workers appear to account for noteworthy proportions of the poor. With reference to persons classified as vulnerable, the majority were observed to be workers in sales and elementary occupations (36.7%) [Figure 6.2]. A noteworthy proportion of vulnerable persons earned income as a result of their engagement in craft and related activities (24.2%). Unemployment is usually one of the factors responsible for poverty in most studies of this kind. However in the Cayman Islands only 1.2 percent of the poor were unemployed.

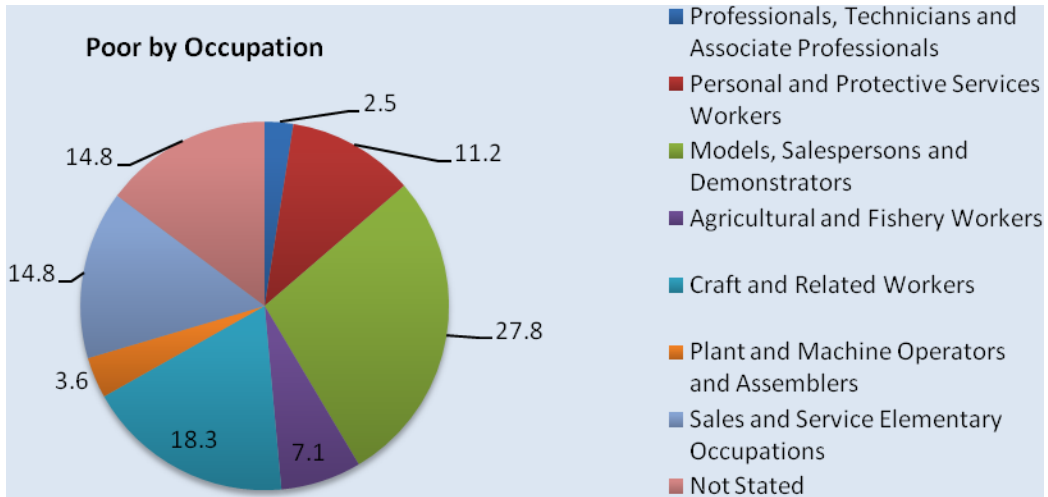


FIGURE 6.1: POOR BY OCCUPATION

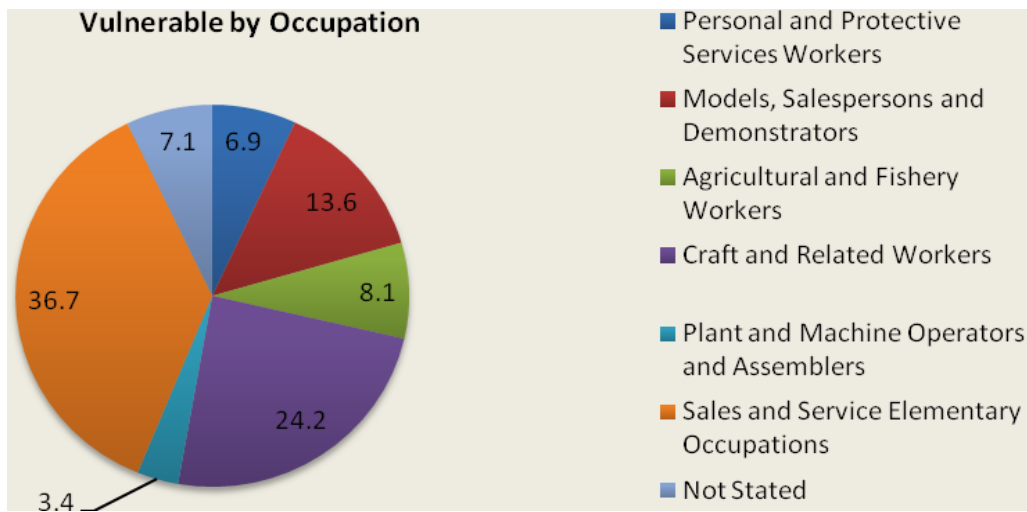


FIGURE 6.2: VULNERABLE BY OCCUPATION

6.5 THE RISK OF BEING POOR – LOGISTIC REGRESSION MODEL

This logistic regression model for the Cayman Islands is an enhancement to work done by Henry and St. Catherine (2004) and a number of researchers in other parts of the world (see: Marc Ruben 1996, Ranjan Ray 1999, Vani Boorah, 2001 etc.)²². The techniques applied in this exercise have been elaborated in various methodological texts which treat with the specification of models with a dichotomous dependent variable (see: Maddala 1983, Aldrich and Nelson 1984).²³

The variable in focus, namely, poverty, usually takes one of two conditions for every household in the micro-dataset under consideration, poor or non-poor. In the case of the Cayman Islands, the model compares households in the lowest quintile to households in the top four per capita consumption quintiles, since the headcount index is less than 5 percent. The model attempts to establish the chances for a given

household of being in the poorest quintile, given various conditioning factors usually including, but not restricted to, age, gender, adult equivalent household size²⁴, education, sector of employment, region, unemployment and being out of the labour force, and so on.

6.6 KEY FINDINGS

The model predicts, that when household income increases by 20 percent, the odds of the household being in the poorest quintile falls by 59 percent. The factor which has the greatest impact on the odds of being in the poorest quintile is whether the head of the household does or does not have Caymanian Status. In fact, the odds of being in the poorest quintile increased by a factor of 3.1 if the household is headed by a Non-Caymanian with a work permit versus any alternative status containing mostly Caymanians²⁵; additionally if the household is headed by a white person, the odds of being in the poorest quintile fall by 36 percent.

Most research on poverty has identified unemployment as a major contributing factor. The model allows us to conclude that an additional unemployed person in the household has little impact on the odds of

22 Ranjan, Ray. 1999. Poverty, Household Size and Child Welfare in India. Australia: University of Tasmania, School of Economics. Ruben, Marc. 1996. Poverty, Labour Force Status and the Social Safety Net. Washington, D.C.: U.S. Census Bureau. Vani K. Borooah, Logit and Probit, Ordered and Multinomial Models, No 139, A Sage University Paper, 2001. Ralph Henry et al. Poverty Reduction and Social Development in Trinidad and Tobago. Inter-American Development Bank, 2004.

23 Maddala, G.S. 1983. *Limited-Dependent and Qualitative Variables in Econometrics*. *Econometric Society Monographs in Quantitative Economics*. Cambridge, Cambridge University Press. And; Aldrich, John Herbert and Forrest D. Nelson. 1984. *Linear Probability, Logit and Probit Models*.

24 The use of adult equivalent scales in this study improves the specification of the absolute poverty line when compared to a per capita measure, by according higher relative weights to adults over children. This study, however, does not explore the possibility of economies of household size in consumption which has been show in some studies to be significant (Ranjan Ray 1999).

25 Non-Caymanians without a work permit were a very small group, it might also be that there was a fairly high incidence of recording persons belonging to this category because of its legal implications.

being poor. The model was also tested with number of earners as an explanatory variable, and found that each additional employed person reduced the odds of being poor by a factor of 53 percent.

The adult equivalent family size was included as a continuous variable in the model and it was found that for each additional equivalent adult added to the household, the risk of poverty increases by a factor of 6.4. This is not an unexpected result, as larger household sizes are associated with greater levels of deprivation and social and material deficiencies.

With respect to education, it is clear from the model that where the household head had primary or middle-school education, the odds of the household being in the bottom quintile was reduced by factors of 2.9 and 2.2 respectively.

This is very strong evidence in support of ensuring that poverty reduction be accompanied by very deliberate and sustained emphasis on secondary, and by extension, middle school education. This said, however, it is recognised that, the high percentage of expatriate workers in the population may have contributed to reducing the significance and the magnitude of the coefficients associated with higher levels of education given their proclivity to lower standards of living even with higher levels of education.

In terms of geographic location, the odds of being in the poorest quintile are less for households in George Town and Bodden Town when compared to West Bay.

CHAPTER SEVEN – LABOUR MARKET AND EDUCATION INDICATORS

The Cayman Islands evolved into a modern economy in the second half of the 20th century. In the first half of the 20th century, much of the income generation for citizens took place abroad, with the men-folk engaged as seafarers and as lower level labour in other economies. Remittances provided much of the income to households. Some households subsisted in the domestic economy from small-scale farming and fishing. With the transformation of the economy in the second half of the 20th century, the majority of households could earn their keep from the level and nature of economic participation in the labour force in the domestic economy. Thus, any assessment of living standards has to be anchored in an examination of labour market trends. Data collected by ESO and in the SCL/HBS provide much of the information in this Chapter.

7.1 LABOUR FORCE TRENDS

According to data from the ESO, the Labour Force rose steadily between 2001 and 2005, by a total of 31.4 percent, from 27,971 in 2001 to 36,767 in 2005. However, the estimated Labour Force based on the SLC/HBS of 2007 suggests a decline to 31,068.

There was an overall increase of 38.2 percent in the number of Caymanians in the Labour Force over the period, with the largest year-on-year increase occurring between 2004 and 2005 (Table 7.1). Although non-Caymanian labour

experienced a largely increasing trend, there was a notable divergence in 2004, when there was a visible drop from 15,076 to 14,595. It is interesting to note that while the numbers of Non-Caymanians in the labour force increased over time, the percentage share in the labour force actually decreased over the period. The share of Caymanians in the employed labour force registered an overall increase from 48.2 percent in 2001 to 50.8 percent in 2007 (SLC 2007). There might have been some impact deriving from the introduction of the roll-over on the work-force.

BOX 1: LABOUR FORCE DEFINITIONS

The Employed: All residents of the Cayman Islands who, during the rolling reference week of the SLC/HBS survey 2007, worked for at least one hour. In addition, the employed included persons on vacation and other types of leave (sick, maternity etcetera) with a formal attachment to their jobs during the aforementioned reference week.

The Unemployed: All residents of the Cayman Islands, who during the rolling reference week of the SLC/HBS survey 2007, were without work, wanted to work, were seeking work and were available for work during the three-week period beginning at the start of the reference week.

Participants in the Labour Force: All residents of the Cayman Islands who were 15 years and over at the time of the survey, who were either employed or unemployed.

Source – Surveys on Economically Active Population, Employment, Unemployment and Underemployment: an ILO Manual on Concepts and Methods, 1990.

Unemployment showed a generally decreasing trend during the period 2001 to 2005. The SLC/HBS of 2007 estimated an

unemployment rate of 2.95 percent in the Cayman Islands.

Work permits are issued to all non-Caymanians wishing to obtain employment in the Cayman Islands. The number of persons on work permits increased from 16,548 in 1995 to 24,865 in 2006, a 50.3% percentage increase over the period. There was notable drop in the number of work permit holders in 2005, a possible consequence of Hurricane Ivan (Figure 7.1).

Caribbean nationalities have consistently accounted for the largest share of permit-holders. However, there has been a steady increase in the number of Asian and Canadian work permit-holders over the period (Table 7.2). In 1997, the Caribbean accounted for 56.7 percent of work permits, Asians 5.4 percent and Canadians 7.4 percent. By 2006, the Caribbean share fell to 49 percent, while the Asian and Canadian shares increased to 14 percent and 8 percent respectively (Figure 7.2). Table 7.3 presents the work permit profile for Caribbean Nationalities.

Disaggregation of the data by industry shows that construction consistently accounted for the largest share of work permits issued – 29.6 percent of total permits issued in 2005 and 26.8 percent of those issued in 2006. Persons employed in private households accounted for the second largest share, but the data show a marginal decrease in the numbers of permits being issued to this category of worker over the period (Table 7.4). The tourism sector, represented by Hotels and Condominiums, and Restaurants and Bars,

accounted for 10.8 percent and 13.9 percent of total work permits in 2004 and 2006 respectively.

7.2 LABOUR MARKET INDICATORS

7.2.1 LABOUR FORCE PARTICIPATION

The overall labour force participation rate for the Cayman Islands was at 71.9 percent. Labour force participation by males (73.6%) exceeded female participation (70.1%) and labour force participation was lower for Caymanians than for non-Caymanians by a factor of 3.2 percentage points (Table 7.5). Considering both sexes together, participation in the labour force was highest in the first quintile (75.1%) and lowest in the fifth quintile (68.7%) (See also tables in Section 3 of Volume 4).

Disaggregation by age cohort revealed several interesting findings. Caymanian youths (aged 15-24) have a notably higher participation rate than their non-Caymanian counterparts. In particular, the participation rate of Caymanian males between the ages of 20-24 outstrips that of non-Caymanian males of the same age grouping by 16.2 percentage points. Among the elderly population (aged 65 years and over), female non-Caymanians have a participation rate of 30.7 percent, compared to 17.3 percent for their Caymanian counterparts. Conversely, participation by elderly male Caymanians outstripped that of their non-Caymanian counterparts by 20.2 percent. There were obviously some dynamic factors driving differential participation: it is likely though that non-Caymanians could less 'afford' unemployment than Caymanians.

TABLE 7.1: KEY LABOUR FORCE INDICATORS

Labour Force Indicators	2001	2002	2003	2004	2005	SLC 2007
Labour Force	27,971	28,905	29,906	30,257	36,767	31,068
Caymanians	13,790	14,050	14,830	15,662	19,064	15,549
Non Caymanians	14,181	14,855	15,076	14,595	17,703	15,519
% Non Caymanian	50.7%	51.4%	50.4%	48.2%	48.1%	50.0%
Employed Labour Force	25,862	27,354	28,827	28,827	35,464	30,150
Caymanians	12,479	12,992	13,973	14,775	18,025	14,834
Non Caymanians	13,383	14,362	14,854	14,171	17,439	15,316
Unemployed	2,109	1,550	1,079	1,311	1,303	918
Caymanians	1,311	1,058	857	887	1,039	715
Non Caymanians	798	492	222	424	264	203
Unemployment Rate (%)	7.5	5.4	3.6	4.3	3.5	2.95

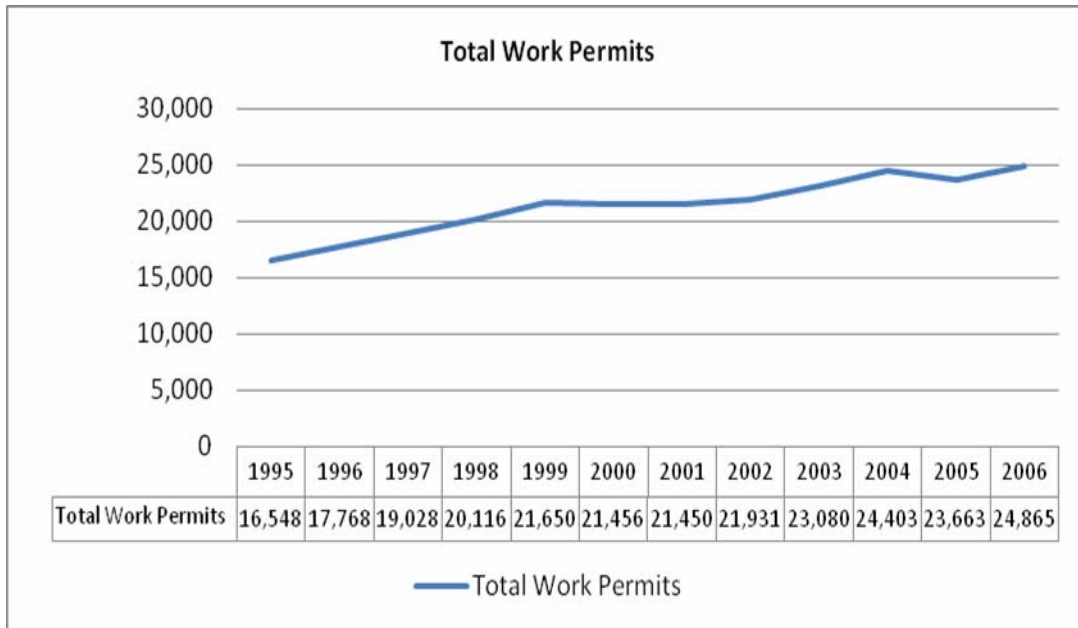


FIGURE 7.1: TOTAL WORK PERMITS 1995-2006

TABLE 7.2: WORK PERMIT PROFILE (INCLUDING RENEWALS PENDING) BY NATIONALITY

Nationality	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Total Work Permits	16,548	17,768	19,028	20,116	21,650	21,456	21,450	21,931	23,080	24,403	23,663	24,865
Asia	922	965	1,030	1,171	1,290	1,469	1,672	1,822	1,997	2,272	2,345	3,414
Canada	1,090	1,262	1,415	1,548	1,673	1,759	1,820	1,866	1,883	1,981	1,784	1,949
Caribbean	9,149	9,956	10,783	11,518	12,375	11,913	11,698	11,964	12,557	13,690	12,955	12,066
Europe	481	534	555	544	610	590	593	560	605	564	544	853
UK	1,294	1,437	1,514	1,544	1,686	1,725	1,691	1,679	1,733	1,613	1,527	1,822
USA	1,653	1,589	1,629	1,623	1,673	1,578	1,498	1,484	1,575	1,477	1,497	1,487
Rest of the World	1,959	2,025	2,102	2,168	2,343	2,422	2,478	2,556	2,730	2,806	3,011	3,274

Source: ESO

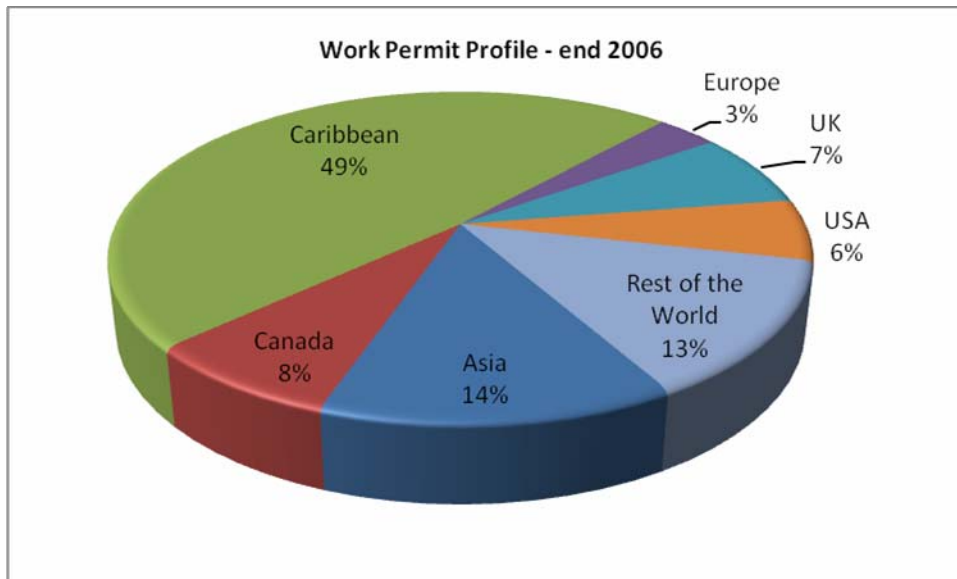


FIGURE 7.2: WORK PERMIT PROFILE 2006

TABLE 7.3: REGIONAL IMMIGRATION - WORK PERMIT PROFILE (CARIBBEAN NATIONALITIES)

Year	1995	1999	2000	2001	2002	2003	2004	2005	2006
All Caribbean	9,149	12,375	11,913	11,698	11,964	12,557	13,690	12,955	12,066
Antigua And Barbuda	2	3	2	4	2	3	5	4	0
Bahamas	21	19	22	19	17	26	29	35	17
Barbados	59	58	66	62	61	106	78	62	124
Belize	31	38	41	35	37	34	24	25	42
Bermuda	6	10	10	5	3	7	6	8	4
Cuba	38	45	41	53	66	84	118	122	180
Dominica	5	7	5	6	8	9	9	6	0
Dominican Republic	122	143	159	171	179	195	186	206	243
Grenada	11	6	6	6	9	7	9	7	0
Guyana	104	121	154	169	166	192	214	216	283
Haiti	7	2	2	3	3	2	8	10	0
Jamaica	8,601	11,748	11,199	10,958	11,184	11,653	12,778	12,032	10,828
St Vincent and the Grenadines	8	13	18	13	11	17	16	22	0
St. Lucia	17	23	30	31	32	33	33	26	45
St.Kitts-Nevis	3	5	5	6	5	7	8	8	0
The Cayman Islands	2	2	2	2	2	2	3	0	0
Trinidad And Tobago	110	130	148	154	177	179	164	160	215
Other	2	2	3	1	2	1	2	6	0

Source: ESO

TABLE 7.4: WORK PERMITS FOR ALL INDUSTRIES

Work Permits for all Industries	DEC) 2004	(DEC) 2005	(DEC) 2006
Construction	29.3	29.6	26.8
Financial	8.8	8.0	8.6
Restaurant and Bars	9.2	9.6	10.7
Hotels and Condominiums	1.6	2.6	3.2
Business Services	12.9	12.5	12.9
Wholesale and Retail	10.0	10.4	11.5
Private Households w/ Employed People	18.7	17.5	16.0
Community, Social and Personal Services	5.7	5.9	5.8
All Other Industries	3.8	4.0	4.5
Total (%)	100.0	100.0	100.0
Total Work Permits	20,508	21,763	22,394

Source: AER, ESO

TABLE 7.5: LABOUR FORCE PARTICIPATION RATE BY STATUS, AGE AND SEX

Participation Rate in Age Group		Labour force Participation Rate		
		Caymanian	Non Caymanian	Total
		%		
Male	15-19	41.9	44.4	42.2
	20-24	88.2	72.0	82.0
	25-34	89.8	78.3	81.6
	35-44	90.2	86.8	88.0
	45-54	83.3	84.4	83.8
	55-64	73.8	78.5	75.3
	65+	25.0	4.8	23.1
	Not Stated	13.8	2.3	3.9
	Total	72.1	75.0	73.6
Female	15-19	37.1	26.3	35.7
	20-24	87.9	83.4	85.8
	25-34	84.3	77.2	79.9
	35-44	86.3	85.1	85.6
	45-54	77.4	76.3	77.0
	55-64	61.6	75.4	65.5
	65+	17.3	30.7	19.3
	Not Stated	0.0	0.0	0.0
	Total	68.7	71.7	70.1
Both Sexes	15-19	39.9	36.1	39.4
	20-24	88.0	77.8	83.7
	25-34	86.7	77.8	80.8
	35-44	88.1	86.1	86.9
	45-54	80.1	80.8	80.3
	55-64	67.8	77.1	70.6
	65+	21.1	21.3	21.1
	Not Stated	11.2	1.1	2.1
	Total	70.3	73.5	71.9
Total Estimated Population		15,549	15,519	31,068

7.2.2 EMPLOYMENT STATUS

Unemployment was highest in quintile one (4.4%) and lowest in quintile five (3.0%). Unemployment among females in the poorest quintile (7.5%) was significantly higher than male unemployment (2.4%) in the lowest quintile, and was also higher than the national average (Table 7.6). Males in the third quintile were more likely than males in any other quintile to be unemployed.

The unemployment rate for Caymanians was higher than that for non-Caymanians by 3.3 percentage points (Table 7.7). The low levels of unemployment among non-Caymanians were not unexpected given that their presence in the country is usually related to a contract of employment. However the issue of Caymanian unemployment is of some concern and is examined on the basis of educational attainment and skills in a subsequent section of this report.

TABLE 7.6: UNEMPLOYMENT RATES BY SEX AND QUINTILES

Sex	Per Capita Consumption Quintiles					
	Poorest	II	III	IV	V	All Groups
	%					
Male	2.4	2.2	4.0	2.8	1.2	2.5
Female	7.5	2.6	1.6	3.6	2.5	3.5
Both Sexes	4.4	2.3	2.8	3.2	1.8	3.0

TABLE 7.7: UNEMPLOYED BY SEX AND NATIONALITY STATUS

Sex	Status		
	Caymanian	Non Caymanian	All Groups
	%	%	%
Male	4.4	0.7	2.5
Unemployed	4.8	2.1	3.5
Both Sexes	4.6	1.3	3.0

A scan of the data suggests that unemployed Caymanians were more likely to be young persons (between the ages of 15-24), resident in either George Town or West Bay and who have a relatively low skills base (as evidenced by low levels of educational attainment). Most have passed either “no examinations” or up to O Level examinations (see tables in Section 3 of volume 4).

7.2.3 ECONOMIC ACTIVITY BY DISTRICT

Map 4 shows the share of employed and economically inactive by district. The Map clearly shows that economic inactivity is higher in the less urban districts, such as East End and North Side, compared to the Urban districts of George Town and West Bay.

7.2.4 EDUCATIONAL ATTAINMENT OF LABOUR FORCE

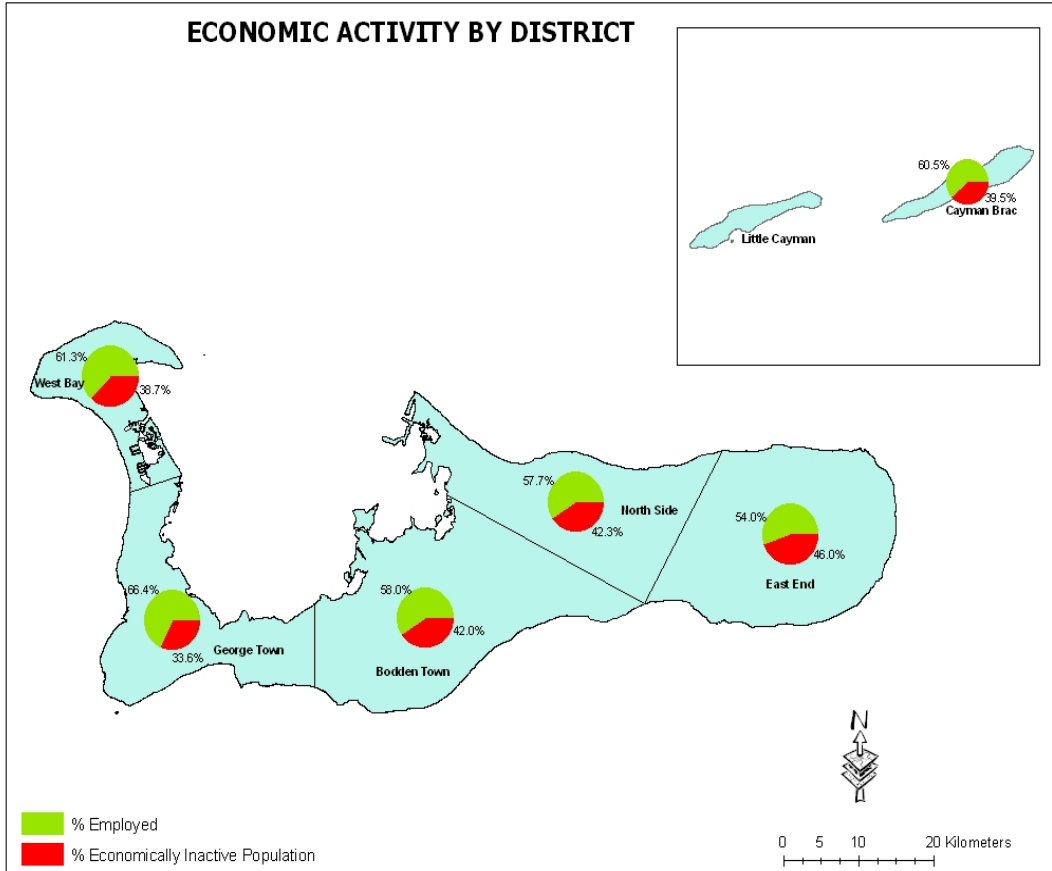
The percentage of males having not passed any examinations was highest in the poorest quintile and lowest in the fifth quintile. While the educational attainment for females showed a similar trend, females were generally less likely than males to have not passed any examination. Males in the fifth quintile were more likely than any other group to have professional and degree (undergraduate and post-graduate) qualifications. In addition, females are more likely to have attained basic and higher levels of educational qualifications than males (see Tables in Section 3 of Volume 4). The findings are consistent with studies done elsewhere in the Caribbean; generally,

the higher the level of education, the higher the likelihood of an individual being in a higher quintile.

According to evidence emerging out of the Cayman Islands Labour Force Survey Report (ESO, Spring 2006), a comparative assessment of the socio-economic attributes of the Caymanian and non-Caymanian population shows that with respect to educational attainment, non-Caymanians appear more likely than Caymanians to have attained higher-level educational credentials such as undergraduate and postgraduate degrees, Diplomas/certificates and professional qualifications. This result is corroborated by the survey results shown in Table 7.8.

7.2.5 EMPLOYMENT BY SECTOR

The Labour Force Report (2006) suggests that employed non-Caymanians were more likely than their Caymanian counterparts to work in construction and hospitality sectors and in private households. While this pattern held, irrespective of sex, in the case of persons employed in the hospitality industry, the situation was gender specific in the other two sectors; among workers in the construction sector, men dominated, and in the case of work in private households, females. Otherwise, Caymanians were as or more likely than their non-Caymanian counterparts to be employed in the other economic sectors. This finding points to the segmentation of the labour market on the basis of national status.



Map 4: Economic Activity by District

TABLE 7.8: LABOUR FORCE PARTICIPANTS BY HIGHEST EXAMINATION PASSED AND NATIONALITY

Highest Examination Passed	Caymanian %	Non-Caymanian %
None	21.6	24.6
O' Level	15.1	11.1
A' Level/GCSE/IGCSE	5.1	5.6
Diploma or Certificate	19.7	13.9
Associate Degree	3.7	3.7
Undergraduate Degree	7.2	10.4
Postgraduate Degree	2.6	4.2
Professional Qualification	9.6	12.2
Other	5.2	6.0
Not Stated/Not Classified	10.3	8.2
Total	100.0	100.0
Estimated Population	15,549	15,519

Of all the industries considered, Construction accounted for the largest share of the employed (16.5% when both sexes are considered together), with a high concentration among males. Most males employed in Construction were found in quintiles 1 and 2, while males in quintile 5 were more likely to be employed in industries such as Financial Services (9.8%) and Real Estate (14.6%).

For females, the industries of highest concentration were Restaurants and Bars (12%), Financial Services (13.4%), Education Health and Social Work (12.7%) and employment in Private Households (14.7%).

In the fifth quintile, females were more likely to be employed in Financial Services sector and Real Estate (25.7 and 22.9% respectively). Conversely, quintile one had the highest percentage of females occupied in Domestic Services (27.9%) (See also Tables in Section 3 of Volume 4).

A look at the data, by occupation, confirms that non-Caymanians are overly represented among Salespersons/ Demonstrators, and Craft And Related Workers, while Caymanians are under-represented among the “Professionals/Technicians/and Associate Professionals” group (Table 7.9).

TABLE 7.9 EMPLOYED BY NATIONALITY STATUS AND OCCUPATION

Occupation	Status		
	Caymanian %	Non Caymanian %	All Groups %
Legislators, Senior Officials and Managers	14.5	7.3	10.9
Professionals, Technicians and Associate Professionals	9.7	13.3	11.5
Clerical	15.8	6.9	11.3
Personal and Protective Services Workers	13.8	6.0	9.8
Models, Salespersons and Demonstrators	13.3	20.0	16.7
Agricultural and Fishery Workers	1.6	3.3	2.4
Craft and Related Workers	10.4	19.0	14.8
Plant and Machine Operators and Assemblers	5.5	1.6	3.6
Sales and Service Elementary Occupations	7.4	16.9	12.2
Not Stated	7.9	5.7	6.8
Total	100.0	100.0	100.0
Estimated Population	14,834	15,316	30,150

7.3 KEY LABOUR MARKET ISSUES

7.3.1 DECENT WORK

Decent work is described as a quality employment, in which the rights of workers are respected, and they are afforded some form of social protection. The ILO defines 'Decent work' as productive work characterised by protection of rights, adequate pay, social coverage and tripartite approach and social dialogue²⁶.

The Cayman Islands have not had a strong tradition in trade unionism. Given the earlier economic base of the society, in which the primary workers were engaged in fishing and seafaring, and in the absence of a large work-force concentrated in plantation agriculture as was the case in most Caribbean countries, conditions were not propitious for the emergence and development of trade unions. In such situations, much depends on the role of the State in the establishment of institutions for the protection of workers and for social protection generally. The Department of Employment Relations is developing its remit in this area and insurance relating to the work-place and to employment is relatively recent.

7.3.2 THE WORKING POOR/VULNERABLE

Of all employed persons, 3.4 percent were either poor or vulnerable; these are persons that have a source of income from the labour market but are unable to, or at risk of (in the case of the vulnerable) of not meeting their consumption needs (Table 7.10). Of all labour force participants who belonged to households that were consuming at levels below the poverty line, 2.4 percent were unemployed (Table 7.11).

TABLE 7.10: DISTRIBUTION OF LABOUR FORCE BY SOCIO ECONOMIC STATUS

Socio Economic Status	Employment Status		
	Employed	Unemployed	Total
	%	%	%
Poor	1.7	1.4	1.6
Vulnerable	1.7	4.1	1.8
Non Poor/Non Vulnerable	96.6	94.5	96.6
Total (%)	100	100	100
Estimated Population	30,150	918	31,068

TABLE 7.11: POOR AND VULNERABLE BY EMPLOYMENT STATUS

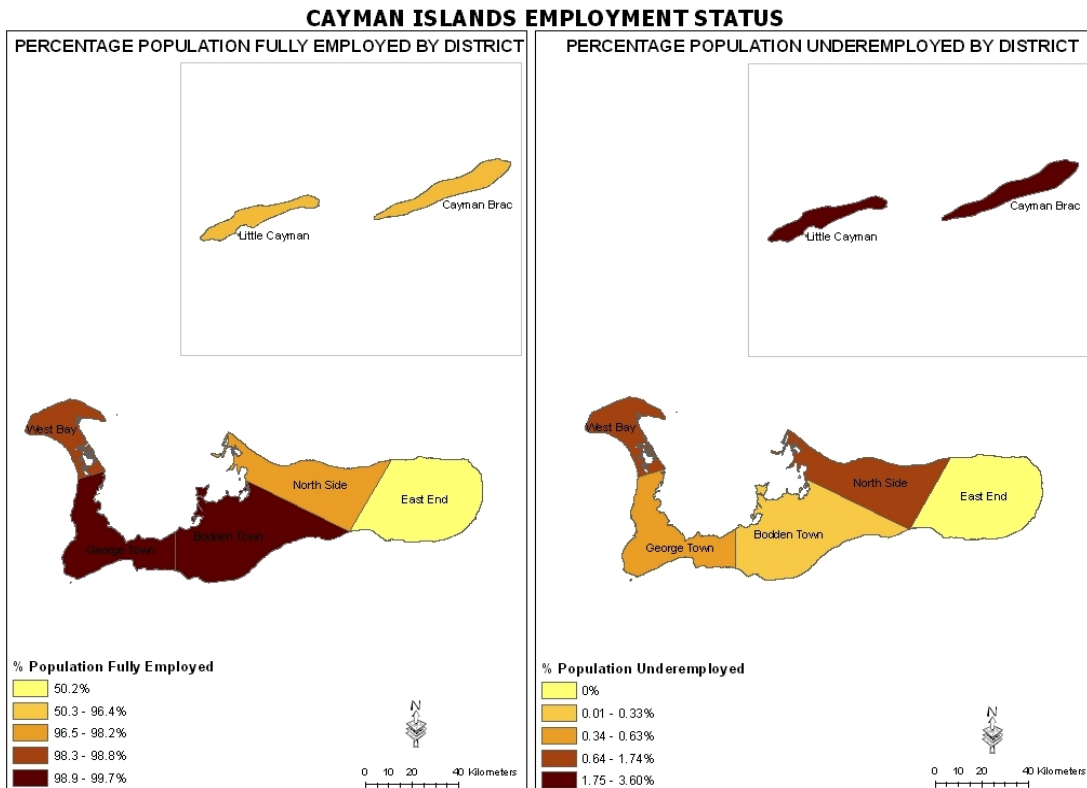
Socio Economic Status	Employment Status			Estimated Population
	Employed	Unemployed	Total	
	%	%	%	
Poor	97.6	2.4	100.0	512
Vulnerable	93.2	6.8	100.0	557

²⁶ Source: http://www.cinterfor.org.uy/public/english/region/ampro/cinterfor/publ/sala/dec_work/ii.htm

7.3.3 UNDEREMPLOYMENT

If working less than 20 hours per week is regarded as underemployment, then about 1.2 percent of the work-force was underemployed – 1.0 percent for men and 1.5 percent for women. In respect of quintile distribution a mere 0.5 percent of men in the lowest quintile were under-employed. The difference between men and women was significant at the 5 percent level. There were area differences in respect of employment and underemployment. Workers in Bodden Town and George Town were more likely to be fully employed, compared to workers in East End.

Underemployment was particularly pronounced in Little Cayman and Cayman Brac, possibly indicative of the narrowness of the economic base on those two islands and the implications for the available work-force. Given the relative absence of trade unions and limited labour market intervention on the part of the Government, the labour market would be characterised by considerable flexibility. The availability of underemployed workers might have improved labour market efficiency by ensuring some amount of labour on tap. Map 5 provides a visual presentation on employment and underemployment by District.



Map 5: Employment and Underemployment by District

In actuality most persons (94.6%) worked more than 31 hours per week, regardless of consumption quintile and sex. Overall, the vast majority of males (95.5%) worked an excessive number of hours (31 and above), but males in the fourth quintile were more likely than males in any other quintiles to work 21-30 hour weeks (Table 7.12). Females in quintile one were more likely than females in any other consumption quintile to work excessive hours. It

might be, however, that the institutional work-day was 8-9 hours, in which case 40-45 hours or more would be regarded as the criterion for excessive hours. Alternatively, there might have been multiple jobs, with some workers engaged in two or more jobs on a daily basis: the PPA did identify this phenomenon, with children being left unattended as parents worked at more than one job, and this was corroborated by some of the interlocutors in the IA.

TABLE 7.12: TOTAL NUMBER OF HOURS WORKED BY EMPLOYED PERSONS BY SEX AND QUINTILES

Sex	Hours Worked Weekly	Per Capita Consumption Quintiles					
		Poorest	II	III	IV	V	Total
		%	%	%	%	%	%
Male	Under 20 Hours — (Short No. Hours Per Week)	0.5	1.2	1.9	0.8	0.7	1.0
	21–30 Hours	1.8	1.8	1.1	3.7	2.1	2.1
	31 and Above – (Excessive Hours)	95.8	95.3	95.6	94.8	96.0	95.5
	Not Stated	1.9	1.7	1.4	0.7	1.2	1.4
	Total	100.0	100.0	100.0	100.0	100.0	100.0
Female	Under 20 Hours – (Short No. Hours Per Week)	1.2	0.8	1.8	1.9	1.4	1.5
	21–30 Hours	2.3	3.4	3.8	2.2	4.6	3.3
	31 and Above – (Excessive Hours)	96.5	94.8	91.5	95.2	90.1	93.5
	Not Stated	0.0	1.0	2.9	0.6	3.9	1.7
	Total	100.0	100.0	100.0	100.0	100.0	100.0
Both Sexes	Under 20 Hours – (Short No. Hours Per Week)	0.8	1.0	1.9	1.4	1.0	1.2
	21–30 Hours	2.0	2.5	2.5	2.9	3.3	2.6
	31 and Above – (Excessive Hours)	96.1	95.1	93.5	95.0	93.1	94.6
	Not Stated	1.2	1.4	2.1	0.6	2.5	1.6
	Total	100.0	100.0	100.0	100.0	100.0	100.0

Just under 6.0 percent (5.7 percent) of employed persons indicated that they worked at two or more jobs, however might be an underestimate. Non-Caymanians on work-permit are usually not permitted to work for more than one employer, although from information gleaned in the PPA it is known to occur with relative frequency. See additional tables in Section 3 of Volume 4 – Economic Activity /Labour Force.

TABLE 7.13: PERSONS HAVING MORE THAN ONE JOB

Had More than One Job	Estimated Population	Valid Percent	Cumulative Percent
Yes	1,706	5.7	5.7
No	26,469	87.8	93.5
Not Stated	1,975	6.5	100.0
Total	30,150	100.0	

7.3.4 IMMIGRATION

Table 7.14 shows the distribution of the population that was not born in the Cayman Islands, by the year in which persons came to the country. Most of the estimated 32000 or more persons would have come to the Cayman to work. It is noteworthy that 52.0 percent of them came to the Cayman Islands in the last ten years. However, with 48 percent having come to the Cayman over ten years ago, there were about 15,685 persons who would qualify under the new more restrictive rules to remain permanently in the Cayman Islands and become Caymanian citizens. Indeed, many of these have already been declared Caymanian citizens.

The Caymanian population, as estimated in the SLC was just over 30,000. It is possible then, that the native-born population of the Cayman

Islands resident in the country might have been just about half of all persons who hold Caymanian status. In effect, the previous immigration and labour policies have already determined the nature of the population of the Cayman Islands. Native-born Caymanians are, in all likelihood, a minority of all persons resident in the Cayman Islands.

While living costs may be high(er) in the Cayman Islands, once real wages are higher than in Jamaica and other neighbouring countries, there will continue to be a supply of migrant labour. Thus, the fact that a unskilled worker from Jamaica or other location is in the lowest quintile in the Cayman Islands, or among the poor, will not in itself be a deterrent, once the real wage and net income in the Cayman are higher than the alternative employment in the home country.

The other relevant factor is the capacity of Caymanians to 'afford' unemployment at the going rates for labour entering from abroad. The higher their reserve price, the greater the demand for immigrant labour. Moreover, in the absence of institutional wage rates, as for example through Minimum Wage setting, it is the demand and supply that sets the wage for low-level labour and, implicitly, the level of imported poverty in the Cayman Islands.

TABLE 7.14: NUMBER OF YEARS IN CAYMAN ISLANDS BY QUINTILES

Number of Years in Cayman Islands	Per Capita Consumption Quintiles					
	Poorest	II	III	IV	V	Total
	%					
Less Than 1 Year	2.6	1.7	1.0	1.3	.3	1.4
1-4 Years	41.6	35.4	33.2	30.6	25.5	33.4
5-9 Years	20.0	20.4	11.7	13.6	19.1	17.2
10-19 Years	15.3	21.3	26.6	20.8	19.7	20.5
20-29 Years	5.6	7.6	8.3	11.6	12.8	9.1
More Than 30 Years	3.6	3.0	5.7	6.4	10.5	5.9
Not Stated	11.3	10.6	13.3	15.6	12.2	12.5
Total (%)	100.0	100.0	100.0	100.0	100.0	100.0
Estimated Population	7,417	6,314	6,211	5,696	7,041	32,678

Indirectly, the level of wages in the neighbouring economies determines the supply of immigrant workers and the extent of working poverty in the Cayman Islands. If wages were to rise in the neighbouring countries, the Cayman Islands would be forced to rely on labour coming from further afield or would need to shift to a technological paradigm that is less reliant on cheap labour and utilises more labour-saving techniques.

These are some of the facts that lie at the back of the data generated in the SLC. Most persons reported that they had been working in the Cayman Islands for five or more years (26.8%). Among males, quintile five accounted for the highest percentage of males working in Cayman for five years or more, while quintile four had the lowest. In fact, a higher percentage of males in quintile four reported working in the Caymans for 2 to 3 years, than for any other length of time.

Males in the second quintile were more likely to have worked in Cayman for 5 or more years than any other length of time.

7.4 EDUCATION

The Cayman Islands share with the rest of the Commonwealth Caribbean the experience of rapid expansion in the education system over the last half of the 20th century. However, unlike in many other parts of the region, compulsory education dates back to the early years of the 20th century. Thus, the focus in educational expansion in the latter half of the 20th century has been on secondary and tertiary enrolment. By the middle of the 20th century, most children seemed to have been in school, even if attendance might have been irregular for large sections of the society of the time, because of poverty, and other resource limitations.

7.4.1 ENROLLMENT

Table 7.15 shows enrolment of the population by level (Type of School). The data suggest that, for the most part, enrolment conforms with age for the respective level: those of primary school going age would be enrolled in primary, and so on. It is known however, that the Government has not played a major role in the expansion of the kindergarten sector.

At first blush, therefore, it seems that the educational and training systems are well geared to offer to teenagers at risk, an opportunity to become involved in upgrading programmes. The fact that of the persons enrolled at the University Level, 58.6 percent are 25 and older, suggests that there is a high level of commitment among the population to raising their educational status. This augurs well for the future since its continued transformation, if it is to be driven by nationals, would rely on the

availability of a large percentage of knowledge workers in the work force, if they are not to be imported by way of immigration.

On the other hand, children in the lowest quintile were more likely to be the ones attending school for 'none' of five days in the reference week than children in any other quintile. In respect of the age group 5-9, it was found that 47 percent of those who did not attend school in the week of the survey were in the first quintile, and identified illness as the factor responsible for their not attending school; 30 percent were in the second quintile. This suggests that there was a greater likelihood of absence from school for persons in the lowest quintiles, and for this being explained by reason of illness (See also Tables 2 and 3 of Section 4, Volume 4 - Education).

TABLE 7.15: ENROLMENT OF PERSONS 5 YEARS AND OVER BY TYPE OF SCHOOL

Age Groups	Type of School				
	Nursery/ Kindergarten	Primary	Middle	University	Not Stated
	%	%	%	%	%
0-4	79.0	2.7	0.0	0.0	17.3
5-9	19.0	67.9	0.6	0.0	0.0
10-14	0.0	27.7	59.2	0.0	18.5
15-19	0.0	0.7	37.0	20.3	2.6
20-24	0.0	0.0	.5	21.0	5.0
25+	1.1	0.9	2.6	58.6	56.5
Not Stated	1.0	0.0	0.0	0.0	0.0
Total (%)	100.0	100.0	100.0	100.0	100.0
Estimated Population	1,848	3,798	3,339	1,781	353

7.4.2 ACCESS TO EDUCATION

Primary schools are generally within easy reach, with the largest number of children arriving at school in less than 20 minutes, whatever the mode of transport. The most customary mode of transport was “family vehicles”.

At the secondary level, the School Bus and the family vehicle account for most of the trips to school and the time taken by most is in excess of ten minutes. Over 25 percent of students took in excess of 30 minutes travelling by the School Bus or family vehicle, indicative of the fact that secondary level institutions are still concentrated in particular parts of the country. See also Tables in Section 4 of Volume 4 - Education.

An important issue is whether poverty is a factor preventing students from access the essential text-books of their syllabus. Table 7.16 shows that in the lowest quintile which included the poor and the vulnerable in the Cayman Islands, only 5.5 percent had only “some books” or had “none” of the books:

93 percent had books for their exclusive use in the lowest quintile.

Social service agencies involved in the provision of direct assistance from the Government to the students in schools, by and large provide more support to the lower quintiles than those in the higher quintiles. Information on persons receiving books from school cost-free by quintiles suggests that in the application of means test and other criteria, it is those in the lowest quintile who have been the main beneficiaries of the assistance for school books.

This is corroborated by Table 7.17 and 7.18 which give information on the ways in which school books are acquired. The lowest quintile had the highest percentage of persons receiving books by way of Government Assistance. While on average 6.8 percent of all students received assistance from the Government, 13.9 percent of those in the lowest quintile received assistance. Generally, the higher the quintile, the lower the percentage likely to have been in receipt of books by way of Government Assistance.

TABLE 7.16: PERSONS HAVING ALL REQUIRED TEXTBOOKS BY QUINTILES

	Per Capita Consumption Quintiles					
	Poorest	II	III	IV	V	Total
Has Textbooks Required	%					
Yes Has Books For Exclusive Use	93.0	92.0	92.2	75.4	91.6	88.3
Yes But Share With Other Family Member	0.0	0.8	0.0	0.9	0.0	0.4
Has Only Some Books	1.1	0.4	1.0	0.0	1.3	0.7
Has None	4.4	2.6	2.7	15.7	6.0	6.5
Not Stated	1.6	4.1	4.0	8.0	1.1	4.0
Total (%)	100.0	100.0	100.0	100.0	100.0	100.0
Estimated Population	1,689	2,114	1,956	2,198	1,579	9,537

TABLE 7.17: WAYS SCHOOL BOOKS ACQUIRED BY QUINTILES

Ways Books Acquired	Per Capita Consumption Quintiles					
	Poorest	II	III	IV	V	Total
	%	%	%	%	%	%
Borrowed For Use During Year	11.5	9.0	13.8	7.9	7.4	10.0
Received From Relatives or Friends	9.0	1.7	2.7	4.4	1.4	3.7
Purchased New	46.0	57.6	53.6	57.8	49.8	53.4
Purchased Second Hand	2.2	0.0	0.0	2.4	4.6	1.7
Bought Some/Got Some on Loan or Free	6.6	5.4	9.4	6.0	20.1	9.0
Received From NGO	1.5	2.4	3.7	0.0	0.0	1.6
Government Assistance	13.9	8.2	3.3	4.5	4.7	6.8
Not Stated	9.3	15.7	13.6	17.1	12.1	13.8
Total (%)	100.0	100.0	100.0	100.0	100.0	100.0
Estimated Population	1,615	2,060	1,903	1,852	1,485	8,916

TABLE 7.18: PERSONS RECEIVING BOOKS FROM SCHOOL COST FREE BY QUINTILES

Books Provided by School Cost Free	Per Capita Consumption Quintiles					
	Poorest	II	III	IV	V	Total
	%					
Yes	63.0	34.7	35.8	23.3	33.3	37.5
No	28.6	46.8	52.2	60.6	56.9	49.2
Not Stated	8.4	18.5	12.0	16.2	9.7	13.3
Total (%)	100.0	100.0	100.0	100.0	100.0	100.0
Estimated Population	1,615	2,060	1,903	1,852	1,485	8,916

The impact of schooling on the wider population and the fact that in the selection of immigrants, there may well be some emphasis on some level of education and training even at the lowest levels, has ensured that the attainment of primary or secondary education, as evinced in the middle school preparation, is the level achieved by the majority in all quintiles except the highest where tertiary level preparation is the level attained by the majority. See also Tables in Section 4 of Volume 4 – Education.

The development of facilities in tertiary education was once thought appropriate for only populations of a certain size. This resulted in an almost total reliance on external institutions for tertiary level facilities. In the case of the Cayman Islands, the target institution was the University of the West Indies in nearby Jamaica, and to a lesser extent, institutions in the United States. Over the last thirty years there have been two important developments.

Firstly, a number of institutions in the United States saw the benefit of opening small colleges in the Caribbean, with the clientele drawn mainly from the United States. Educational tourism was added to the tourism product on offer. Most of these incoming institutions reserved a place for nationals of the country in which facilities were being established. There are institutions of this type operating in the Cayman Islands.

The second development worthy of note has been the application of the new information technology in the establishment of distance education as a viable medium in the expansion of tertiary education. This has allowed for reach to students irrespective of their location. Students in the most remote parts of countries or of the world can access programmes allowing them to complete university programmes at a wide array of institutions.

On both counts, nationals of the Cayman Islands have been able to derive benefits. Table 7.19 provides some information on enrolment in distance education by quintile. At the present time, those in the higher quintiles were more likely to avail

themselves of tertiary level education through this medium.

In sum, whatever the current problem of standards in the provision of education in the Cayman Islands, the long tradition in schooling dating back to the early years of the 20th century has meant that the Caymanian population is basically literate. However, it is well known that the knowledge economy of the 21st century requires much more than basic literacy.

The high levels of reward relatively available in those sectors of the economy that link the Cayman Islands to the international economy has allowed the country to access the required human resources for competitive participation, irrespective of the attainments of the native Caymanian population.

This is clearly not the paradigm that the Government or native citizens seek as the model of development for the 21st century. The higher level participation of the Caymanian population in the transformation process depends on access and performance in the educational system. Increasingly, the country has been laying the infrastructure for such participation.

TABLE 7.19: PERSONS ENROLLED IN DISTANCE LEARNING PROGRAMME BY QUINTILES

	Per Capita Consumption Quintiles					
	I	II	III	IV	V	Total
Enrolled in Distance Learning Programme	%					
Yes	1.5	6.5	6.1	9.0	17.5	8.3
No	92.0	83.5	80.4	76.2	78.3	81.6
Not Stated	6.5	9.9	13.5	14.8	4.2	10.1
Total (%)	100.0	100.0	100.0	100.0	100.0	100.0
Estimated Population	1,838	2,563	2,358	2,665	2,248	11,672

CHAPTER EIGHT – HEALTH AND POVERTY

8.1 OVERVIEW

There is a developing literature on health and poverty in the Commonwealth Caribbean, some of which is based on the poverty studies that have been conducted in the region. Generally, communicable diseases have been contained except for the HIV/AIDS pandemic which has made the region second only to Sub-Saharan Africa in terms of the incidence of the disease. The other important trend in the health status of the population relates to the emergence of chronic diseases, which reflect lifestyle changes including dietary practices, within the region. In this regard, while the entire population tends to be afflicted, there is differential information and knowledge about chronic diseases and their treatment, with the result that poorer people are likely to be unaware of their condition for a longer period, and succumb earlier to chronic diseases. In addition, women tend to be more sensitive to the management of their health than men even at the lowest socio-economic levels.

Information in the IA suggests that the Cayman Islands has developed a relatively effective primary health care system, as is the case with most other Commonwealth Caribbean countries, with a reach to the population in all geographic areas. The country has, in recent years, introduced health insurance with the intention of ensuring coverage for the entire population, but with arrangements in place to secure a significant amount of cost sharing and of cost recovery in respect of secondary and

tertiary care. While the system is relatively recent (less than ten years in operation), the level of penetration is much above 50 percent of the population.

In the course of the PPA, it was possible to document the case of a family with a child with a serious disability who was able to secure attention abroad, which suggests that the system in place does recognise that there would be a percentage of the population in need of special care which may be beyond the means of most families.

However, from the PPA, there was also evidence of households that find themselves excluded, or which lacked the information to secure their benefits, or have been hard done by the process if attaining their just due, unless they have been declared indigent. There may well be persons who are loath to subject themselves to review by the DCFS but may well be unable to meet the costs of basic health insurance.

This chapter reviews some of the information generated by the SLC relating to health and socio-economic status.

8.2 CONFINEMENT TO BED

Persons in the fifth quintile were more likely to have been confined to bed: confinement was 1.3 percent higher in the fifth quintile than in the lowest quintile in the reference period, across both sexes. Females were more likely than males to have been confined (Table 8.1). While quintile one reported the lowest rate of

confinement, this may have had more to do with lack of knowledge of health status or the need to work in spite of illness, on the part of those in the lowest quintile, rather than any objective measure of better health status.

8.3 REPORTED ILLNESS/INJURY

Across quintiles, females were more likely to have reported suffering from illness/injury than males. On average, 15.6 percent of females reported suffering illness or injury, compared to 12.3 percent of males (Table 8.2). The greatest disparity between males and females was in the fourth quintile: 19 percent of females reported having suffered illness or injury compared to 13.9 percent of their male counterparts. In the first quintile, 11.4 percent of respondents across both sexes responded having suffered from illness or injury, compared to 15.8 percent and 16.7 percent

in the third and fourth quintiles respectively. Detailed information on the incidence of disease and illness can be found in Section 5 of Volume 4.

8.4 CHRONIC DISEASE

An estimated 12.5 percent of residents suffer from some form of chronic disease (Table 8.3). There was an increase in reports of chronic (lifestyle) disease across quintiles among males; males in the fifth quintile were twice as likely as males in the first quintile to report a chronic lifestyle illness. Females were more likely than males to report that they suffer from chronic illness or lifestyle disease irrespective of consumption quintile; the first quintile showed the greatest disparity between the sexes: 13.3 percent of females compared to 8.0 percent of their male counterparts. Overall, the fifth quintile saw the greatest percentage of reports, irrespective of sex (Table 8.4).

TABLE 8.1: PERSONS CONFINED TO BED BY SEX AND QUINTILES (PERCENT)

Sex	Confined to Bed In Past 30 Days	Per Capita Consumption Quintiles					
		Poorest	II	III	IV	V	Total
		%	%	%	%	%	%
Male	Yes	4.1	4.2	6.0	5.9	5.1	5.0
	No	92.1	91.5	90.2	89.3	91.9	91.1
	Not Stated	3.8	4.3	3.8	4.8	3.1	3.9
	Total	100.0	100.0	100.0	100.0	100.0	100.0
Female	Yes	3.6	3.3	6.9	6.4	5.3	5.2
	No	90.4	96.0	90.2	89.4	89.8	91.1
	Not Stated	6.0	.7	2.9	4.2	4.9	3.7
	Total	100.0	100.0	100.0	100.0	100.0	100.0
Both Sexes	Yes	3.9	3.8	6.4	6.2	5.2	5.1
	No	91.4	93.5	90.2	89.4	90.8	91.1
	Not Stated	4.7	2.7	3.4	4.5	4.0	3.9
	Total	100.0	100.0	100.0	100.0	100.0	100.0
Estimated Population		10,796	10,739	10,659	10,405	10,692	53,292

TABLE 8.2: PERSONS SUFFERING FROM ILLNESS/INJURY BY SEX AND QUINTILES

Sex	Suffered From Illness	Per Capita Consumption Quintiles					
		Poorest	II	III	IV	V	Total
		%	%	%	%	%	%
Male	Yes	10.9	9.6	13.9	13.9	13.8	12.3
	No	85.1	85.8	82.3	79.8	83.1	83.4
	Not Stated	4.1	4.6	3.8	6.3	3.0	4.3
	Total	100.0	100.0	100.0	100.0	100.0	100.0
Female	Yes	12.1	11.1	17.7	19.0	16.8	15.6
	No	82.9	87.4	79.4	77.4	77.6	80.7
	Not Stated	5.0	1.5	2.9	3.5	5.6	3.7
	Total	100.0	100.0	100.0	100.0	100.0	100.0
Both Sexes	Yes	11.4	10.3	15.8	16.7	15.4	13.9
	No	84.2	86.5	80.8	78.5	80.2	82.1
	Not Stated	4.4	3.2	3.4	4.8	4.4	4.0
	Total (%)	100.0	100.0	100.0	100.0	100.0	100.0
Estimated Population		10796	10739	10659	10405	10692	53292

TABLE 8.3: POPULATION WITH CHRONIC LIFESTYLE DISEASE - FREQUENCY

	Estimated Population	Percent	Cumulative Percent
Yes	6,665	12.5	12.5
No	44,355	83.2	95.7
Not Stated	2,272	4.3	100.0
Total	53,292	100.0	

TABLE 8.4 PERSONS SUFFERING FROM CHRONIC LIFESTYLE ILLNESS BY SEX AND QUINTILES

Sex	Suffer From Chronic Lifestyle Disease	Per Capita Consumption Quintiles					
		Poorest	II	III	IV	V	All Groups
		%	%	%	%	%	%
Male	Yes	8.0	8.4	11.0	11.4	16.0	10.8
	No	87.3	87.3	84.8	81.8	81.6	84.8
	Not Stated	4.6	4.3	4.2	6.7	2.4	4.4
	Total	100.0	100.0	100.0	100.0	100.0	100.0
Female	Yes	13.3	11.9	12.9	15.8	17.1	14.3
	No	81.1	87.0	83.6	78.6	78.3	81.6
	Not Stated	5.6	1.1	3.6	5.6	4.6	4.1
	Total	100.0	100.0	100.0	100.0	100.0	100.0

The most common types of chronic/lifestyle disease reported were high blood pressure (61.4% of all cases), and diabetes (30.2% of cases); not an uncommon finding in the Caribbean. Almost 27 percent of respondents reported more than one chronic disease.

TABLE 8.5 PREVALENCE OF CHRONIC DISEASE BY TYPE OF DISEASE

Type of Disease	Estimated Population	Percent
Diabetes	2,016	30.2
High Blood Pressure	4,091	61.4
Heart Condition	619	9.3
Cancer	141	2.1
HIV-AIDS	0	0.0
Asthma	1,014	15.2
Other	564	8.5
Not Stated	27	0.4
Total	6,665	126.7

Chronic illness is likely to be more prevalent among the elderly population: the older a person is, the greater the likelihood of a life style disease presenting. Table 8.6 provides information on chronic illness and national status of respondent 65 years of age and over. High blood pressure, Diabetes and Heart Condition follow in the same order for both groups. However, High Blood Pressure was significantly higher among the Caymanian population than the non-Caymanian population, and there was a lower probability of non-Caymanians being diabetic than Caymanians.

Medical Insurance has been made mandatory in the Cayman Islands in the last ten years, and there has been relatively good coverage, with protection provided for the needy by a scheme in which the State provides protection. Most persons have some kind of protection. Table 8.7 shows the distribution of the Caymanian and non-Caymanian population by chronic disease among those with medical insurance. The distribution of the two groups across types of chronic disease is broadly similar.

8.5 HEALTH CARE SERVICES

On average, 53.2 percent of respondents reported having visited a health practitioner during the reference period on account of illness. In total, female reports of having visited a health practitioner, outstripped reports by males by 2.0 percentage points (Table 8.8). The greatest disparity between male and female visits to health practitioners occurred in the first quintile, where visits by females outstripped male visits by 19.6 percentage points.

In respect of reasons stated for not visiting a health practitioner during the period of reported illness, most respondents reported that they “saw no need” (89.7%), while 6 percent reported that it was too expensive. Quintiles one and two had the highest percentage of individuals that responded “too expensive” (Table 8.9).

TABLE 8.6 PERSONS AGED 65 YEARS AND OVER BY TYPE OF CHRONIC ILLNESS AND STATUS

Type of Disease	Status				
	Caymanian		Non Caymanian		All Groups
	Estimated Population	%	Estimated Population	%	%
Diabetes	639	43.6	38	23.4	41.6
High Blood Pressure	1,028	70.1	89	54.7	68.6
Heart Condition	350	23.9	36	21.9	23.7
Cancer	79	5.4	0	0.0	4.8
HIV-AIDS	0	0.0	0	0.0	0.0
Asthma	52	3.5	36	21.9	5.4
Other	197	13.4	0	0.0	12.1
Not Stated	27	1.8	0	0.0	1.7
Total	1,465	100.0	163	100.0	100.0

TABLE 8.7 PERSONS WITH CHRONIC ILLNESS WHO HAVE MEDICAL INSURANCE BY STATUS

Type of Disease	Status				
	Caymanian		Non Caymanian		All Groups
	Estimated Population	%	Estimated Population	%	%
Diabetes	1,227	30.5	291	23.4	28.8
High Blood Pressure	2,535	63.0	743	59.7	62.2
Heart Condition	431	10.7	70	5.6	9.5
Cancer	96	2.4	18	1.4	2.2
HIV-AIDS	0	0.0	0	0.0	0.0
Asthma	554	13.8	298	24.0	16.2
Other	425	10.6	38	3.1	8.8
Not Stated	27	0.7	0	0.0	0.5
Estimated population with Health Insurance	4,026	100.0	1,243	100.0	100.0

TABLE 8.8: PERSONS VISITING HEALTH PRACTITIONER ON ACCOUNT OF ILLNESS BY SEX AND QUINTILES

Sex	Visit Health Practitioner	Per Capita Consumption Quintiles					
		Poorest	II	III	IV	V	Total
		%	%	%	%	%	%
Male	Yes	37.2	56.1	61.2	53.2	51.4	52.1
	No	55.7	43.9	34.5	41.9	47.8	44.6
	Not Stated	7.2	0.0	4.4	4.9	0.8	3.3
	Total	100.0	100.0	100.0	100.0	100.0	100.0
Female	Yes	56.8	46.0	55.6	58.5	52.1	54.1
	No	40.2	52.3	40.6	37.7	46.9	43.2
	Not Stated	3.0	1.7	3.8	3.8	1.0	2.7
	Total	100.0	100.0	100.0	100.0	100.0	100.0
Total	Yes	46.9	51.0	58.1	56.3	51.8	53.2
	No	48.0	48.1	37.8	39.4	47.3	43.8
	Not Stated	5.1	0.9	4.1	4.3	0.9	3.0
	Total	100.0	100.0	100.0	100.0	100.0	100.0
	Estimated Population	2,064	2,082	2,682	2,826	3,182	12,837

TABLE 8.9: REASON FOR NOT VISITING HEALTH PRACTITIONER BY SEX AND QUINTILES

Why Not Visit Health Practitioner	Per Capita Consumption Quintiles					
	Poorest	II	III	IV	V	Total
	%	%	%	%	%	%
No Need	86.7	84.0	94.3	91.2	91.4	89.7
Too Expensive	8.1	10.7	3.0	7.2	2.5	6.0
Too Far	.0	.0	.6	.0	.0	.1
Untreatable	.0	.0	.0	.0	2.5	.7
Other	5.2	4.4	2.0	1.6	2.4	3.0
Not Stated	.0	.9	.0	.0	1.2	.5
Total	100.0	100.0	100.0	100.0	100.0	100.0

Respondents in quintile 5 were less likely than respondents in other quintiles to choose a “public hospital” as their place of first visit (Table 8.10). However, overall, most respondents reported visiting a public hospital first (47.6%), irrespective of quintile. In general, “private doctors/dentists” were the second most frequent ‘first’ option reported by respondents (20.7% on average across quintiles). Specifically, respondents in the fifth quintile were more likely to visit a private practitioner first (34.7%) than respondents in quintile one (11.7%).

In elaborating reasons for reporting their first choices, the majority of respondents across quintiles cited their “usual place/doctor” as being the main reason for their choice. Respondents in quintile one were most likely to cite “lower cost” as the motivating factor for their first choice than respondents in any other quintile. Interestingly, respondents in quintile five were generally least likely to cite “higher quality of health care” as a motivating factor for their first choice. Table 8.11 provides the information on this issue.

TABLE 8.10: FIRST PLACE VISITED FOR MEDICAL ATTENTION BY QUINTILES

	PER CAPITA CONSUMPTION QUINTILES					
	Poorest	II	III	IV	V	All Groups
Where First Visit Made	%	%	%	%	%	%
Public Hospital	56.3	57.0	50.4	49.6	31.9	47.6
Private Hospital	4.5	7.8	10.2	15.3	14.5	11.2
District Health Centre	12.0	8.1	7.9	10.8	5.4	8.6
Private Doctor/Dentist						
Abroad	3.7	6.7	1.2	8.5	9.4	6.1
Private Doctor/Dentist	11.7	8.2	26.4	14.7	34.7	20.7
Traditional Healer	0.0	0.0	0.0	0.0	0.0	0.0
Hospital Abroad	0.0	0.9	2.6	0.0	1.2	1.0
Pharmacy/Clinic	11.8	11.4	1.3	1.1	2.8	4.7
Not Stated	0.0	0.0	0.0	0.0	0.0	0.0
Total	100	100	100	100	100	100

TABLE 8.11: REASON FOR VISITING FIRST PLACE FOR MEDICAL ATTENTION (SELECTED)

Why Go There First	Per Capita Consumption Quintiles					
	Poorest	II	III	IV	V	All Groups
	%	%	%	%	%	%
Availability of Procedure	2.9	13.5	2.1	10.5	7.8	7.5
Better Equipped	2.1	2.9	3.6	3.2	3.8	3.2
Close to me/home/work	9.9	14.9	14.9	12.0	13.0	13.2
Cost/Lower Cost	14.9	14.3	5.5	11.5	1.7	8.5
Free medical there	13.4	12.2	.0	4.3	6.9	6.4
Higher Quality of Care	15.7	2.9	2.8	8.1	1.7	5.3
Insurance Coverage	4.1	5.2	15.4	6.6	9.4	8.8
Usual Place/Doctor	37.0	34.1	55.6	43.7	55.7	47.1
Not Stated	0.0	0.0	0.0	0.0	0.0	0.0
Total	100.0	100.0	100.0	100.0	100.0	100.0

As can be seen in Table 8.12, overall, respondents appeared to be satisfied with the service received, irrespective of per capita consumption quintile: 54.2 percent reported being “very satisfied”, and 39.3 percent reported being “satisfied”. Reports of great dissatisfaction appeared to be negligible, 4.6 percent were “dissatisfied” and 1.9 percent “very dissatisfied”.

Of those that reported being dissatisfied, most cited lack of trained medical personnel as the reason for their dissatisfaction (76.2), while 3.8 percent reported having had to “make too many revisits” as the reason for their dissatisfaction. In quintile one, 50 percent of respondents reported the attitude of staff at healthcare institutes as a reason for dissatisfaction. This can be seen in Table 8.13.

8.6 ADMISSION TO HEALTH FACILITY FOR MEDICAL TREATMENT

On average across quintiles, a total of 9.2 percent of respondents reported having spent a night in a health facility (public or private), but overall most respondents were not admitted (Table 8.14). Of those respondents who reported having been admitted to a facility, 63.7 percent were admitted to a public hospital, 11.9 percent to private hospitals, and 21.5 to a hospital in the United States (USA) (Table 8.15). Of those in quintile one, 74.5 percent were admitted to public hospitals, compared to 40.9 percent of persons in the fifth quintile, where persons were more likely to have been admitted at hospitals in the USA (32.1%).

TABLE 8.12: LEVEL OF SATISFACTION WITH TREATMENT RECEIVED

Level of Satisfaction With Treatment or Attention	Per Capita Consumption Quintiles					
	Poorest	II	III	IV	V	Total
	%	%	%	%	%	%
Very Satisfied	46.2	56.4	47.9	52.0	65.2	54.2
Satisfied	47.9	32.6	46.5	37.8	33.6	39.3
Dissatisfied	5.8	7.7	4.8	5.1	1.2	4.6
Very Dissatisfied	.0	3.2	.8	5.1	.0	1.9
Not Stated	.0	.0	.0	.0	.0	.0
Total	100.0	100.0	100.0	100.0	100.0	100.0

TABLE 8.13: REASON FOR DISSATISFACTION WITH TREATMENT RECEIVED

Why Not Satisfied With Treatment or Attention	Per Capita Consumption Quintiles					
	Poorest	II	III	IV	V	Total
	%	%	%	%	%	%
Drugs Not Available	0.0	15.3	0.0	18.5	0.0	11.5
Drugs Not Affordable	0.0	0.0	0.0	0.0	0.0	.0
Attitude of Staff	50.0	14.1	0.0	3.3	0.0	8.6
No Doctor/Trained Staff Available	50.0	70.6	100.0	69.2	100.0	76.2
Equipment Not Available or Operational	0.0	0.0	0.0	0.0	0.0	0.0
Too Many Revisits	0.0	0.0	0.0	9.0	0.0	3.8
Not Stated	0.0	0.0	0.0	0.0	0.0	0.0
Total	100.0	100.0	100.0	100.0	100.0	100.0

TABLE 8.14: PERSONS ADMITTED TO HEALTH FACILITY FOR TREATMENT BY QUINTILES

Spent Night in Public or Private Facility	Per Capita Consumption Quintiles					
	Poorest	II	III	IV	V	Total
	%	%	%	%	%	%
Yes	8.3	5.3	9.5	10.7	10.6	9.2
No	82.4	84.4	82.5	82.7	83.6	83.1
Not Stated	9.3	10.4	7.9	6.5	5.9	7.7
Total	100.0	100.0	100.0	100.0	100.0	100.0

TABLE 8.15: TYPE OF FACILITY TO WHICH ADMITTED TO FOR TREATMENT BY QUINTILES

Facility to which admitted	Per Capita Consumption Quintiles					
	Poorest	II	III	IV	V	Total
	%	%	%	%	%	%
Public Hospital	74.6	100.0	66.6	67.5	40.9	63.7
Private Hospital	.0	.0	6.1	21.5	16.8	11.9
Out of Island Hospital -USA	25.4	.0	27.3	11.1	32.1	21.5
Out of Island Hospital - UK	.0	.0	.0	.0	.0	.0
Out of Island Hospital – other	.0	.0	.0	.0	.0	.0
Not Stated	.0	.0	.0	.0	10.2	2.8
Total	100.0	100.0	100.0	100.0	100.0	100.0

8.7 OVERSEAS TREATMENT

Table 8.16 explores the main reasons for seeking treatment abroad. Across quintiles, an average of 51 percent of respondents reportedly sought treatment abroad because of “referrals”. This is not an uncommon finding, since the Health Services Authority admits that some types of services are not available “on island”. The second most likely reason for opting for foreign treatment was to “get a second opinion”. Overall cost did not seem to be an influencing factor; 6.7 percent of respondents reported that it was less expensive to seek treatment abroad.

8.8 HEALTH INSURANCE

Health insurance coverage for the country was approximately 79.7 percent, across quintiles and sexes, and coverage generally increased with socio-economic status (Table 8.17). However, coverage in the lowest quintile was 69.8 percent, about 10 percentage points lower than the national average. Coverage was generally higher for

males than for females (by a margin of 4.1 percentage points) irrespective of per capita consumption quintile. In quintile one, 74.3 percent of males were covered by health insurance, compared to 63.4 percent of their female counterparts. In quintile five, however (the quintile with the highest overall health insurance coverage), 90.6% of males were reportedly, as compared to 84.4% of females.

8.9 HEALTH EXPENDITURE

Airfare and transportation accounted for the largest share of health expenditures under consideration irrespective of consumption quintile (Table 8.18). In effect, the poorest, as well as persons in the second and third quintiles (or three-fifths of the population) spent more heavily on public facilities for health care, than those in the two highest quintiles. Almost the exact opposite applied in respect of expenditure on medicine at private facilities, which was actually the second highest area of expenditure for the population. Airfare and transportation accounted for the largest

share of health expenditures under consideration. This suggests that all groups sought attention abroad, indicative of the fact that tertiary care and even secondary care had to be sought outside the country.

In sum, then, the Cayman Islands seem to fit neatly into the pattern observed in other parts of the Caribbean, with chronic diseases very prevalent among the population and with the better-off more

likely to seek treatment, and/or to be aware of the need to seek treatment. The introduction of Health Insurance has differentiated the country from its neighbours; there is considerable penetration, with the population being aware, generally, that services have to be paid for, except for those who have been declared indigent, for whom the state takes full responsibility for the treatment and for all health charges.

TABLE 8.16: REASON FOR SEEKING TREATMENT ABROAD BY QUINTILES

Why Seek Treatment Abroad	Per Capita Consumption Quintiles					
	Poorest	II	III	IV	V	Total
	%	%	%	%	%	%
Privacy	0.0	19.8	43.3	0.0	0.0	7.3
Better Facilities	0.0	18.2	0.0	13.9	14.1	10.3
Don't Trust Local Medical Practitioners	0.0	0.0	0.0	0.0	0.0	0.0
Less Expensive	12.3	19.8	0.0	0.0	5.2	6.7
Referrals	56.7	42.3	32.3	58.2	53.4	51.0
Second Opinion	18.6	0.0	17.5	0.0	16.4	12.5
Convenience	12.3	0.0	6.9	27.8	10.8	12.1
Not Stated	0.0	0.0	0.0	0.0	0.0	0.0
Total	100.0	100.0	100.0	100.0	100.0	100.0

TABLE 8.17: INSURANCE COVERAGE STATUS BY SEX AND QUINTILES (PERCENT)

Covered by Health Insurance		Per Capita Consumption Quintiles					
		Poorest	II	III	IV	V	Total
		%	%	%	%	%	%
Male	Yes	74.3	77.3	83.6	85.2	90.6	81.7
	No	19.7	18.0	12.0	8.5	5.8	13.3
	Not Stated	6.0	4.6	4.5	6.3	3.6	5.0
	Total	100.0	100.0	100.0	100.0	100.0	100.0
Female	Yes	63.4	76.9	77.4	82.7	84.4	77.6
	No	30.0	21.6	18.0	13.2	9.2	17.8
	Not Stated	6.6	1.5	4.5	4.2	6.3	4.6
	Total	100.0	100.0	100.0	100.0	100.0	100.0
Total	Yes	69.8	77.1	80.4	83.8	87.4	79.7
	No	24.0	19.7	15.1	11.0	7.6	15.5
	Not Stated	6.2	3.2	4.5	5.2	5.0	4.8
	Total	100.0	100.0	100.0	100.0	100.0	100.0

TABLE 8.18: MEAN HEALTH EXPENDITURE – SELECTED CATEGORIES OF EXPENSES (CI\$)

Category of Expenditure	Per Capita Consumption Quintiles					
	Poorest	II	III	IV	V	Total
	Mean In CI\$					
Visits at Public Facility	90	60	92	49	29	64
Visits at Private Facility	37	104	151	101	103	108
Medicine at Private Facility	34	27	81	2577	691	790
Medicine at Public Facility	31	22	37	33	52	35
Airfare and Transportation	722	817	709	2733	3763	2501

CHAPTER NINE – HOUSING CONDITIONS

9.1 OVERVIEW

The rapid growth of the Financial and Tourism sectors in the Cayman Islands triggered a demand for housing. This led to the emergence of an active Real Estate Sector, as the demand for high end properties prompted real estate development and the absorption of limited land in the provision of high-end housing accommodation aimed at an expatriate staff. With tourism and real estate development, the Cayman Islands became an attractive location for investment in holiday homes and for speculation in real estate. These conditions were anything but propitious to the provision of living accommodation to people at the lower end of the income pyramid. At the same time, it is to be noted that the burgeoning demand for immigrant labour, to support the expansion of these

sectors, would have created a demand for worker accommodation.

The IA identified a number of institutions that treat with housing issues in the Cayman Islands. However, only the National Housing Development Trust and the Temporary Homes Management Unit focus directly on the needs of persons in the lowest income groups. Given that land values have escalated relative to incomes, it is only with some element of subsidy from the State that such agencies could serve the needs of poorer people. In other words, need rather than demand has to be the determining factor in the provision of housing by the state, fully or in part, if the poorest in society are to secure decent accommodation under the conditions of the Cayman Islands.

TABLE 9.1: TYPE OF DWELLING BY QUINTILES

Type of Dwelling	Consumption Quintiles					Total
	Poorest	II	III	IV	V	
	%					
Undivided Private House	26.8	33.7	39.4	49.0	56.4	41.2
Part of a Private House	13.7	13.8	9.6	7.8	4.0	9.7
Flat, Apartment, Condominium	49.9	46.5	44.1	36.9	35.9	42.6
Townhouse	1.6	0.5	1.9	2.4	1.8	1.6
Double House/Duplex	4.1	2.7	3.6	3.1	1.4	3.0
Combined Business and Dwelling	0.0	0.5	0.5	0.4	0.5	0.4
Trailer Home	0.0	0.0	0.0	0.2	0.0	0.0
Other	1.0	2.0	0.5	0.0	0.0	0.7
Not Stated	2.9	0.5	0.3	0.2	0.0	0.8
Total (%)	100.0	100.0	100.0	100.0	100.0	100.0
Estimated Households	3,699	3,820	3,751	3,719	3,887	18,875

The review conducted in the IA suggested some degree of ambivalence on the part of the State in the extent to which it should depart from market principles and from full cost recovery in ministering to the requirements of lower income households. Moreover, the PPA identified parlous conditions that exists for some lower income households in the Cayman Islands, with multiple families living under one roof and multiple families living in separate units but within one yard, and sharing certain utility charges. At the time of the NALC, there were still households which had been affected by the passage of Hurricane Ivan and whose dwellings had not been restored. The low level of estimated poverty, reported in indices such as the headcount, tends to mask major difficulties in the area of housing accommodation, which is an important quality of life indicator. This Chapter examines the data generated in the SLC on housing conditions.

9.2 TYPOLOGY OF HOUSING STOCK

9.2.1 DWELLING TYPE

Most persons live in undivided private houses (41.2 percent) and flats, apartments and condominiums (42.6 percent) [Table 9.1]. However, occupancy of undivided private houses increased across quintiles while occupancy of flats, apartment and condominiums decreased from quintile one to quintile five. Overall 3.0 percent of households lived in double houses/duplexes and this declined across quintiles.

9.2.2 CONSTRUCTION MATERIAL OF OUTER WALL

A significant percentage of dwellings were constructed using concrete/concrete blocks as the main material of the outer walls (70.8 percent over all quintiles). As their socio-economic position improved, persons were more likely to live in dwellings made of concrete/concrete blocks: the prevalence of concrete/concrete blocks increased across from 50.6 percent in the lowest quintile to 85.5 percent in the highest quintile. Wood/timber was the second most common construction material; 16.1 percent of houses were built using this material, but the prevalence of wood/timber decreased with increasing socio-economic condition (Table 9.2). Among the poorest quintile, 2.8 percent of households had used plywood as the main construction material of outer walls.

9.2.3 MATERIAL OF ROOFS

Asphalt shingle was the most common roofing material used, with 46.7 percent of households using this type of material (Table 9.3). Use of this material for roofing increased across quintiles from 33.5 percent in the lowest quintile to 53.1 percent in the highest quintile. Sheet metal was also commonly used for roofing - 36.7 percent of all households used this type of material - but the use of sheet metal for roofing declined across quintiles from 58.8 percent in the lowest quintile to 22.4 percent in the highest quintile. It is noteworthy that tiles were almost exclusively used by the two highest quintiles with 14.6 percent of households in quintile five and 6.7 percent in quintile four using tiles for roofing.

TABLE 9.2: MAIN MATERIAL OF OUTER WALLS BY QUINTILES

Material of Outer Walls	Consumption Quintiles					
	Poorest	II	III	IV	V	Total
	%					
Wood/Timber	31.8	21.0	15.1	7.0	5.9	16.1
Concrete/Concrete Blocks	50.6	64.2	73.5	79.5	85.5	70.8
Wood and Concrete	11.3	12.7	8.0	8.8	6.3	9.4
Stone	0.2	0.0	0.0	0.2	0.0	0.1
Brick/Blocks	1.5	0.9	2.4	2.9	1.4	1.8
Plywood	2.8	0.2	0.6	0.9	0.3	1.0
Makeshift	0.0	0.5	0.0	0.0	0.0	0.1
Other/Don't know	0.5	0.0	0.0	0.2	0.5	0.2
Not Stated	1.3	0.5	0.3	0.5	0.0	0.5
Total (%)	100.0	100.0	100.0	100.0	100.0	100.0
Estimated Households	3,699	3,820	3,751	3,719	3,887	18,875

TABLE 9.3: MAIN MATERIAL OF ROOF OF DWELLING BY QUINTILE

Material Used for Roofing	Consumption Quintiles					
	Poorest	II	III	IV	V	Total
	%					
Sheet Metal	58.8	40.4	33.0	29.4	22.4	36.7
Shingle (asphalt)	33.5	40.8	51.2	54.8	53.1	46.7
Shingle (wood)	3.0	13.2	9.8	4.5	3.3	6.8
Shingle (other)	0.9	0.6	1.6	0.7	2.4	1.3
Tile	0.0	0.5	0.0	6.7	14.6	4.4
Concrete	2.0	0.9	0.5	0.5	1.1	1.0
Other	0.5	1.4	2.2	2.1	1.5	1.5
Don't know	0.0	0.0	0.0	0.0	0.0	0.0
Not Stated	1.3	2.2	1.8	1.4	1.5	1.6
Total (%)	100.0	100.0	100.0	100.0	100.0	100.0
Estimated Households	3,699	3,820	3,751	3,719	3,887	18,875

9.3 AGE OF DWELLING

Table 9.4 – Age of dwelling by district – confirms that the oldest homes are located on Cayman Brac/Little Cayman and East End: 26.5 percent of all homes in Cayman Brac/Little Cayman and 31.6 percent of homes in East End were built before 1970. More than half of all households in George Town indicated a lack of knowledge of the year of construction, which is expected since George Town accounts for the highest concentration of persons in the lowest quintile, who are more likely to be renting the dwelling that they occupy.

9.4 TENURE

Table 9.5 provides information on the tenure of dwelling across quintiles: 47.7 percent of all households owned the homes in which they lived. Of these, 23.5 percent of homes were owned with a mortgage, whilst 24.2 were owned without mortgage. Dwelling ownership, with or without mortgage, increased from the lowest to highest quintile. Rented homes accounted for 43.3 percent of all tenures. The high percentage of rentals points to the presence of a large immigrant population on contract of employment, and who would need to rent accommodation during their stay in the Cayman Islands: 38.3 percent of households were renting furnished accommodation, overall, and in the lowest quintile, as many as 55.6 percent rented furnished accommodation.

9.5 DENSITY OF HOUSING ACCOMMODATION

As expected, the number of persons per bedroom falls as socio-economic status improves. Findings on mean number of persons per bedroom by district reveals that there was more crowding in the more urban districts of George Town and West Bay, compared to North Side and East End (Tables 9.6 and 9.7).

9.6 WATER SOURCE AND FREQUENCY OF SUPPLY

As shown in Table 9.8, 84.2 percent of households had mains (city water or desalinated) as their main source of water supply; this increased from the lowest to highest quintile. “As many as 13.4 percent of households in the lowest quintile used “wells” as their main source of water, compared to 3.7 percent of households in the highest quintile. Except for Cayman Brac/Little Cayman, the frequency of water supply does not appear to be a problem in the Cayman Islands; most households (85.7%) received water in their taps every day of the week, with households in the poorer quintiles no less likely to have frequent water supply (see also Tables in Section 7 of Volume 4).

TABLE 9.4: YEAR DWELLING BUILT BY DISTRICT

Year Dwelling Built	District						
	George Town	West Bay	Bodden Town	North Side	East End	Cayman Brac/Little Cayman	Total
	%						
Before 1970	3.8	16.5	5.3	10.1	31.6	26.5	8.6
1970 to 1979	6.5	13.7	5.3	7.2	7.0	3.6	7.6
1980 to 1989	12.0	12.6	20.5	14.5	15.8	9.6	13.3
1990 to 1995	7.5	6.6	12.6	2.9	7.0	6.0	7.8
1996 to 2000	10.1	7.1	17.9	13.0	14.0	12.0	10.8
2001-2004	5.8	6.6	13.9	17.4	1.8	9.6	7.4
2005-Present (Post Ivan)	2.0	2.7	4.6	4.3	3.5	3.6	2.7
Don't Know	51.5	33.5	19.2	29.0	19.3	27.7	41.0
Not Stated	0.8	0.5	0.7	1.4	0.0	1.2	0.8
Total (%)	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Estimated Households	10,716	3,693	2,472	447	517	1,031	18,875

TABLE 9.5: TENURE OF DWELLING BY QUINTILES (PERCENT)

Own, Rent or Lease Dwelling	Consumption Quintiles					
	Poorest	II	III	IV	V	Total
	%	%	%	%	%	%
Owned (with mortgage)	7.5	15.5	18.3	36.3	39.2	23.5
Owned (without mortgage)	12.8	20.1	28.0	24.2	35.5	24.2
Rented-Furnished	55.6	49.0	40.2	30.6	16.7	38.3
Rented-Unfurnished	11.3	7.0	4.3	0.5	2.3	5.0
Leased	0.0	0.0	0.0	1.0	0.9	0.4
Rent-free	4.5	2.5	2.3	1.9	0.9	2.4
Squatted	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.8	0.5	0.5	0.3	0.0	0.4
Not Stated	7.5	5.5	6.6	5.2	4.5	5.9
Total	100.0	100.0	100.0	100.0	100.0	100.0
Estimated Households	3,699	3,820	3,751	3,719	3,887	18,875

TABLE 9.6: MEAN NUMBER OF HOUSEHOLD MEMBERS PER BEDROOM BY QUINTILES

Persons Per Bedroom	Consumption Quintiles					
	Poorest	II	III	IV	V	Total
	Mean					
	1.86	1.67	1.29	1.23	.86	1.38

TABLE 9.7: MEAN NUMBER OF HOUSEHOLD MEMBERS PER BEDROOM BY DISTRICT

Persons Per Bedroom	District						
	George Town	West Bay	Bodden Town	North Side	East End	Cayman Brac/Little Cayman	All Groups
	Mean						
	1.44	1.37	1.31	1.17	1.20	1.18	1.38

TABLE 9.8: MAIN SOURCE OF WATER BY QUINTILES (PERCENT)

Main Source Of Water Supply	Consumption Quintiles					
	Poorest	II	III	IV	V	Total
	%					
Mains (city water or desalinated)	76.3	84.8	84.9	85.5	89.3	84.2
Cistern, Rain or Truck	8.3	5.8	7.7	7.6	6.5	7.2
Well	13.4	7.5	6.5	6.9	3.7	7.6
Other	0.4	0.0	0.0	0.0	0.5	0.2
Not Stated	1.6	1.9	0.9	0.0	0.0	0.9
Total (%)	100.0	100.0	100.0	100.0	100.0	100.0
Estimated households	3,699	3,820	3,751	3,719	3,887	18,875

9.7 PRIMARY ENERGY SOURCES

A significant proportion of households (93.7 percent) used electricity from public service providers. Across quintiles, the use of electricity from public service providers declined from 94.8 percent in the poorest quintile to 90.7 percent in the fifth quintile. Kerosene lamps were generally not used.

Electricity was the main type of energy used for cooking; 56.7 percent of all households used electricity for cooking, but households in the lower quintiles were more likely to use LPG/cooking gas (Table 9.9). This shift from use of LPG/cooking gas and electricity to electricity with improvement in socio-economic status is instructive: 26.6 percent of those in the highest quintile used LPG/ cooking gas as compared to 71.5 percent using electricity.

TABLE 9.9: TYPE OF COOKING FUEL USED MOST BY QUINTILES

Type of Fuel Most Used for Cooking	Consumption Quintiles					
	Poorest	II	III	IV	V	Total
	%					
Gas/LPG/Cooking Gas	63.5	50.7	37.7	31.1	26.6	41.8
Kerosene	0.5	0.0	0.0	1.3	0.0	0.3
Electricity	33.1	48.8	61.9	67.7	71.5	56.7
Other	1.3	0.0	0.0	0.0	0.0	0.2
Not Stated	1.7	0.5	0.3	0.0	1.9	0.9
Total (%)	100.0	100.0	100.0	100.0	100.0	100.0
Estimated Households	3,699	3,820	3,751	3,719	3,887	18,875

9.8 SHARED FACILITIES

The occurrence of shared facilities decreased across quintiles from 72.3 percent in the lowest quintile to 96.3 percent in the highest quintile. As expected, the percentage of households sharing facilities (whether kitchen, toilet/bathroom or water) decreased from lowest to highest quintile. The sharing of facilities in the lowest quintile would have been associated with the heavy reliance on rented and shared accommodation especially among the immigrant work-force (Table 9.10).

The presence of a range of household durables in most households attests to the high level of material comforts enjoyed by most residents of the Cayman Islands. In the course of the PPA, a number of participants alluded to the fact that while many poorer residents did not have the wherewithal to acquire homes, they were still able to secure a host of consumer

durables. Moreover, because of the limitations in public transportation, there was a high demand for automobiles, which acquired the status of a wage good, in terms of their being expenditure *de rigueur*. Even more pronounced is the ownership of mobile telephones, which are indeed ubiquitous in the Cayman Islands. The society displays all the trappings of the consumer culture of the North Atlantic: many Caymanians shop regularly in the United States.

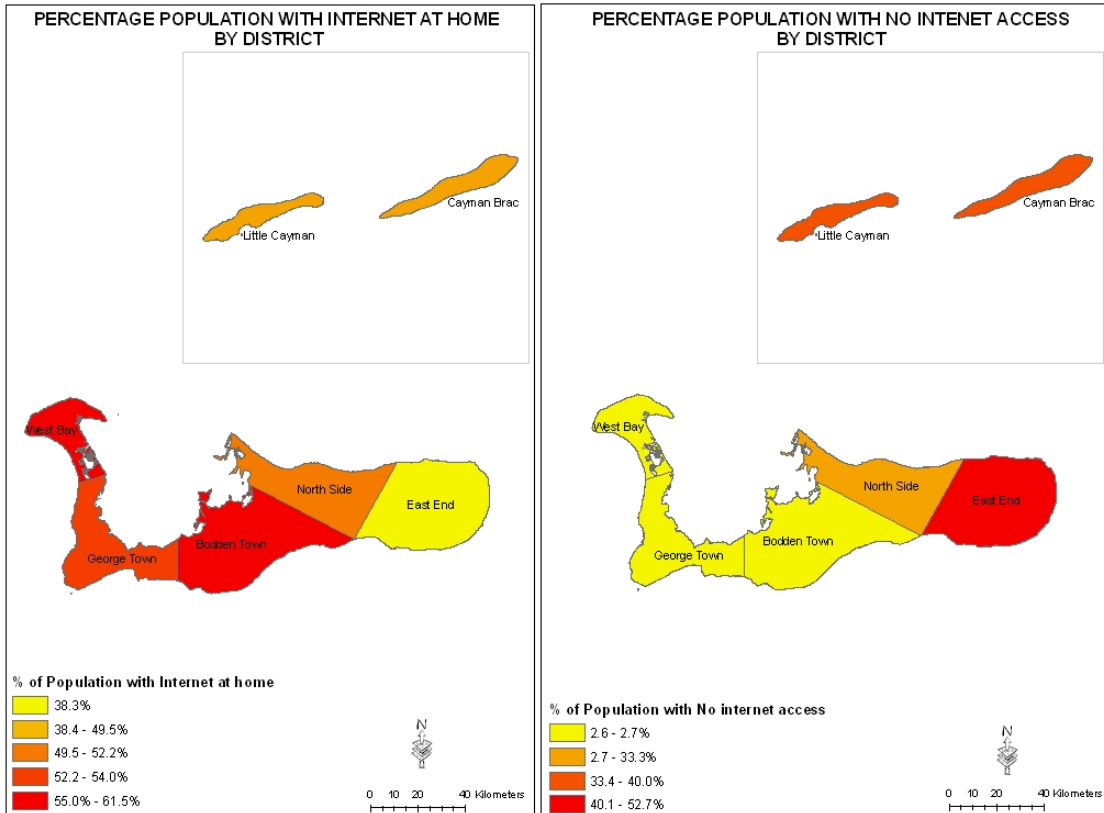
9.9 INTERNET ACCESS

There is substantial disparity in respect of access to the internet by districts (See Map 6 below). The sub-urban districts of Bodden Town and West Bay show a high level of internet penetration. Whether because of infrastructural challenges or for other reasons, the districts with the most evidence of poverty are also poor in terms of internet access. There appears to be an information divide within the Cayman Islands.

TABLE 9.10: HOUSEHOLDS SHARING FACILITIES WITH ANOTHER HOUSEHOLD BY QUINTILES

Share Facilities with Another Household	Consumption Quintiles					
	Poorest I	II	III	IV	V	Total
	%					
Kitchen	6.3	4.4	3.8	2.2	0.9	3.5
Toilet/Bathroom	4.7	1.4	0.5	0.5	0.0	1.4
Water	1.8	2.2	0.5	0.0	0.5	1.0
Any combination of 1, 2 or 3	13.4	10.5	3.3	2.2	0.5	6.0
None	72.3	80.6	91.5	94.7	96.3	87.2
Other	0.3	0.4	0.0	0.0	1.0	0.4
Not Stated	1.1	0.5	0.5	0.4	0.9	0.7
Total (%)	100.0	100.0	100.0	100.0	100.0	100.0
Estimated Households	3,699	3,820	3,751	3,719	3,887	18,875

ACCESS TO INTERNET SERVICES BY DISTRICT



Map 6: Internet Access

CHAPTER TEN – FOCUS ON CAYMAN BRAC

There is a tendency for multi-island states to display divergent rates of economic and social transformation. The presence of the capital on the main island shapes the economic geography of the country, with population concentrated on the main island. Many of the more important public services tend to be established there first. Thus, the differentiation among islands gets reflected in widely divergent physical and social conditions in which the population lives. The Cayman Islands have not escaped this feature of multi-island states. This Chapter focuses on Cayman Brac.

10.1 HOUSING CONDITIONS IN THE BRAC

The material of the outer walls of the majority of houses in Cayman Brac was wood and timber (48.2%), while concrete/concrete blocks accounted for the second most used construction material (38.6). The most common roofing materials used in Cayman Brac were sheet metal (55.4%) and shingles (38.5%). No households reported using concrete and makeshift/thatched roofs.

Overall, 61.4 percent of households reported that cisterns, rain or truck-borne supply were the principal source of water supply, while wells were used by 27.7 percent of households as their main source of water supply. Septic tanks or cesspools were generally used for sewerage disposal.

10.2 EMPLOYMENT AND LABOUR FORCE

10.2.1 EDUCATIONAL ATTAINMENT OF CAYMAN BRAC RESIDENTS

Residents of Cayman Brac generally had low educational attainment, as evidenced by low levels of academic achievement. An estimated 32.1 percent of the labour force (employed and unemployed persons) reported having no academic qualifications, with Caymanians and non-Caymanians being equally represented among this group (Table 10.2). Unemployment in Cayman Brac is virtually non-existent; however the high percentage of employed persons with no qualifications suggests that these persons are holding largely unskilled jobs which may not be able to afford them the quality of life that they would prefer.

Persons with at most O Level qualifications accounted for 20.9 percent of the labour force, with Caymanians accounting for the larger share. In the few instances of unemployment found in Cayman Brac, persons generally had at most passed O Level examinations. The proportion of non-Caymanians with associate degrees was greater than that for Caymanians. Postgraduate degrees were held by 6.4 percent of employed persons and the proportion of Caymanians to non-Caymanians with postgraduate degrees did not vary by much.

All unemployed individuals reported having Ordinary Level qualifications. All such persons were Caymanian which highlights the fact that the requirement of

non-Caymanians to hold work permits and a specified job, in order to enter the country is being enforced as no non-Caymanians reported being unemployed

TABLE 10.1: SUMMARY HOUSING CONDITIONS IN CAYMAN BRAC

Indicator		Estimated number of Households	Frequency
Material of Outer Walls	Wood/Timber	497	48.2
	Concrete/Concrete Blocks	397	38.6
	Wood and Concrete	112	10.8
	Stone	0	0.0
	Brick/Blocks	0	0.0
	Plywood	12	1.2
	Makeshift	0	0.0
	Other/Don't know	0	0.0
	Not Stated	12	1.2
Material Used for Roofing	Sheet Metal	571	55.4
	Shingle (asphalt)	385	37.3
	Shingle (wood)	12	1.2
	Shingle (other)	0	0.0
	Tile	12	1.2
	Concrete	0	0.0
	Makeshift/Thatched	0	0.0
	Other	37	3.6
	Don't know	0	0.0
	Not Stated	12	1.2
Main Source of Water Supply	Mains (city water or desalinated)	112	10.8
	Cistern, Rain or Truck	633	61.4
	Well	286	27.7
	Other	0	0.0
	Not Stated	0	0.0

TABLE 10.2: LABOUR FORCE OF CAYMAN BRAC BY EDUCATIONAL ATTAINMENT

Highest Examination Passed	Status					
	Caymanian		Non Caymanian		Both Groups	
	No.	%	No.	%	No.	%
None	224	28.1	224	37.5	447	32.1
O' Level	211	26.6	99	16.7	311	22.3
A' Level/GCSE/IGCSE	37	4.7	37	6.3	75	5.4
Diploma or Certificate	50	6.3	25	4.2	75	5.4
Associate Degree	25	3.1	25	4.2	50	3.6
Undergraduate Degree	25	3.1	37	6.3	62	4.5
Postgraduate Degree	50	6.3	37	6.3	87	6.3
Professional Qualification	50	6.3	25	4.2	75	5.4
Other	62	7.8	50	8.3	112	8.0
Not Stated/Not Classified	62	7.8	37	6.3	99	7.1
Total	795	100.0	596	100.0	1,391	100.0

10.2.2 EMPLOYMENT BY OCCUPATIONAL STATUS

In Cayman Brac, the most common categories of occupations were Models, Salespersons and Demonstrators (27.3%), Clerical (15.5%) and Sales and Service Elementary Occupations (13.6%).

Most Caymanians in Cayman Brac are employed as Models, Salespersons and Demonstrators (19.4 percent). Sales and Service Elementary Occupations as well as Clerical Occupations account for the occupation of 29 percent of Caymanians, with each category of occupation accounting for 14.5 percent of Caymanians. Professionals, Technicians and Associate Professionals account for 11.3 percent of

employed individuals. Among Caymanians 9.7 percent were employed as Legislators, Senior Officials and Managers, compared to 2.1 percent of non-Caymanians (Table 10.3).

10.2.3 EMPLOYMENT BY SECTOR

Most persons in Cayman Brac were employed in Education, Health and Social Work (17.3%), Construction (14.5%), Public Administration (12.7%) and Private Households (11.8%). The Restaurant and Bar, Hotels and Condominiums accounted for 10.9 percent of employed persons. The Construction Industry in the Brac employs relatively equal proportions of Caymanians and non-Caymanians.

TABLE 10.3 CAYMAN BRAC: EMPLOYED BY STATUS AND OCCUPATION

Occupation	Status		
	Caymanian	Non Caymanian	Both Groups
	%	%	%
Legislators, Senior Officials and Managers	9.7	2.1	6.4
Professionals, Technicians and Associate Professionals	11.3	8.3	10.0
Clerical	14.5	16.7	15.5
Personal and Protective Services Workers	8.1	6.3	7.3
Models, Salespersons and Demonstrators	19.4	37.5	27.3
Agricultural and Fishery Workers	4.8	8.3	6.4
Craft and Related Workers	4.8	8.3	6.4
Plant and Machine Operators and Assemblers	4.8	0.0	2.7
Sales and Service Elementary Occupations	14.5	12.5	13.6
Not Stated	8.1	0.0	4.5
Total	100.0	100.0	100.0

A higher proportion of Caymanians (17.7%) are employed in Public Administration compared to non-Caymanians (6.3%), while the reverse is true for workers in “Private Households”: 3.2 percent of Caymanians are employed in private households compared to 22.9 percent of non-Caymanians. Additionally, the Real Estate, Renting and Business Activities Industry, as well as the Transportation, Post and Telecommunication Industry were dominated by Caymanians (Table 10.4).

In sum, the economy of Cayman Brac is driven by expenditure in provision of public services and in the Hospitality Sector. Basic services are available to the

population, but there is some challenge in the provision of potable water, compared to Grand Cayman. Housing conditions suggest a housing stock of a vintage that previously applied in Grand Cayman.

In serving the population that elects to reside in Cayman Brac, the Government has provided a substantial share of the jobs which are filled by Caymanian and non-Caymanians. While many of the Caymanians on Cayman Brac have to resort to lower paid elementary occupations because of their not having higher levels of education, non-Caymanians dominate elementary occupations.

TABLE 10.4 CAYMAN BRAC: EMPLOYED BY STATUS AND INDUSTRY

Industry	Status		
	Caymanian	Non Caymanian	Total
	Column N %	Column N %	Column N %
Agriculture and Fishing	1.6	4.2	2.7
Mining and Quarrying	0.0	0.0	0.0
Construction	14.5	14.6	14.5
Wholesale and Retail	3.2	10.4	6.4
Restaurant and Bar, Hotels and Condominiums	6.5	16.7	10.9
Financial Services	0.0	0.0	0.0
Real Estate, renting and Business Activities	9.7	0.0	5.5
Education, Health and Social Work	17.7	16.7	17.3
Other Community, Social and Personal	8.1	4.2	6.4
Public Administration	17.7	6.3	12.7
Private Households with Employees	3.2	22.9	11.8
Transportation, Post and Telecommunication	6.5	0.0	3.6
Manufacturing - Including Printing and Publishing	0.0	2.1	0.9
Extraterritorial organizations and bodies	0.0	0.0	0.0
Electricity, gas and water supply	1.6	0.0	0.9
Not Stated	9.7	2.1	6.4
Total	100.0	100.0	100.0

CHAPTER ELEVEN – POVERTY AND THE ENVIRONMENT

11.1 INTRODUCTION

The environment affects living conditions and a country's poverty situation in various ways. The environment very often provides a source of livelihood to poor people, affects their health, and influences their vulnerability. Conversely, poverty can affect the environment in several ways. It can drive poor people and governments to over-exploit local natural resources and consequently degrade the environment. Poverty encourages countries to promote economic growth at the expense of environment, and causes societies to downgrade and pay less attention to environmental concerns, and governments to channel insufficient resources to these concerns²⁷.

The wellbeing of poor people is strongly affected by the environment in a number of ways, including their health status, earning capacity, security, the condition of their physical surroundings, energy services they receive and their access to decent housing.

The environmental issues affecting human wellbeing may differ for rural and urban settings. In rural communities, for example, the poor may be particularly concerned with their access to and control over their surrounding natural resources, particularly those related to food security and

livelihood. In an urban setting where the poor may not be fully depend on utilisation of natural resources for their livelihood there may be greater concern about having access to safe potable water and sanitation facilities. However, in most urban and rural areas, the poor may be the most vulnerable to climate change and environmental hazards (tropical storms, floods), and have the least means to deal with them when they occur. Additionally, environmental problems hit poor people the hardest and can be a significant cause of their falling deeper into poverty and becoming increasingly vulnerable.

On the other hand, better environmental management can enhance the health, livelihood opportunities, and security of people living in poverty. A greater understanding of poverty-environment linkages can lead to informed and more effective national policies both in respect of poverty reduction and eradication, and in addressing environmental problems.

A healthy, functional natural environment, that is a sustainable environment, can provide many of the necessary conditions for achieving the Millennium Development Goals (MDGs), and in some cases is the foundation for attaining them. Environmental sustainability, therefore, should be seen as a critical component in improving living conditions and human wellbeing, and in reducing poverty. Thus, it is central to achieving the MDGs, both directly in terms of Goal 7 - ensures

27 Atiur Rahman, 2006. Environment-Poverty Nexus: A Global Overview. UNPAN Document. Website source: <http://unpan1.un.org/intradoc/groups/public/documents/UN/UNPAN019719.pdf>

environmental sustainability – and its indirect link with the other goals. In the three main areas of livelihoods, health, and vulnerability, environmental management is a crucial factor in facilitating the attainment of the MDGs.

11.1.1 THE ENVIRONMENT OF THE CAYMAN ISLANDS AT A GLANCE

Cayman Islands is endowed with a mix of natural resources – the climate, beaches, coral reefs and other marine resources, mangroves and dry forests – all of which in combination, help to make the Cayman Islands a picturesque and unique environment. It is this natural resource base which fosters the tourism industry, one of the two vital pillars of the Cayman economy. Its coastal resources are important assets to the tourism sector; for example, the Seven Mile Beach, one of the country major attractions, is home to many of the hotels in Grand Cayman.

Cayman Islands' reef systems are extensive, consisting of well-developed fringing reefs on narrow insular shelves around the three islands, which end as steep walls dropping to great depths. These reef systems and spectacular dive walls make up some of the best underwater sites in the world and attract thousands of divers to the country's shores annually.

The diversity and abundance of reef fishes are said to be high, although it is reported that larger individuals are becoming

scarcer²⁸. Despite this high diversity, commercial fishing is not a major activity as is the case in other Caribbean countries. Instead, recreational fishing, in its various forms, is a complementary activity that forms part of the visitor's experience in the Cayman. With such extensive use of the marine resources in the tourism sector, it is only fitting that Cayman Islands has a well-developed reef management strategy which is considered exemplary to other Caribbean islands²⁹.

The land resources in Cayman Islands are important assets not only to the tourism industry but also to the high-end real estate market which has grown steadily in tandem with the tourism and financial industries, and offers the opportunity for persons to invest in properties ranging from inland single house lots to beachfront properties, from a simple one-bedroom apartment to an oceanfront estate home, with most of the activity occurring in Grand Cayman. With the majority of the land privately owned and with a modern, efficient land registry system, which makes property transfer a simple, secure and quick process, property development continues to be a lucrative and active industry.

28 J. Woodley et al., "Status of Coral Reefs in the Northern Caribbean and Western Atlantic," in *Status of Coral Reefs of the World: 2000*. C. Wilkinson, ed. (Townsville: Australian Institute of Marine Science, 2000), p. 268.

29 Global Coral Reef Monitoring Network, 1999. *Status of coral reefs of the world: 1998*. Edited by Clive Wilkinson. Website source: <http://www.aims.gov.au/pages/research/coral-bleaching/scr1998/scr-004.html>

TABLE 11.1: CAYMAN ISLANDS ENVIRONMENT AT A GLANCE

Indicator	Quantity	Year	Indicator	Quantity	Year
Land³⁰			Water and Sanitation³¹		
Total surface area (sq. kilometre)	264.2	2005	Population with access to piped water source (%)	...	...
Agricultural land (sq. km)	92.3	2006	Population with access to improved sanitation (%)	...	...
Arable lands (% agric land)	36.6	2006	Municipal waste collected (1000 t)	55.9	2005
Environmental lands including wetlands (% agric land)	38.1	2006	Infectious waste generated (t)	127.0	2003
Lands over water lenses (% agric land)	25.3	2006	Material Recycled (18 months)	446.6	2005
Forest area (sq. km)	120.0		Population 32		
Change in forest area since 1990 (%): 0.0	0.0		Population size	52,465	2005
Population per square kilometre of forest			Population growth rate	44.4	2005
Biodiversity³³			Migrant population (% total)	39	2005
Percentage of surface area protected for biodiversity (%)	...	...	Under-five mortality (per 1,000 live births)		
Number of threatened species	24	2007			
Fish catch (t)	125	2004			
Air and climate³⁴			Economy		
Total carbon dioxide emission from consumption and flaring of fossil fuels (million t)	0.38	2005	GDP at current market prices (CI\$ mn)	1,924.5	2005
Carbon dioxide emissions from consumption and flaring of fossil fuels (t per capita)	8.68	2005	Real GDP growth rate from previous year (%)	6.5	2005
Energy³⁵			Per capita GDP (CI\$)	39,801	2005

30 Data on the total surface area and forest area of Cayman Islands is taken from website: <http://www.eso.ky/docum1/docum12.pdf>

Information on total agricultural land and categories of agricultural lands is based on the results of a study undertaken by the Department of Agriculture in 2006.

31 Water and Sanitation Data taken from the 2005 Cayman Islands Government Annual Report.

32 Population data is taken from the Government of Cayman Islands - Economics and Statistics Office's Statistical Compendium, 2005. Website: <http://www.eso.ky/docum1/docum12.pdf>

33 Biodiversity data taken from various sources

34 Data is taken from the United States Energy Department's Carbon Dioxide Information Analysis Centre, 2007. Website sources: a) <http://www.eia.doe.gov/pub/international/iealf/tableh1co2.xls> and www.eia.doe.gov/pub/international/iealf/tableh1cco2.xls

35 a) Energy data is taken from two sources; the website of the Economics and Statistics Office, Government of Cayman Islands: <http://www.eso.ky/docum1/docum17.pdf> and from the United Nations Statistical Division website: http://unstats.un.org/unsd/environment/envpdf/Country%20Snapshots_apr2007/Cayman%20Islands.pdf

Indicator	Quantity	Year	Indicator	Quantity	Year
Number of registered vehicles	31,466	2005	Contribution of tourism to national GDP (%)		
Energy use (t oil equiv.)	104	2004	Stay-over Visitor arrival	167.8	2005
Energy use (kg. oil equiv. per capita)	2,407	2004	Cruise ship visitor arrival (000)	1,799.0	2005
Imported fuel (cu m)	168.5	2005	Total number of hotel and guesthouse rooms	3,905	2005
			Electricity production	472,323	2005
			Water production	1395.5	2005
			Environmental vulnerability Index	343	2005

The economic prosperity from the tourism and financial sector has afforded the residents of Cayman Islands a high standard of living which is reflected in its social services delivery systems, including those that are likely to impact on human health. These include potable water production and supply, wastewater disposal, solid waste disposal, mosquito control, and rodent control.

The country's energy consumption has been trending upwards, with all of its energy needs provided through the consumption of hydrocarbon fuels (Figure 11.1). Given the recent surge of world oil prices (Figure 11.2) and its current level of petroleum consumption, Cayman Islands may have to rethink the way it uses petroleum products.

The implications for increasing oil and gas prices are simple. Energy impacts on all aspect of modern living and all strata of society. Higher energy prices mean higher cost of living including higher transportation cost. It is the low-income groups, particularly those who already are on a fixed income and are struggling to make ends meet, that are affected most. The

World Bank has warned that high and volatile oil prices threaten economies of both oil-exporting and oil-importing developing countries, and pose challenges to financial sector stability, growth and poverty reduction³⁶.

The country is no stranger to tropical storms and hurricanes. As small, low-lying islands, with most of the population residing close to the sea, Cayman Islands is particularly vulnerable not only to the action of hurricane winds and rain, but also to the effects of wave action and storm surge. During 1950 to 2006, some 20 tropical storms and hurricanes passed within 60 nautical miles (69 miles) of the Islands during the Atlantic Hurricane Season,

³⁶ World Bank, 2008. *Oil Price Volatility, Economic Impacts, and Financial Management: Risk-Management Experience, Best Practice, and Outlook*. Website Source: <http://web.worldbank.org/WBSITE/EXTERNAL/WBI/WBIPR OGRAMS/FSLP/0,,contentMDK:21578614~pagePK:64156158~piPK:64152884~theSitePK:461005,00.html>

which generally occurs annually between June and November (Figure 11.3 and Table 11.2). Four of those tropical systems were severe hurricanes (Category 4 and 5) with Grand Cayman being the most affected.

According to the Caribbean Hurricane Network, between 1851 and 2006, eight severe storms affected Grand Cayman; three of them occurring between 1980 and 2006.

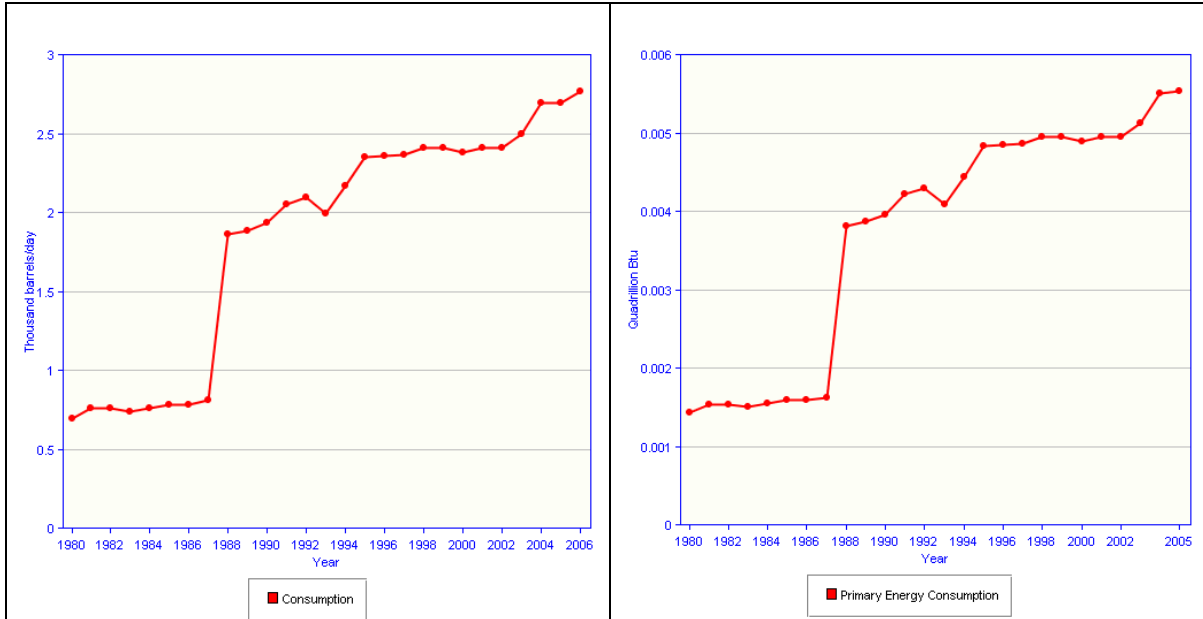


FIGURE 11.1: DAILY PETROLEUM CONSUMPTION AND TOTAL PRIMARY ENERGY CONSUMPTION FOR CAYMAN ISLANDS, 1980-2005³⁷

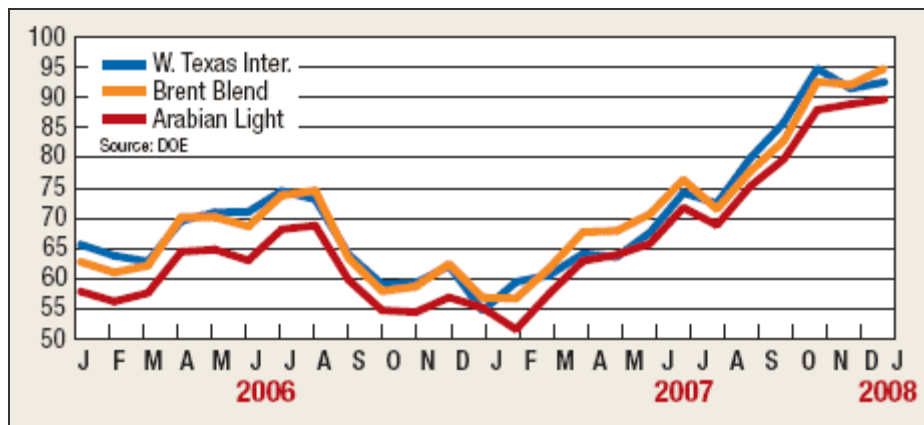


FIGURE 11.2: SELECTED WORLD OIL PRICES (US\$/BBL) ³⁸

37 Energy Information Administration, 2008. International Energy Data and Analysis for Cayman Islands. Website Source: http://tonto.eia.doe.gov/country/country_energy_data.cfm?fips=CJ

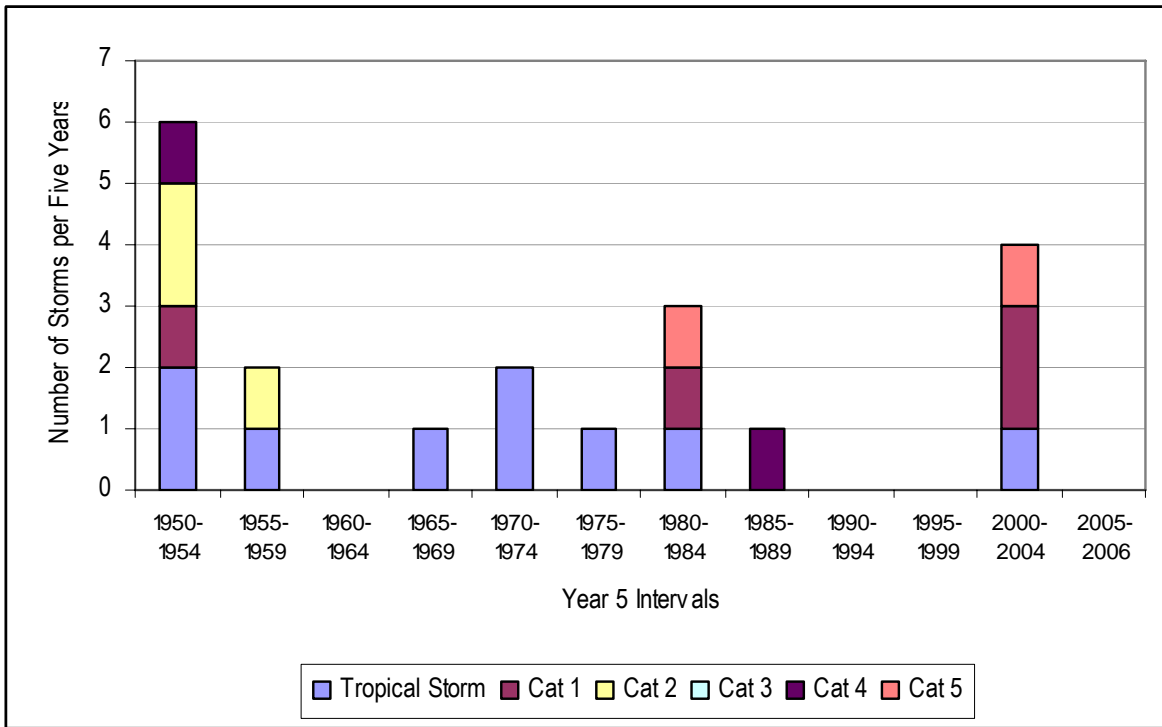


FIGURE 11.3: TROPICAL STORM (HURRICANES AND TROPICAL STORMS) ACTIVITY PASSING WITHIN 60 NM OF THE CAYMAN ISLANDS³⁹

39 Caribbean Hurricane Network, 2008. Climatology of Caribbean Hurricanes. Website Source: <http://stormcarib.com/climatology/freq.htm>

TABLE 11.2: TROPICAL SYSTEMS PASSING WITHIN 60 NAUTICAL MILES (69 MILES) OF THE CAYMAN ISLANDS SINCE 1950

GRAND CAYMAN					CAYMAN BRAC					LITTLE CAYMAN				
Date	Name	Wind Speed (mph)	Category	CPOA (miles)	Date	Name	Wind Speed (mph)	Category	CPOA (miles)	Date	Name	Wind Speed (mph)	Category	CPOA (miles)
18-Aug-51	Charlie	104	2	58	16-Oct-50	King	98	2	65	15-Sep-55	Hilda	86	1	3
14-Oct-51	-	81	1	21	3 Oct 1953	Not named	40	TS	61	21-May-70	Alma	46	TS	6
24-Oct-52	Fox	138	4	44	15-Sep-55	Hilda	86	1	2	18-Oct-73	Gilda	52	TS	13
29-May-53	Alice	52	TS	59	21-May-70	Alma	46	TS	26	19-Sep-75	Eloise	40	TS	14
23-Aug-55	-	40	TS	3	18-Oct-73	Gilda	58	TS	5	7 Aug 1980	Allen	144	4	19
15-Sep-55	Hilda	98	2	15	19-Sep-75	Eloise	40	TS	10	7 May 1981	Arlene	46	TS	18
14-Aug-69	Camille	58	TS	43	7 Aug 1980	Allen	144	4	7	5 Nov 1981	Katrina	86	1	36
19-Sep-75	Eloise	40	TS	36	7 May 1981	Arlene	52	TS	10	19-Sep-02	Isidore	69	TS	7
7-Aug-80	Allen	155	5	54	5 Nov 1981	Katrina	86	1	47	30-Sep-02	Lili	81	1	10
7-May-81	Arlene	40	TS	36	19-Sep-02	Isidore	58	TS	19	12-Aug-04	Charley	92	1	52
5-Nov-81	Katrina	86	1	17	30-Sep-02	Lili	75	1	5					
13-Sep-88	Gilbert	144	4	23	12-Aug-04	Charley	92	1	68					
19-Sep-02	Isidore	69	TS	52										
12-Aug-04	Charley	92	1	32										
12-Sep-04	Ivan	155	5	28										

CPOA – Closest Point of Approach; TS – Tropical storm

11.1.2 ENVIRONMENTAL VULNERABILITY INDEX

The vulnerability index for the natural environment (Environmental Vulnerability Index - EVI) is designed to be used with economic and social vulnerability indices to provide insights into the processes that can negatively influence the sustainable development of countries. An EVI of 3.43 (60% data), puts Cayman in the highly vulnerable category. Figure 11.4 shows the EVI of selected Caribbean countries.

The issues of greatest environmental vulnerability centre around the country's exposure to climatic variability; the fact that the country is low-lying, making it very vulnerable to coastal variability, flooding and tropical storms; the loss of biodiversity; and the need for stronger environmental legislation and greater effectiveness of environmental controls. Its areas of environmental resilience include low vulnerability to geological events, mining and spills, low levels of overfishing, and low risk of ecological stresses.

	EVI	Data (%)	
Barbados	403	70	Extremely Vulnerable
US Virgin Islands	396	46	
Saint Lucia	393	58	
Jamaica	381	94	
Trinidad and Tobago	381	94	
UK Virgin Islands	377	44	
Bermuda	373	52	
Martinique	364	56	Highly Vulnerable
St. Kitts and Nevis	359	54	
Haiti	343	92	
Cayman Islands	343	60	
Montserrat	342	48	
St. Vincent & Grenadines	337	54	
Puerto Rico	334	64	
Cuba	329	90	
Dominican Rep	324	90	
Netherlands Antilles	323	60	
Grenada	316	62	
Anguilla	312	52	Vulnerable
Antigua & Barbuda	307	56	
Turks & Caicos Islands	292	52	
Belize	258	90	At risk
Bahamas	248	62	
Suriname	211	88	Resilient
Guyana	207	90	

FIGURE 11.4: EVI OF SELECTED CARIBBEAN COUNTRIES

The recent hurricane seasons, and moreso the 2004 season, clearly demonstrated the Caribbean region's vulnerability to natural disasters, with the Cayman Islands being one of the hardest hit. Ivan resulted in two deaths, damage and economic impact estimated at US\$3,432 million or 183.0% of GDP affecting 83% of the total population and 83% of housing stock (13,535 dwelling units) damaged⁴⁰. Table 11.3 shows the monetary impact of Hurricane Ivan. However, Hurricane Ivan also demonstrated the high degree of resilience of the Caymanian society and though the impact was costly, the economy and people were able generally to recover in a short period. Despite the quick overall recovery of the Cayman Islands, the rate of recovery for some social groups has been slower, thus demonstrating their vulnerability.

This chapter reviewed the relationship between the environment and living conditions in Cayman Islands, focusing on vulnerability to natural hazards, and the use of natural resources in support of livelihoods, and sanitation and health.

11.2 NATURAL RESOURCES USE

11.2.1 TOURISM, AGRICULTURE AND FISHERIES

The tourism industry generates considerable economic benefits to the Caymanian economy, and tourism is a major pillar of the economy. According to an economic impact study carried out in 2003 by Deloitte and Touche on behalf of the Cayman Islands Tourism Association (CITA), the industry contributed \$1,115.3 million or 63% to the GDP in 2001 and generated over \$30 million revenue for the Government.

The tourism industry provides income and employment for many. Direct employment through restaurants and bars, hotels and condominiums was estimated at 10.8% in 2006⁴¹, while a substantial number of jobs are also generated indirectly through the supply of goods and services to tourism businesses. The labour force surveys have recorded a steady growth in employment by wholesale, retail, hotel and restaurant industries, increasing by some 44% of the 1995 figure. Table 11.4 and Figure 11.5 show total employment and in the wholesale, retail, hotel and restaurant industries.

40 Asha Kambon, The Impact of Natural Disasters on Households in Caribbean SIDS: Panel 3: Extreme Events and other human induced disasters on LAC. UNECLAC. Website source: <http://www.eclac.org/dmaah/noticias/paginas/3/27413/kambon.pdf>

41 2006 Labour Force Survey, Government of Cayman Islands. Website Source: <http://www.eso.ky/pages.php?page=labourforcesurveys>

TABLE 11.3: SECTORAL DISTRIBUTION OF THE IMPACT OF NATURAL DISASTERS IN CAYMAN ISLANDS

Impact on Productive Sectors (US\$m)	Impact on Infrastructure (US\$m)	Impact on Social Sectors (US\$m)	Impact of Social Sector as % of Total socioeconomic Impact	Total Socioeconomic Impact (US\$m)	Impact of Disaster as % of GDP
1117.7	488.4	1810.3	53%	3416.4	183.0

TABLE 11.4: EMPLOYMENT BY INDUSTRIES

Industry	1995	1996	1997	1998	2001	2002	2003	2004	2006
	Oct	Oct	Oct	Oct	Oct	Oct	Oct	April	April
All Industries	18,845	19,370	20,725	21,820	25,862	27,354	28,827	28,947	35,004
- Male	8,935	9,685	10,420			13,752	13,840	14,455	18,408
- Female	9,910	9,685	10,305			13,602	14,987	14,492	16,596
Wholesale, Retail, Hotel & Rest	5,555	5,375	5,580	6,175	6,644	6,943		7,287	8,011
- Male	2,655	2,455	2,460			3,368		3,482	3,880
- Female	2,900	2,920	3,120			3,575		3,804	4,131

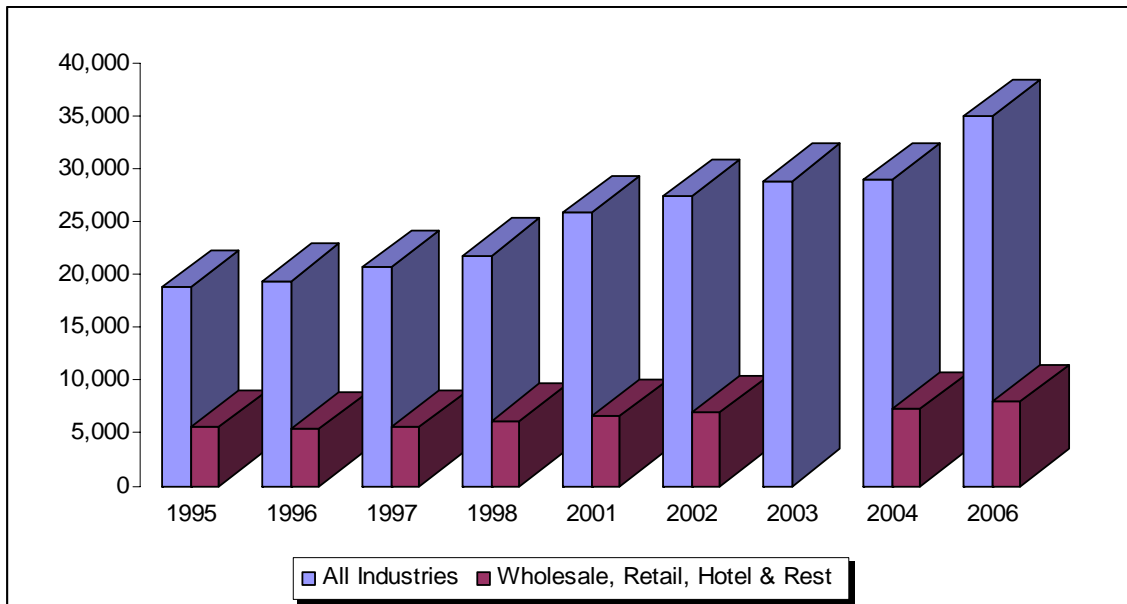


FIGURE 11.5: EMPLOYMENT BY INDUSTRIES

The results of the SLC show that a considerable percentage of men and women in Quintiles 1 and 2 are employed in the Restaurant and Bar, Hotels and Condominiums industries. They also suggest that tourism has opened more employment opportunities for women than men in the lowest quintiles. Women in Quintiles 1 and 2 make up the higher percentage of persons employed in these industries, some 33.0% compared to 19.8% for men in the same quintiles. Agriculture and fishing represented a more important employment avenue for men in the lower quintiles (10.3%) than for women (1.9%).

Given the heavy dependence of the Cayman Islands economy on tourism, the society must safeguard the environment for the long-term welfare of its people, including the poor and vulnerable whose livelihoods depend on the tourism industry. Total tourist arrivals, moreso cruise ship visitor arrivals, have increased considerably over the years from 1.25 million visitors in 1997 to 2.20 million visitors in 2006. While this represents significant economic benefits to the country, there is a concomitant need for the country to be more vigilant for signs of environmental degradation which are associated with mass tourism, a category into which Cayman Islands' tourist industry now falls. A 2001 Tourist Penetration Index

(TPI)⁴² study places Cayman Islands in the most developed category with a TPI of 0.614, coming after the UK Virgin Islands and St. Maarten, and before Turks and Caicos Islands, Bermuda, Malta, Guam and US Virgin Islands⁴³.

What is necessary, therefore, are appropriate and sufficient measures within a sound policy framework to protect local ecosystems and the natural resource base from the pressures and impact of an expanding tourism industry.

The agriculture sector consists of minor production of vegetables and livestock, but is small and limited by scarcity of suitable soil resources. However, the value of the agriculture as a tradition and its value to food security remain evident with a reported 1,200 farmers in the sector, of whom some 200 are registered. Although there are about 20 fulltime farmers, the rest operate on a part-time basis or are hobbyists (Alfred Benjamin, Department of Agriculture, personal communication).

42 This study applies the TPI to 36 small islands with less than one million in population and 5,000 km² in area. Based on their TPI scores, islands states were placed in three categories across the destination life cycle based on three stages of increasing penetration, scale and socio-economic impact (from most developed, intermediate and least developed). The TPI is a comprehensive measure of tourism impact on small island economies. Three variables are used to construct the index: 1) in-country visitor expenditure per resident population which broadly measures economic impact; 2) average daily visitor census or density of per 1,000 population to indirectly measure crowding and socio-cultural pressure; and 3) hotel rooms per km² which is taken as a measure of tourism environmental footprint.

43 McElroy, J.L., 2006. *Small Island Tourist Economies across the Life Cycle*. Asia Pacific Viewpoint, Vol. 47. No 1.

The Department of Agriculture is challenged to justify the relevance of the agricultural sector in the midst of the growth in the tourism, financial and real estate sectors and to justify the need to maintain some level of agricultural production in a world threatened by increasing food prices. The fight now is to ensure that remaining designated agricultural lands are preserved for agriculture. Already, the tourism and real estate thrust have extended to East Side and North Side, on Grand Cayman, in areas traditionally used for agriculture. Moreover, since the passage of Ivan, a significant proportion of the agricultural land on the Bluff in Cayman Brac has been converted to residential purposes.

Fish is a vital source of minerals and animal protein in the diet of Caribbean people, particularly the poor and vulnerable members of society. In Cayman Islands, the per capita consumption of fish between 1999 and 2001 was 6.7 kg per annum, well below the recorded average for the Caribbean which was 20.1 kg per annum⁴⁴. The country's marine, particularly fisheries resources are key to the recreational fisheries sub-sector. However, aquaculture consists mainly of turtle farming. In 2004, exports mainly to the United States yielded \$1.2 million from turtle products and the manufacture of consumer goods.

44 Annual per Capita Consumption of Fish and Shellfish for Human Food, by Region and Country, 1999-2001 Average. Website source: http://www.st.nmfs.noaa.gov/st1/fus/fus04/08_perita2004.pdf

Sustained development in Cayman Islands requires careful management of its environment upon which its socioeconomic wellbeing so heavily depends. Recognition and acceptance of the complex and dynamic linkage between socioeconomic development and environmental management require that the country put in place comprehensive environmental policies and coordinated environmental programmes. While the country has made some strides at the sectoral level (for example, the management of its marine resources is said to be exemplary among Caribbean countries), there are areas which require attention, for example, the control of land-based sources of pollution which could erode the gains made in managing the marine resources.

A more comprehensive and coordinated approach to environmental management will allow the three pinnacles of environment management (Department of Environment, Department of Environmental Health and Planning Department) to operate in a more effective manner. Two of the agencies (Department of Environment and Department of Environmental Health) require modern effective legislation to govern their operations which give them the necessary legal clout to make individuals, companies and agencies alike accountable for their actions. Updating of the National Physical Development Plan (NPDP), which will form the basis for physical development, is another link which must also be addressed.

However, the development of the Sustainable Development Plan/Strategy, one of the requirements of the Environment Charter between Cayman Islands and the UK government, must precede the preparation of the NPDP, which would form the overarching policy for national and island development. Given the need for the country to make hazard management and climate change an important part of its development agenda, a major focus of the Sustainable Development Strategy must be Disaster Risk Reduction and Hazard Management, including addressing the needs of the temporary migrant work force which makes up the major part of the country's population and whose cultural mix adds a new dimension to the socioeconomic dynamics of the country. Stakeholder and community participation and environmental activism can be powerful means through which people can work together in improving their situation and their communities and to contribute to overall national development. Over the years, the increasing environmental consciousness among the population in Caribbean has not always translated into behavioural change or the necessary impetus to make environmental issues an important aspect of the national political agendas. Cayman Islands has demonstrated some success in this regard. The work of the National Trust with respect to private sector involvement in heritage and biodiversity management particularly stands out.

Another success which must be mentioned is in the area of disaster management at the community level, as demonstrated during

Hurricane Ivan, when residents banded together to save themselves and secure property. In the aftermath of the hurricane, the establishment and operation of the private sector-driven National Recovery Fund, which provides another example for the rest of the Caribbean, speaks volumes about the commitment and responsibility to the national recovery and development process.

High priority must be given to increasing environmental awareness of the population as a way of achieving commitment at all levels of society to national environmental objectives. Also important is the need to solicit increasing participation in natural resource management at the community level.

11.2.2 SUPPLEMENTING INCOME THROUGH NATURAL RESOURCE USE

While the SLC focuses on more traditional types of analysis of household income, the results of PPA and IA showed emerging uses of natural resources which may need to be addressed. According to the PPA and IA, some low-income households supplement their income through agriculture and fishing. For example, the Department of Environment has observed that construction and other workers sometimes fish, at times using unsustainable methods.

Cayman Islands has had a long tradition of landless farming. According to the Department of Agriculture the country has a small percentage of landless farmers who

lease or rent land from larger land owners. These landless make up about 15 to 20% of the total number of registered farmers. In addition, East End still has some communal land, which is used by numerous owners in the rearing of livestock as the local commons, and during the threat of tropical storm. It was reported that the livelihood of landless farmers in East End, in Bodden Town, and a few in George Town will soon be a thing of the past.

11.2.3 CHANGING CULTURAL INFLUENCES ON USE OF NATURAL RESOURCES

The growth of the Caymanian economy has been supported by an influx of largely temporary migrant workers at all levels of society. The non-Caymanian population rose from 15% of the population in 1975 to 47.5% by 1999. According to the SLC results, the non-Caymanian population surveyed lived in a range of countries before coming to Cayman Islands (see also Tables in Volume 4 of this report). Although not proof of their nationality, it provides a picture of a workforce of a range of cultures now residing in the Cayman Islands.

The migrant workers who come to Cayman Islands to service the tourism industry and other sectors, bring with them their cultural norms and attitudes to natural resources which can be different from those of the Cayman Islands. Some of these differences are reflected in observations made by Department of the Environment. For example, reports have been made to the Department about the consumption of bats by non-Caymanians on Cayman Brac. In

absence of legislation to protect this species, their population size could be adversely affected. In addition, the Department reported that green iguanas have been introduced from Honduras, and it is speculated that this was done through the immigrant population. The introduction of this species has raised concerns about its impact on the indigenous species. The green iguana was first observed in West Bay and since has spread to the North and East Nature reserves.

11.2.4 ENERGY AND LIVING CONDITIONS

Figure 11.6 illustrates the changes in electricity generation and consumption in Cayman Islands between 1980 and 2005. Electricity is mainly generated through the use of diesel fuel. The fuel adjustment cost that electricity consumers are required to pay as part of their bill means that increases and decreases in fuel cost are passed onto customers. Given recent surging of oil prices, customers have seen upward adjustments to their electricity bill. Disadvantaged households will be the hardest hit. An effective strategy would be needed to ensure that low-income households are able to cope with changing energy prices, including the establishment of electricity efficiency and conservation programmes for resident consumers. On Cayman Brac, the introduction of a pre-paid customer-information unit, along with a customer arrears payment plan, offers alternatives which give low-income households the opportunity to make wiser choices with respect to electricity use, and so improve their energy efficiency. The establishment of pilot wind-generated

electricity facility on Cayman Brac, and the exploration of geothermal energy production are practical ways to reduce the country's dependence on hydrocarbon fuels.

11.3 ENVIRONMENTAL HEALTH AND SANITATION

Safe water and environmental sanitation services (which include solid and liquid waste treatment and disposal facilities, vector and pest control, as well as food hygiene control) are vital for a high quality of life and maintenance of the dignity of the population.. Disadvantaged households are the ones most in need of public services to ensure quality living, and so their access to such services is crucial.

A lack of such services and the manifestation of the problems associated with these deficiencies are strong indicators of poor living standards. A look at the health status of the community can give some insight into environmental sanitation and cleanliness, and hygiene behaviours. Critical environmental factors relevant to Cayman Islands include access to water (water sources and frequency of public supply), access to sanitation services, disposal of waste, access to vector and rodent control services, and access to energy sources.

The results of the SLC, which is reported on and discussed in the previous chapters, suggest that Cayman Islanders, including disadvantaged households, have a high level of access to critical environmental services, and that one can attempt to say

that this is reflected in the national health status of the population. However, making the link between environmental conditions and health outcomes goes beyond the scope of this exercise. In this chapter, we focus on access of households in the lowest quintiles (1 and 2) to environmental health services and the implication for environmental health.

11.3.1 ACCESS TO SAFE WATER AND SANITATION

11.3.1.1 WATER SUPPLY

Generally, Cayman Islands can be considered as a water-deficient country. The traditional water supply has been obtained through use of wells and individual rainwater harvesting collection systems (cisterns). However, the extensive investment in piped water infrastructure and the extensive use of high quality desalinated water have all but eliminated the challenges common to water-scarce countries.

The Water Authority supplies safe desalinated water to the districts of George Town, Bodden Town, East Side and North Side in Grand Cayman and to Cayman Brac, while the Department of Environmental Health is responsible for ensuring the monitoring of water quality. According to the SLC, the majority of households in Quintile 1 and 2 receive their main supply via the public piped water service, 76.3% and 84.8%, respectively (Figure 11.7). However, for some householders, cistern/rain/truck and well supply remain important water sources.

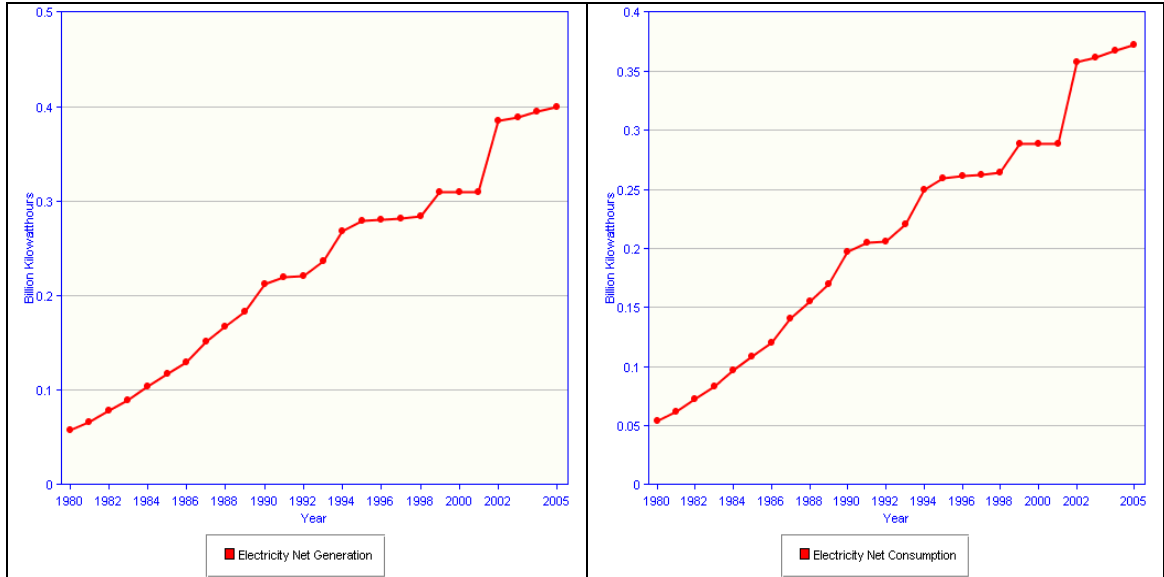


FIGURE 11.6: ELECTRICITY NET GENERATION AND ELECTRICITY NET CONSUMPTION FOR CAYMAN ISLANDS, 1980-2005

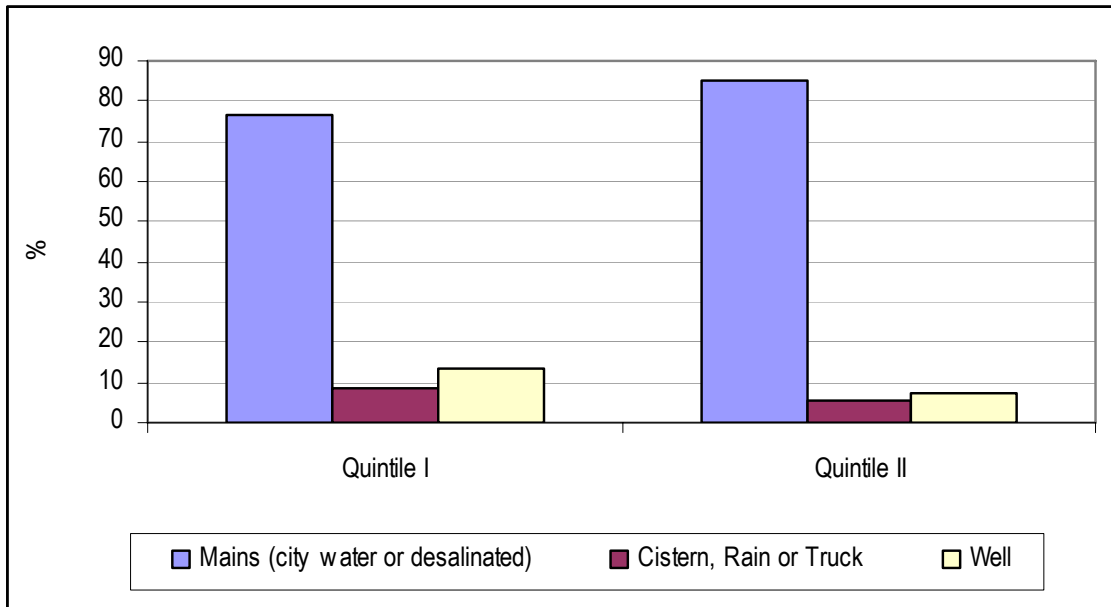


FIGURE 11.7: MAIN WATER SOURCE FOR QUINTILES 1 AND 2 HOUSEHOLDS

45 Energy Information Administration, 2008. International Energy Data and Analysis for Cayman Islands. Website Source: http://tonto.eia.doe.gov/country/country_energy_data.cfm?fips=CJ

The interviews with community leaders during the PPA highlight the fact that water is sourced for personal and household uses from various sources, including household cisterns, wells, piped water and commercial bottled water. Communities are well aware that not all sources are safe for drinking and so different sources are used for different household and personal tasks. For example, in the low-income neighbourhoods of George Town, where the contamination of groundwater makes cistern and well water sources unsafe for drinking, householders report the continued use of these sources for domestic chores such as washing and flushing of toilets, particularly after the event of upset conditions (like a hurricane or tropical storm) when the piped water supply is disrupted.

The SLC showed that on average, 85.7% of households received a seven-day water supply. Nonetheless, North Side and East Side and Grand Cayman fell below that average. The situation was even more pronounced on Cayman Brac and Little Cayman with only 22.9% of households receiving a seven-day supply.

The expansion works being carried out by the Water Authority will see improvement in water supply to householders in East Side and Grand Cayman. However, given the development thrust for Cayman Brac and Little Cayman, improvement in the water supply, both in terms of source and frequency would have to be considered. For

areas, where piped public supply is not yet fully developed, rainwater harvesting should be continued and promoted as a viable alternative for obtaining a safe water supply.

11.3.1.2 SANITATION (SEWAGE DISPOSAL)

Cayman Islands is mainly serviced by onsite septic tank and soakaway systems. The Water Authority operates the centralised West Bay Beach Sewerage System which services the Seven Mile Beach area which has the highest concentration of tourist activity. The results of the SLC show that 72% of all households surveyed are serviced by these onsite wastewater systems, with households in the lowest quintiles utilising these systems (Figure 11.8).

According to the results of the PPA, the use of onsite wastewater treatment systems is widespread in the Cayman Islands. Septic tanks/soakaway systems were common household wastewater treatment type reported in the targeted communities. According to community leaders, cesspits are used in George Town and Northside communities. Goat Yard reportedly uses portable toilets which are provided by government. Both septic tank systems and cesspits are known to cause environmental problems with contamination of water resources unless properly maintained and managed. The management of these systems appears to be an issue which must be monitored and addressed.

TABLE 11.5: TYPE OF SEWERAGE SYSTEM BY QUINTILES

Type of Sewerage System	Consumption Quintiles					
	Poorest	II	III	IV	V	Total
	%					
Mains (West Bay Rd.)	7.4	7.0	9.8	17.9	23.1	13.1
Sewerage Treatment Plant	15.0	10.8	9.1	6.8	8.8	10.1
Septic Tank or Cesspool	70.9	79.6	77.1	67.7	64.8	72.0
Outhouse/Pit Latrine	0.0	0.0	0.0	0.0	0.0	0.0
Deep Well	2.6	1.6	1.1	4.7	0.5	2.1
Not Stated	4.1	0.9	2.9	2.9	2.8	2.7
Total (%)	100.0	100.0	100.0	100.0	100.0	100.0
Estimated Households	3,699	3,820	3,751	3,719	3,887	18,875

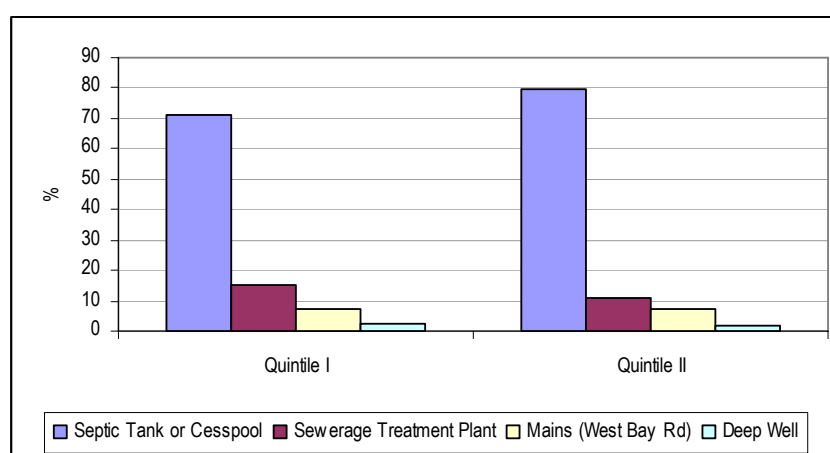


FIGURE 11.8: TYPE OF SEWERAGE SYSTEM FOR QUINTILES 1 AND 2 (PERCENT)

The performance of onsite wastewater treatment systems in the Caribbean is of great concern, since poorly designed, operated or maintained systems can be a major source of pollution. Given the importance of this system with an estimated flow that is 65% of the daily total 5.1 million gallon flow (Table 11.6), developing an effective management programme for on-lot systems would be critical. Crab (2004) concludes that the challenge of managing onsite wastewater discharges is both immediate and long-term. The weaknesses of the current management system which must be addressed are listed in Table 11.7.

TABLE 11.6: ESTIMATED TOTAL FLOW BY TREATMENT TYPE⁴⁶

Wastewater Treatment System	Flow	Wastewater Treated by Volume (%)
West Bay Beach Sewer System (WBBSS)	990,000	19
Aerobic Treatment Unit (ATU)	800,000	16
Septic Tank	3,300,000	65
Outhouse and Other, (cesspit)	10,000	< 1
Total	5,100,000	100.0

46 Catherine Crabb, 2004 Developing an Onsite Wastewater Management Programme for the Cayman Islands, Water Authority – Cayman. Website source: <http://www.bvsde.paho.org/bvsacd/cwwa/caym.pdf>

TABLE 11.7: EVALUATION OF THE STRENGTHS AND WEAKNESSES OF CURRENT ONSITE MANAGEMENT

PERMITTING AND INVENTORY	Legal Authority exists for permitting. However a significant backlog exists, with 10% of onsite systems permitted. Additional resources are required to identify and issue outstanding permits.
ONSITE SYSTEM REQUIREMENTS	Several design and siting standards and effluent quality standard have been established. However there are no maintenance requirements and no siting requirements relative to eventual connection to central sewer
EDUCATION AND TRAINING	Reference materials are available and several brochures developed. Operator certification programme is under review. There is low level of public awareness regarding wastewater issues
INSPECTIONS AND MONITORING	New installations inspected by development control staff, Planning Department, but there is no monitoring of existing systems. Legal authority exists to require manifests of septage loads. Water Authority has an accredited water and wastewater laboratory. New septic tank installations inspections are done by Building Control staff cursory relative to stipulated requirements. Monitoring of existing installations is minimal, that is, complaint based. There are no manifests to track hauled septage. Onsite monitoring programme will require additional laboratory resources.
ENFORCEMENT	Legal authority exists to specify and enforce permit conditions. However, there is no enforcement response plan in place.

The challenge is to ensure that these onsite systems operate efficiently. In her paper, Crabb (200?) noted that at present, management of the systems is limited to the planning approval stage while their operation and maintenance is left mainly to owners and operators. She further indicated that due to limited resources, inspections of all existing systems cannot take place and so there is little information available on the condition and performance of onsite systems. Crabb further noted that spot checks of 75 percent of aerobic treatment units installed on Grand Cayman showed that 25 percent failed to perform as

designed. The large numbers of septic tank systems make inspections impracticable in the face of limited resources. In addition, there are published performance data on septic tank effluent that indicate a lower removal rate of Biochemical Oxygen Demand (BOD) and Total Suspended Solids (TSS), than can be achieved with an aerobic treatment unit operating as designed.

In developing an effective management programme of on-site wastewater treatment systems, the Water Authority is focusing its effort at the community level in a series of steps geared at: 1) assessing the current

status of onsite wastewater management; 2) selecting appropriate programme elements and objectives to meet the community's wastewater treatment needs; 3) evaluating the strengths and weaknesses of current activities relative to the programme objectives; 4) selecting appropriate management activities to meet programme objectives; and, 5) developing a plan for implementation of the management programme⁴⁷. What is also needed is a strategy to deal with low-income households that may have problems in ensuring that their septic systems remain efficient.

The Authority also proposes to extend the current public centralised West Bay sewerage system into other areas, starting with the remaining areas adjacent to West Bay Road, George Town, and West Bay. Connecting to this system would pose a challenge to low-income customers who may find the connection cost prohibitive.

Community leaders were asked a number of questions relating to health of residents on an effort to identify possible links with sanitation. However, lifestyle diseases were the main chronic health concern and cause of death in the targeted communities; these include diabetes, cancer and hypertension. Substance abuse which includes the use of alcohol and marijuana by young men as well as adult men and women was listed as an additional health concern in poorer urban areas, Goat Yard in West Bay and in

the targeted areas in George Town. The increased incidence of kidney disease with an increase in older persons requiring dialysis is reported in George Town. Homemade remedies still appear to be a popular alternative method to address some common illnesses.

The incidence of ringworm of the scalp in young children emerged as a problem in Swamp/Central/Washington Road area, in George Town. Though sometimes used as an indicator of overcrowded living conditions, poor sanitation and hygiene, there were insufficient information to draw this conclusion here.

11.3.2 SOLID WASTE MANAGEMENT

The results of the PPA and IA showed that the government provides solid waste collection and disposal services to all the targeted communities, generally twice weekly. White waste – large household appliances – is collected on stipulated dates by the public service or carried by householders to the landfill. Two things are noteworthy here. The first is that reportedly, the quality of the service needs to be improved and action needs to be taken to work along with communities to reduce the incidence of burning of garbage which was reported as an environmental hazard by leaders in Bodden Town and George Town.

Addressing the issue of littering in some communities (for example, Goat Yard, West Bay), and behavioural change in general would be important for sustainable

47 Catherine Crabb, 2004. Developing an Onsite Wastewater Management Programme for Cayman Islands. Water Authority . Cayman, Cayman Islands, B.W.I.

development of Cayman Islands. However, there are those who felt that an attitudinal change is required throughout the society with respect to waste management generally. The re-education and sensitisation of the population about the true value of waste and all aspects of waste management would be key to achieving buy-in, and for the success of the a full-scale recycling programme.

Given that the landfill site is near capacity, a solution must be found immediately. In a small island developing state, land filling cannot be considered a viable long-term option. The present thrust for the development of a waste to energy facility provides an opportunity for the country.

11.4 VULNERABILITY TO DISASTERS

It is the poorest members of the population who are most vulnerable and affected by disasters. While the results of the current NALC do not clearly establish the link between vulnerability and poverty, they hint at such links, and identify a number of issues which ought to be addressed in the short- to medium-term as part of a national disaster risk reduction programme.

11.4.1 DISASTER MANAGEMENT LEGISLATION

Over the years, the Cayman Islands has continued to increase its capacity to respond to natural disasters. The establishment of the Hazard Management Unit Cayman, which is responsible for all aspects of disaster-preparedness, response, mitigation and for small- scale recovery, is

the latest of a series of initiatives geared at improving the country's response to disasters. However, an immediate priority for the effective operation of the Unit is the introduction of disaster management legislation which will provide the necessary framework for disaster risk reduction and guide the operation of Hazard Management Cayman Islands.

11.4.2 MIGRANT WORKERS AS A SPECIAL GROUP

The results of the CPA identified an area of possible vulnerability which was highlighted previously by Tompkins (2006)⁴⁸. With the development of the country hinging on migrant workers, the SLC results show that the non-Caymanian work-force now outnumbers the Caymanian work-force, with many migrant workers coming from non-English speaking countries. Traditional means of interacting with the population and of passing on information about disaster events and disaster preparedness may not work on this target group; thus, special awareness and disaster response and relief programmes will have to be established to cater for the diversity of the work-force. This principle can extend beyond disaster management to encompass environmental management as a whole.

48 Tompkins, E.L, 2006. *Factors Affecting Economic Losses from Tropical Storms in the Cayman Islands*. Oxford University Centre For The Environment. UK.

11.4.3 BUILDING CONSTRUCTION IN VULNERABLE AREAS

The increasing population size, the real estate boom and tourism industry have resulted in extensive building construction in vulnerable areas. The Department of Environment and the Planning Department report in the IA, that construction is taking place in flood-prone and other vulnerable areas. Also of concern, is the lack of knowledge by renters about the age of the

buildings in which they live. Householders' lack of knowledge of the year in which their dwelling was built decreased from the lowest quintile to the highest quintile (Figure 11.9) and was highest in George Town (Figure 11.10). Knowledge of the age of buildings is an important factor in determining the quality and safety of housing, giving some indication whether the home was built to code and information on the lifespan and hence the condition of vital structures, such as roofs.

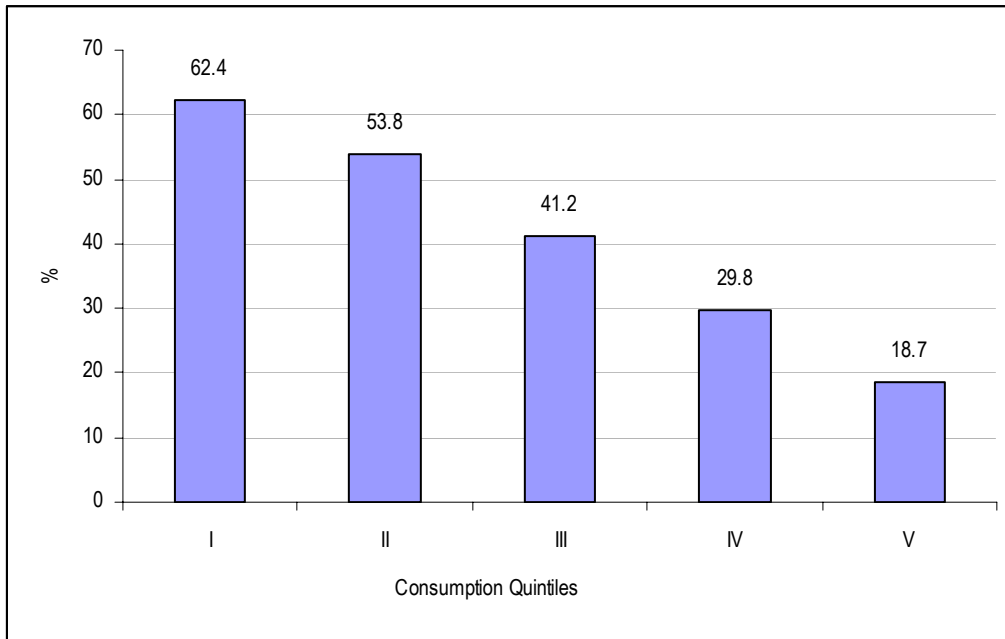


FIGURE 11.9: PERCENTAGE OF HOUSEHOLDS WITHOUT KNOWLEDGE OF THE YEAR IN WHICH THEIR HOME WAS BUILT, BY QUINTILE

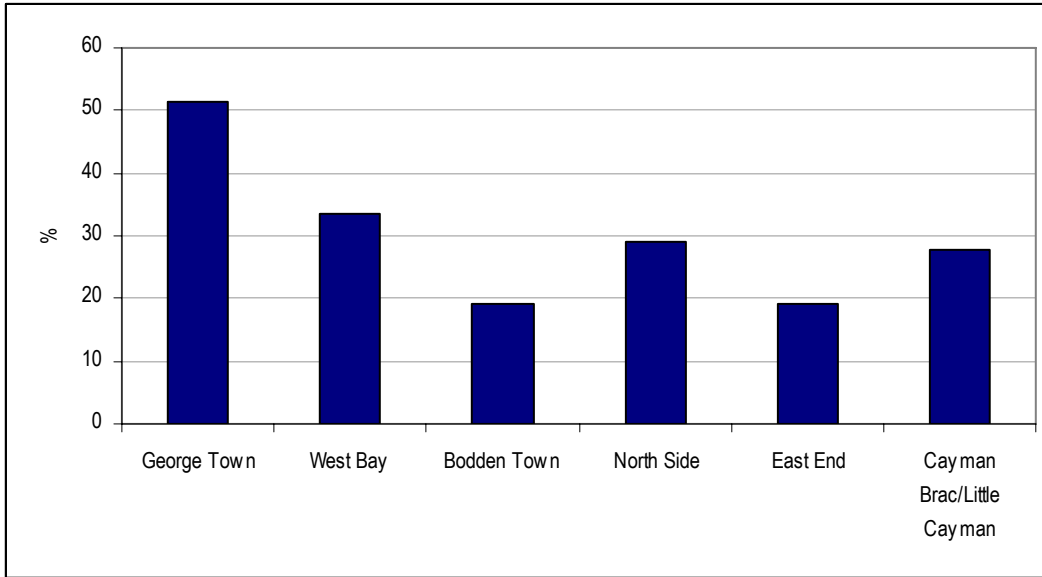


FIGURE 11.10: PERCENTAGE OF HOUSEHOLDS WITHOUT KNOWLEDGE OF THE YEAR IN WHICH THEIR HOME WAS BUILT, BY DISTRICT

11.4.4 TEMPORARY TRAILER HOMES

Given the destruction of 83% of country's housing stock with some 652 homes totally destroyed, the National Recovery Fund was established immediately after Hurricane Ivan, at an opportune time for low-income property owners made homeless or whose homes were damaged. However, for some of those made homeless, particularly those without title to their property, particular solutions had to be found.

For some, one such solution came through the establishment of the Temporary Homes Programme. At the time of the IA, the Programme, which was intended to provide a temporary solution for homeless families, was then in its third year, supplying 84 trailers to trailer communities located in Bodden Town, George Town, and West

Bay, and to private sites. Its continued operation has fully revealed the housing crisis which now exists in Cayman Islands for lower-income households, but which was a major challenge before the passage of Ivan.

According to the Temporary Homes Management Unit, the renters of these trailers are usually low-income, low-skilled working mothers who earn an average income of \$1,500 monthly. It is not unusual for the mother to be the sole breadwinner of the family. The challenge for Cayman Islands is how to get these families into more permanent housing. Given the government's past reliance on the private sector to cater for housing needs of the population, the current situation calls for a more proactive approach in dealing with housing crisis.

11.5 CONCLUSION

Out of the assessment of poverty and the environment, the following have emerged:

- a. Natural resource base is of great importance to the socioeconomic development of the country and therefore the management and protection of these resources must go hand in hand with socioeconomic growth.
- b. Natural resources are used to complement income base of lower income households. Cultural differences are emerging with respect to their use. However, insufficient information was collected to determine the extent of the role of natural resources.
- c. So far environmental management has had a more sectoral focus. A more comprehensive and coordinated approach is necessary. The institutional framework for environmental management needs to be strengthened including the development and enactment of modern legislation for environmental management and environmental health, the preparation of a National Sustainable Development Plan/Strategy and the update of the NPDP.
- d. A more holistic approach to solid waste management needs to be taken, starting with the re-education and sensitisation of the public which will bring about attitudinal and behavioural change towards waste management and buy in for recycling programmes.
- e. Addressing wastewater management will be important for the control of land-based source of pollution. Given the prevalence of onsite sewerage management systems, it would be important to develop an effective management programme of on-site wastewater treatment systems which include inspection and monitoring programmes for existing system. Consideration must be given for lower income households to ensure they can achieve compliance and can be connected to extension of West Bay centralised sewerage system.
- f. Greater emphasis should be placed on the vulnerability of migrant workers and their needs for special disaster preparedness and response programmes.
- g. Urgent attention must be paid to the housing crisis. Given the situation the government should consider being more actively involved in providing solutions.

**PART III:
QUALITY OF LIFE IN THE
CAYMAN ISLANDS**

CHAPTER TWELVE – THE QUALITATIVE DIMENSION OF LIVING CONDITIONS

12.1 QUALITATIVE AND QUANTITATIVE DATA IN THE NALC

This section of the report focuses specifically on the qualitative data, with chapters on the socio-psychological dimensions of poverty, on gender, and on the phenomenological household-based studies of poverty. The NALC has been developed from data and information that are quantitative and qualitative in nature. Quantitative data underpin the examination of the Macro-economy. The SLC/HBS is essentially a compendium of statistical data, which informs the examination of conditions that exist among the resident population in the Cayman Islands, and, to some extent, the assessment of the Institutional Infrastructure is contextualised from the perspective of the reach of services to sections or all of the population. The qualitative data, on the other hand, emerge from the community-based PPA and the household-based phenomenological studies conducted in selected poor communities.

Quantitative and qualitative data are based on different understandings of the nature of social reality. Quantitative social research is based on the assumption that it is possible to study society in the same way that the physical world is studied. This carries the presumption that it is possible to gather ‘facts’ about society that are devoid of human passion, beliefs and feelings. For researchers who use this approach the ultimate objective is to establish causal

relationships among social phenomena. Thus, after the data are collected, statistical analysis can be applied to derive meaning from these data.

Qualitative research on the other hand is based on the assumption that in order to understand society we need to understand more than objective facts. Researchers working in this mode argue that since we are dealing with human beings who are reason-able beings with emotions and feelings, we need to understand how these things interact with objective conditions to produce social outcomes. Qualitative research is used to capture these aspects of human existence. Whereas quantitative studies use formal structured questionnaires, qualitative studies use open ended, flexible research instruments.

12.1.1 HOW DO QUALITATIVE DATA FIT WITH QUANTITATIVE?

Qualitative studies of poverty have as their objective, the representation of the meanings attached to the experience of being in a position of deprivation in society. This type of research in the NALC is done with the aim of unearthing intangibles such as values and attitudes that lend meaning to the human condition and the sense people make of their situation of deprivation. These intangibles are not easily or properly captured in quantitative research. In the CPA, qualitative research addresses the question of what it means to the materially

deprived (whether in an absolute or relative sense), or poor in these societies. How do the socially and economically marginalised make sense of their experiences and their place in these societies? How do factors such as socioeconomic status (class), as captured in the quintile analysis, find expression in terms of social and human relations and the sense that people make of their existences? How are social institutions (many of which have been created with the ostensible purpose of assisting individuals in need) understood by these individuals, and, in the case of chronic poverty what are the values, attitudes and behaviours that ensure the reproduction of poverty across the generations?

If the quantitative research provides an understanding of the objective context within which human deprivation, marginalisation and exclusion exist in this society, the qualitative component tells of the way in which this context is interpreted by the actors. How do the multiple deprivations that affect those living below the poverty line and which follow from historical legacy and the deficiencies of the macroeconomic and institutional structures of the society translate themselves into their familial, educational, labour market and health experiences? Furthermore, how might these data assist us in coming to terms with the causal multiplicity that seems to be generated by the quantitative analysis?

The qualitative research represents a bridge between the macro- and micro-levels of analysis. It demonstrates the connection

between macro-contextual variables such as economy, class and institutional structure and micro-level variables such as family, gender relations, etcetera. Community-based qualitative data are collected mainly via focus group discussions and extended discussions with community groups and influentials on various aspects of their social lives. The phenomenological data are collected during extended in-depth interviews with individuals. In these interviews, attention is paid to the interviewee's history and life story. Furthermore, there is focus on the meaning of the interviewee's experiences in light of his or her history. In general, the interviews were open-ended, searching for the themes of meaning in participant's social and personal lives. The discussion is about value-laden subjects, opinions, and feelings of participants, who were not selected on the basis of randomness, but rather on the fact that they presented themselves in focus group sessions. Their views represent a slice of the reality as seen by actors in the Cayman Islands.

The social-psychological dimensions of poverty are reflected in statements made by participants, as identified below:

- *"Poverty is a disgrace...a crime ...but not a sin" {Householder}}*
- *"When you are unable to help the family financially you feel bad as a Man." {Man}*
- *"I am not proud of it...I try to live with it" {Elderly}*
- *"Poverty is when you don't have a mother or father to care for you" (Youth).*

- *“Living in a water hole...one day I must get out” {Unemployed}*
- *“I love to help people...now I cannot help myself” {Disabled}*
- *“Hope is inside of me” {Woman}*

The material aspects of poverty are well known and measured. Income, food consumption and spending patterns in the Cayman Islands are now well documented in the SLC component of the NALC. While the importance of meeting basic human material needs lies at the core of any poverty assessment, including that of the people, there are psychological and social effects which affect the quality of life of the poor. The use of qualitative methods including the PPA in the NALC helps to provide some unique insights into the physical living conditions of the Caymanian people, as well as the complexity of poverty as a social phenomenon. This type of information is important for policymakers to design and implement more effective and targeted strategies.

The data collected in the PPA supports the arguments made by Deepa Narayan et al (2000) from their research on 40,000 poor people in 50 countries. That is, poverty is multidimensional and is a result of several interlocking factors. The economic, social and psychological effects vary by gender, age, culture, and other demographic characteristics. In the Participatory Assessment Report – Volume II – community and household members give rich and nuanced descriptions and categorisations of poverty, based on their

experiences of economic and social deprivation.

This chapter is based on the assumption that while poverty is material in nature there are distinct social and psychological effects. When people are experiencing difficulties in feeding their children providing clothes, shoes and other necessities, are unable to support their children to complete their education - their social wellbeing is affected. The information collected from the various individuals and groups in the PPA show that (1) that all groups are affected; and (2) distinct trends and patterns emerge. The consequences of not having adequate material and physical comforts range from feelings of fear, hopelessness, powerlessness, humiliation, loss of honour and psychological distress, to social marginalisation and exclusion from society.

12.2 HUMILIATION, SHAME AND HOPELESSNESS

Traditional poverty assessments have not been sensitive to the intense humiliation and shame that people feel when having to describe their living conditions. Similarly, there is a common belief among people that poverty is ascribed to personal failings such as laziness, incompetence and undesirable family traits. Furthermore, poor living conditions and resource-poor communities are sometimes linked to criminality. Consequently, individuals, families and communities are stereotyped and stigmatised so much so that the association with poverty and personal failings can

easily become part of society's accepted explanation of cause and effect, including among those involved in the provision of public services as well as those experiencing poor living conditions.

In this study we did find some of this to be true. To admit to poverty was sometimes difficult for the participants who spend most of their lives working and going through extreme measures to sustain their households but have little to show. Consequently, there is the commonly held view that Caymanians try to hide their living conditions and that they:

- *"had the best car but no food on the table"*
- *"keep to themselves"*
- *"too proud to ask for lunch vouchers for their children"*
- *"poor but clean"*
- *"cannot see anything beyond the paint on their house"*
- *"as if they are covering it up"*

Some community leaders suggested that "covering up" can be explained by the preference of Caymanians to be very private people but also because poor individuals and families feel a sense of shame and humiliation.

The humiliation, shame, and stigmatisation associated with poverty can be linked to the difficulties that participants had, about whether as individuals, households, or groups they would classify themselves as poor. This is also reflected in the mixed views of participants. Some were adamant

that they were poor or experiencing poverty, while others, in equivalent circumstances, suggested that they were "not poor poor". Yet, others preferred to say that they were "simply having difficulties making ends meet ...living from one pay check to another". In many instances, participants selected to describe themselves as being "in the middle". Participants were sometimes afraid that if their economic status was known that they would suffer disrespect. Only in a few situations, individuals felt if others were to know of their living conditions, then they would receive greater assistance and empathy.

Much of the humiliation and shame that individuals face is on an everyday basis because they simply do not have adequate incomes to purchase what is needed for their family. Encountering these situations results in "sadness and loneliness." They feel "shame...and bad because they have to ask for help" These harsh experiences sometimes prompt "feeling like giving up and go crazy".

The feeling of humiliation and shame was reported across all the groups interviewed but in different ways. For example, both women and men find it difficult to accept that they are unable to improve their homes and overall standard of living. They are ashamed when they cannot provide adequate food for their children. They are humiliated when they have to borrow money when things get really bad. Women reported that many times they felt like giving up because no matter how hard they worked they still had problems making ends meet. Further, their situations have not

improved over the years as they continue to work for low wages.

Women believe that *“people look down on you because they think you not trying hard enough...but you work so hard until sometimes you cannot even stand up and yet you still cannot put a proper roof over your head”*. Women who have applied for public assistance also spoke about the embarrassment they face in having to ask for help that often is not sustainable and as such, the request has to be repeated.

Working and unemployed men are humiliated because their limited incomes are inadequate to fulfill their role as breadwinner for the family. According to the men, their manhood is threatened. They are also embarrassed when they are unable to meet the requests of their children, *“my kids see other children with things and want them...they say daddy did not buy that for me”*.

Men feel a sense of disgrace when they are unemployed. Single men spoke about the hopelessness they felt because they are not making enough to get married. Married men on the other hand said that they sometimes became frustrated and hopeless when they could not afford to take their wives anywhere.

Some of the younger working adults express frustration and hopelessness when they spoke about the possibility of buying land in the Caymans and/or accessing a loan to build a home. Similarly, an elderly gentleman remarked that *“I am a Caymanian and I cannot even afford to retire here”*. Both the

disabled and elderly reported that the lack of adequate financial support led to serious psychological pressures. Some react by *“bearing the pain”*, while others *“become aggressive and feel like turning on society”*.

Children face great psychological trauma and stigmatisation because of their economic situation. If their parents are unable to provide lunch money children stay away from school rather than become labelled as *“poor”*. Clothing is particularly important for social status among youth who can negatively impacted when they are observed to be wearing old, dirty and torn clothing. One youth reported that *“they tease me in school and refuse to play with me because they say that I smell...but miss we do not have enough money to buy deodorant or new underwear and clothes.”*

Children are also teased by their neighbourhood peers – *“your house looks so poorish”*. A mother reported that her daughter always asks *“mummy why don’t we go and live somewhere else”*. Yet another parent observed that *“children from the neighbourhood play in each other yards...but none of them come into our yard”*. Similarly, another parent remarked that *“children from other homes tell my children what they have or what they have better than my children”*

The youth expressed anger, frustration and humiliation because of their living conditions and socioeconomic status. One youth admitted that, *“sometimes I get angry and go to my room and listen to music”*. Another said that, *“when we go to some of our friends’ houses and witness something we don’t*

have...we feel like if we are at the bottom of the list. It is frustrating...really frustrating".

Some of the youth were more hopeful and linked their experiences to building character, *"you learn not to be selfish",* or *"you learn new skills like when they say you can't".* More often than not, however, the comments were painful to bear.

The elderly reported that they feel bad about their living situation to the extent of becoming depressed. They are ashamed of having to ask family, friends, neighbours and others for help. According to one elderly person *"when I have no money, I feel bad...I go to a neighbour and sit and talk."*

Throughout the interviews and focus group discussions, participants expressed a sense of hopelessness. Hopelessness can lead to frustration, resentment and acting on anger. For example, some community leaders believe that it is loss of hope by youth that leads them to engage in risky behaviours. Accordingly, *"youth believe that this country is not going to let them get a piece of the pie...and so they are easily lead into undesirable activities".*

The loss of hope (and lack of parental supervision) was associated with high school dropout rates in some communities. Interestingly, some of the unemployed men theorised that *"when they (children) see how I live then they think no sense doing well in school because they too will not get a job".*

12.3 DISCRIMINATION AND SELF-ESTEEM

Negative stereotyping of resource-poor individuals, groups, and communities often leads to lack of respect and discrimination in the wider society. Discrimination against community residents is partially due to stigmatisation of coming from a "poor" community in which all individuals are stereotyped as exhibiting "bad behaviour". The findings of the PPA support these ideas. Participants in the study believe that their low socio-economic status and stereotyping have a negative effect on employment opportunities, financial transactions, and social life in the wider society.

For example, the youth of the study identified discrimination in the type of education they received as well as in employment practices. Not having a proper education was seen as something they were being denied because of their family background and the community in which they lived. In one group it was felt that *"our schools don't teach the good education like other schools...schools just want to suck the money out of poor people".* In another group, a youth compared educational attainment between his community and another that is associated with more resourceful households. The youth commented that, *"people in Savannah high grade push their children, but people in the island down grade East Enders".* Overall, the youth believe that children of rich people have a higher quality of education. According to one

youth, *“In Cayman...is not black versus white but rich versus poor”*.

Social status was also linked to employment opportunities, the community in which one lived, and citizenship. One youth explained that, *“people look down on poor people as if they don’t have any confidence in us; they think we can’t do their high jobs”*. In this same group another youth suggested that, *we are one of the smallest districts so they (the government) don’t think we need much”*. With regard to discrimination based on citizenship, one youth reported that there are instances where people from the community in which they lived made negative comments about his family because they were from Jamaica. According to this youth, *“people discriminate against races. People come up and say Jamaicans are this and that...I hit a boy for telling me (something negative). My mother said I crossed the line”*.

The youth struggle with feelings of low self-esteem. They claim that:

- *I feel miserable”*
- *“I feel sad...I can go to my friends’ house but they can’t come to mine”*.
- *“Everyone would like to be treated in a certain way. Some people put you down because you don’t have. Being put down by people who have more than you can make you crack”*
- *“You feel downgraded”*
- *“You feel guilty...shame...embarrassed... want to go somewhere and cry*

- *“Start doing bad things...some want to commit suicide, some go into prostitution, others hustle or sell drugs”*
- *“You have a different attitude towards your goals...like you trying but cannot get anywhere, so you quit...maybe sell drugs”*
- *“You are forced to throw away your dreams”*

Elderly respondents also believe that they are discriminated against because *“society makes you feel like you are not recognised...if you were white you would be recognised”*. A sense of disappointment, pain, and hopelessness could be detected in the comments such as *“you feel useless, you have no luxury”*. The level of hopelessness sometimes escalates to feeling suicidal. Overwhelmingly, the respondents felt bad about their situation and to some extent depressed.

Emotions of anger, frustration, and low self-esteem resonated in discussions with the unemployed group by both those who identified themselves as being poor and those who believe that they are in between. Anger is directed at self and at children...

“man I get vexed when I get deep down in poverty...I get angry with myself...I get angry with my children because I cannot get them what they want”.

In all instances participants reported that they did not face negative treatment in their communities but from outside the community in the wider society. For example, women and men spoke about the treatment they receive when seeking

assistance and how this affects their self-esteem. Some expressed fear of being turned down when asking for help while others spoke about being embarrassed when, *‘having to put back stuff on the shelf in Fosters because of not having enough money’...or “feeling bad when you borrow money from someone and they throw it back in your face”*. The participants reported that they feel powerless without a job and money. Furthermore, the embarrassment and frustration sometimes can lead to *“wanting to give up...even commit suicide”*, or as another participant suggested *“poverty will bring you to a criminal.”*

“You feel different when you are unable to provide for yourself...you become unintelligent”.

Aspects of discrimination resounded in the group discussions with the unemployed. Immigrant men felt that they were discriminated against in the workplace because of their work status. They suggested that employers take advantage of them, paying low wages, disallowing them to subsidise their income by working for other employers not attached to their work permit, and having them work and live in substandard conditions. On the other hand, Caymanian men who were unemployed said that they were discriminated against because employers preferred to hire some immigrant labourers because they would accept lower wages and worse working conditions. At the same time, they pointed out that North American and European immigrant workers were favoured in the workplace and were given better working conditions and promotions. Overall,

participants felt that there was discrimination in the work place based on the colour of skin and nationality.

The only group interviewed that offered some suggestions on how to improve self-esteem were the groups of women. They suggested that *“although sometimes you feel to give up...you have to persist.”* They argued against the stereotype that women experience economic difficulties because they inappropriately spend their income on *“looking good”*. The women in the focus group were adamant that this kind of spending was important to their self-esteem, particularly when they were feeling depressed about their living conditions. According to the advice given,

“every woman must want fi look good...just put yourself together, even if your clothes cheap”.

12.4 FEAR OF DEPENDENCY

A common theme arising from the interviews with the various individuals, households, and groups was a *“cry for help”*. At the same time, all the participants held the strong view that they did not want *“handouts”* refuting yet another stereotype of poor people. In fact, in assessing their current living conditions they expressed a fear of becoming dependent on others including the state. According to one woman, *“you feel dependent and you would feel better if you had your own or can get it yourself.”*

Adult children (with or without children of their own) felt that if they did not contribute

financially to the households that they were being a burden on their mothers. On the other hand, parents expected some assistance from adult children who were living with them only if this was possible, that is the adult child was working. However, parents did not express an expectation or demand for remittances or other forms of help from adult children who were living outside the homestead, especially if they had families of their own.

The elderly reported that they felt ashamed of having to depend on others for assistance. At the same time, most of the respondents said that they felt “blessed” because they still had something to eat and because there are others out there who are less fortunate.

A sense of pride of being able to help oneself was observed in all the groups. The respondents in Cayman Brac, for example, proudly acclaimed that, *“People here can find something to eat...wi can help wi self...most people here in this community can help themselves, some can help others, but some have it hard”*.

Overall, the findings of the PPA reveal that although individuals, households, groups and communities may be resource poor they are resilient, resourceful, and value their dignity and honour.

12.5 MORAL DILEMMA

The findings of the PPA reveal that people suffer physical pain as a result of having inadequate food and working long hours.

“Lady, you got to help my mother...we have little money and food even though my mother works hard...she works so hard that her foot is swollen and painful...when she comes look at her foot”.

“Mom tries to put food in the house but she can't...we barely have clothes, socks, brushes for our hair...sometimes when we have no food I gets headaches and fever from not eating”

However, people also experience emotional pain that comes from humiliation, shame and hopelessness. Along with the physical pain is the moral pain associated with making difficult choices regarding conditions of living in the family. Women and men talk about the pain they feel in not being able to provide for their children. One woman suggests that *“We can do without...we can go to bed hungry, but children cannot. Children cry out...a sad cry”*. Another remark that *“I get frustrated because I have to explain to my children when I say no is because I cannot afford something that they want.”* The acute pain and sense of defeat of a mother are observed in another example, when in times of difficulty, she tells her children, *“time for fasting”*. Most of the women, however, try to protect their children from knowing the real financial state of their households. They worry about what will happen to their children if something happens to them or if they cannot work.

The close relationship between mother and child and the vulnerability inherent in this association was expressed in different ways. For example, the high level of dependency of children on their mothers was recognised as a risk factor by both mothers and the

children. One mother's apprehension was that, "I see my death is coming...and I must run away from it for the sake of my children". On the other hand, the daughter of one of the respondents said that "she is always afraid of her mother dying".

Overwhelmingly, but not surprisingly, all of the mothers tended to protect their children by not letting them know the details of their financial and emotional condition. Children, however, are aware of the stresses in the household and know when their mothers are crying. One teenager reported that she and her younger brothers also cry when their mother is crying, "mom cries a lot...everybody cries when mummy is crying again and again". Children are fearful of "how we are going to suffer when we (younger brothers and I) grow up".

Men also experience emotional pain when they are unable to provide for their children. The pressure of the gender assigned role of provider was observed in the following reports of the men:

- *"It affects my children bad...they not feeling what you tell them"*
- *"My kids see other children with things and they want that, then they say daddy did not buy that for me"*
- *"When I tell my son I do not have the money to buy him sneakers...he trips out on me"*

An older gentleman shares his pain of not being able to help his children and grandchildren with school, "I feel bad, really bad"...he goes on to explain that "he feels as if he is being deprived of putting his family

through proper schooling." The immigrant men spoke about the moral dilemma of having to leave their wives and children in their home country.

12.6 FAMILY LIFE, VIOLENCE AND CRIME

A common characteristic of poverty is the crumbling of households and families under the stresses of poor living conditions. Some households breakdown as women and men are unable to adapt to their failure to earn adequate income to support their families. In Volume II which records the Participatory Approach, we see that under harsh economic conditions, gender power is contested as women's contribution to the household economy grows in importance. This can lead to domestic violence, alcoholism and a breakdown in family structures.

The impact of psychological stresses on family life although not well reflected in traditional poverty assessments that are heavily oriented to quantitative analysis. One of the most important effects of psychological stress is the fear of increased vulnerability to violence both in the public and private spheres of life. The PPA reveals that there are psychological stresses and threat of violence in the domestic and public spheres in the Cayman Islands. This includes increased stresses on social relationships in families, as well as domestic violence, particularly for women and children.

For example, the women of the study link their vulnerability to increase in stressful relationships with men as husband, father of their children, or as a friend from whom they seek support. According to one of the women, *“men walk away when they cannot provide for the family and leave you alone in the situation”*. Another woman indicated that she was not comfortable having to, *“depend more on my spouse”*. In other instances, *“poverty sometimes will make you do things out of the way...like have more than one man”* because *“if you nah find work, you have no money...you have fi go tek man”*. The women were sensitive to the idea that this was not something that they enjoyed. In fact, one woman suggested that, *“the situation sometimes make you feel like a prostitute’ and “as a woman you have no value.”* The overall sentiment shared was that *“sometimes when you become dependent on friends...they (men) will abuse you”*. Overall, it was found that women put themselves at risk in the process of trying to survive and provide for themselves and their children.

Low incomes and the inability to meet all the family needs put a strain on the male-female relationship and on family life in general. The general consensus by women is that financial difficulties can lead to a display of anger within families. The anger is often directed by men to women and children. The women further explain that because adult family members have to work so many hours they do not have time for each other and for children. As a result, families *“bicker more and mash up and men walk away”*. Consequently, the absence of the male from the family results in some

instances in a role reversal in which women are forced to perform the role of both male and female and she becomes *“a Jack of all trades”*.

Some women admit that they also are guilty of abuse of their children when under stress. The abuse is both verbal and physical. Others select instead to emotionally distance themselves from their children because they do not want to *“treat mi children bad because of poverty”*.

Family life is also affected because women often have to make the difficult choice of leaving their children at home with other relatives or by themselves while they go out to work. This is not an easy decision and the women often feel guilty when they do. However, the nature of some of the jobs that employ women requires women to work nights, and/or long hours, and/or extra shifts. The pain of having to leave children behind was something the immigrant women (and men) identify with since many of them must leave their offspring and other loved ones in their home country while they work in the Cayman Islands.

Both women and men agree that having difficulties in making ends meet can lead to an increase in aggressive behaviour by adults and to domestic violence, both verbal and physical. Men, who are unable to provide adequately for the family, display low self-esteem and develop habits of alcohol abuse and other forms of abuse. Women and children are sometimes the victims of these abuses resulting in their own low self esteem. According to one

community leader, *family members are angry but do not know why*". Another respondent gave the example where children are "*put down*". They are told by parents and other adults that, "*they would never achieve...or wish you were not here*"

Youth are also aware of the impact of the lack of financial resources in the family on relationship between conjugal partners as well as on the parent child relationship. For example, the youth observe that parents/adults sometimes stop communicating with each other and can get abusive with each other and/or with the children. The youth are not angry with parents because they recognise that these situations occur primarily because parents are "*worrying about where the next meal is coming from...and so they take out their anger on other people and their children*".

The youth also admit that there are some children who do not understand that their parents cannot provide everything that they request. According to the youth, in these situations children can display anger towards their parents that can result in a breakdown in parent-child relationships. For example, "*sometimes you feel angry when you want something and cannot get it*". In most of the focus group discussions, the youth refer to their mothers as the parent who children ask for things and therefore also the parent who has to refuse the request based on lack of resources. For example, one youth explains that, "*some kids just don't understand when their mother says that she don't have it...they see their mother go*

and buy food and believe that their mother lie to them".

Interestingly, all of the youth groups link poor living conditions with the sale and use of illegal drugs as well as the spread of violence in their communities. They see themselves and other youth as being vulnerable in such environments. For example, one youth explained that "*because we are young and there is drugs in the neighbourhood we are influenced and want to do drugs like the big boys*".

Other youth spoke about violence and the use of weapons among other youth in their communities. They suggest that gang activities were also reactions to poor living conditions. Young people cannot get jobs; they drop out of school, and lose hope. This can sometimes lead to establishing groups that physically harass the people in their community. Bullying of smaller and/or younger youth was identified as a growing problem in the communities. The youth suggests that bullying can be perceived as a coping strategy.

The youth also report that, "*girls are more vulnerable to the violence because they get raped*". The prevalence of violence in the communities is also associated with domestic violence in the home and a breakdown in family life. One youth explains the cultural impact of being exposed to violence over time. According to this youth, "*as a young child when you witness domestic violence it affects you...and you become used to it*".

Adults in the study link these effects on young children and youth to the lack of supervision at home and after school. According to one community leader, because there are no quiet spaces for the children at home, a lack of parental supervision, and/or increase in domestic abuse *“the children are always on the go...in constant motion. They also become angry and withdrawn.”*

12.7 SOCIAL FRAGMENTATION

As households and families breakdown, so too do the community and society. Social fragmentation of *the community* in the Cayman Islands is the last indicator that living conditions are impacting negatively on everyone. A common view is that the social cohesion of the communities is declining because, in the first instance, the experiencing of economic difficulties means that people must spend a lot of time trying to gain an income. As such, they do not have adequate time to help each other, socialise, or to be neighbourly, or to engage in community activities. The social fragmentation of a community puts the community at the risk of increased lawlessness, crime and violence.

Secondly, social fragmentation is occurring as a direct result of segregation of community residents by social class and groups. That is, the gap between rich and not so rich is widening. Consequently, some community leaders argue that there are now many subcultures in the community, including economic groupings with different social norms as well as gang

related youth groups. The “bonding” social capital that is based on people helping each other because they belong to the same social status is weakening. Consequently, the offer of assistance by one individual to another is less likely to occur. This includes *“giving a ride”, lending some money”, the offer of food”, looking after each other’s children”,* etcetera which are slowly waning. Bonding social capital is an important survival strategy for individuals, families and households who are experiencing poor living conditions.

Thirdly, families that have improved their socio-economic status now move out of the community. As such, the communities are experiencing a ‘*drain*’ of human and economic resources. This sometimes occurs within families as well. For example, one respondent referred to her daughter who has a university education and will not live in or participate in activities in the community into which she was born. In fact, her daughter believes she possesses a different set of social norms, and is critical of her mother and the people within her home community. The movement of individuals outside of the community does not have to result in the loss of human and economic resources. In fact this can be an advantage to the community if these individuals maintain solidarity with their community and are able to access external resources for that community. This type of “bridging” social capital is important in poverty alleviation.

The information collected and analysed shows that the social fabric of resource-poor individuals, families/households, and

communities is unraveling. Bonds of trust and reciprocity are weakening. Unfortunately, bonding and bridging social capital are the cornerstones of any community's survival in harsh times.

In summary, (i) once the unraveling has begun it is difficult to reverse the process; (ii) the breakdown of social solidarity and social norms can lead to increased violence and lawlessness in which resource-poor people are most vulnerable; and (iii) social capital is the main insurance for those with limited material assets: once this is threatened, resource-poor people are more likely to be negatively affected.

Furthermore, social fragmentation found throughout the Caymanian society is also directly linked to the migrant population, including regional nationals, non-regional nationals who are people of colour, and the North American and European Caucasians. Studies show that when people experience economic downturns, their faith and cultural identity increases in importance to their psyche. During the conduct of the PPA the issue of cultural identity was consistently brought up for discussion. Central to the discussions were: what is Caymanian culture and what are the rights of a Caymanian vis à vis others?

12.8 POWERLESSNESS AND SOCIAL EXCLUSION

While the quantitative data show that absolute poverty may not be a major issue when compared to other countries, the PPA data suggest that relative poverty, social deprivation and social fragmentation in the

Cayman Islands are generating social exclusion that produces stigma and discrimination. Stigmatisation associates human differences shared by a group with negative attributes that separates "us" from "them," and produce status loss. Throughout the research, the concept of what is "Caymanian" and the rights of a "Caymanian" versus others were consistently expressed in the "us". These expressions at all levels of the social strata of the Caymans can be linked to a perception of power differences between the diverse set of subordinate and powerful groups as well as among the different subordinate groups that exist in the culturally mixed Caymanian society.

One of the most important contributions that the PPA makes to the NALC in the Cayman Islands is in highlighting the characteristics of exclusion shared across vulnerable groups. The people's findings and recommendations offer a broader and a more comprehensive way of thinking about social policy and anti-poverty interventions in the Cayman Islands. To be effective, policy interventions need to address social exclusion through inclusive social and economic policies that address economic "catching up" and national, civil and human rights frameworks to address discrimination based on gender, age, skin colour, and nationality.

The term social exclusion is broad and has different meanings. Nevertheless, there is a general agreement that although inadequacy of income is a central component, social exclusion refers to a

wider set of circumstances than income poverty (see, for instance, Sen 2000; Bourignon 1999; Rodgers et al. 1995). Within this understanding, social exclusion in the Caymans can be more closely related to the concept of relative rather than absolute poverty. In the numerous fora provided by the PPA people consistently reported that they felt a strong sense of social inequality in the society. Consequently, references of social exclusion were not only linked to the unequal distribution of income and assets but to social deprivation and lack of voice and power in society.

The lack of voice and power is best reflected in the discussions with women, the disabled, the elderly and the youth. Ironically, while women continue to play a central role in the family and household economy, as well as in Government and other professional jobs, they still express feelings of powerless and being invisible. The disabled spoke about being excluded from knowledge, and the elderly felt abandoned by society. Youth, on the other hand, expressed sentiments of hopelessness and “having to throw their dreams away.” Men and the unemployed expressed the view that the “Labour Office” was not designed to best serve their interests. The overall sentiment was that too much attention is being given to the tourist and not enough to the people of the Cayman.

Interestingly, in the PPA, the social exclusion of people was not forcibly linked to the inability of an individual to participate in the basic political, economic

and social functioning of the Caymanian society although this was an underlying sentiment. Instead, a more concise association was made to “the denial of equal access to opportunities” relative to other groups in the society. Overall, the range of viewpoints and perceptions reported in the PPA illustrates feelings of exclusion, and shows that poverty is not only about material and physical deprivation but is multidimensional with other forms of deprivation that are both tangible and non-tangible.

Furthermore, the data collected and analysed by the people participating in the PPA reveal that social exclusion is embedded in social interactions. Thus, we see social exclusion resulting from the social interactions between groups who see themselves in a powerful/subordinate (rich and not so rich) relationship as well as subordinate/subordinate (unemployed or low wage employment of locals and regional non-nationals) relationship in the Caymanian society.

The feeling of powerlessness is also observed at the micro level. For example, people from resource poor families and communities are reported to feel uncomfortable speaking in the public even in matters directly linked to the wellbeing of their families. Similarly, parents from poorer homes are hesitant to ask questions about their child’s school performance and to engage in general discussions in parent-teacher meetings.

Exclusion is not an inevitable condition: it results from societal and cultural processes that have certain structural antecedents such as globalisation. In the case of the Cayman Islands, economic growth can be perceived as both necessary and evil. Prior to the injection of capital via the tourism and financial services sectors, many Caymanians migrated to other countries in search of employment. Now with a vibrant economy, this practice is reversed and people come to the Cayman Islands to work. One would also expect that all members of the society benefit from the economic growth. However, echoing from the consultations with the people, is that inequality in some areas has intensified.

Globalisation in the Caymanian context therefore is perceived by the people as both a cause and a consequence of exclusionary practices. Given that such economic growth has and is still being encouraged, perceptions are that social exclusion is not just happening, but is being made to happen. Within this understanding, suggestions for improving the standard of living by those most affected included having those in authority accept the responsibilities and act to correct for perceived inequity.

It is a common belief that social exclusion is arbitrary – that is, people are excluded because of ascribed (social) rather than achieved (structural) features. In the Caymanian context, based on the PPA findings, the argument was made that social exclusion is a result of both achieved features, such as the lack of education and

technical skills, as well as ascribed features such as discrimination based on colour of skin and nationality.

In addition, the PPA found that social exclusion and inequality of individuals and groups impacted more on certain groups and neighbourhoods. For example, select communities fare worse in terms of the number of families and households that had low incomes and poor living conditions. Different groups reported different issues. This type of data is useful in planning of decentralisation schemes and policies targeting specific groups and communities.

Similarly, data reveal that structural barriers and exclusionary practices have intergenerational effects that lock families into conditions of poverty. The practice of women and men being forced to leave school at an early age to support their parents and/or their own families is one. When repeated, this results in low educational attainments, low incomes, and low social status through generations.

In general, the socially excluded groups in the Caymans are unable to take advantage of the progress experienced by their society. They are being left behind and many suffer compound discrimination. On the other hand, there are middle-class Caymanians who have not only being successful in attaining tertiary level education and jobs, but are also able to support tertiary level education for their children. Thus, emerging from the current situation is a global divide and an internal divide.

“Everything is done to satisfy the tourist that comes to the islands, and little attention is given to us”.

Note the community map did not include clustered areas of ‘tenement yards’, instead they made reference to ‘condos and apartments’. (facilitator’s note)

It was suggested by the participants of the PPA, that what is needed is social protection and other short-term measures to help those who are experiencing adverse conditions: in other words, there is need to give some people fish. At the same time, there is also the need to have more systemic policies that can expand access to opportunities to deal with the permanent and intergenerational nature of exclusion. That is, teach people to fish and provide the fishing line and lessons in fishing. For example, there is need for the development and/or expansion of tertiary level education and technical skills training, building programmes with accompanying scholarships for the less fortunate. Similarly, recommendations were made for the establishment of labour policies to address discriminatory practices in the job market. To these can be added the building of infrastructure and programmes for youth in the neighbourhoods, so that they can have access to afterschool programmes, and opportunities to be mentored. Similarly, there should be facilities and services for the elderly and disabled so that they are

included in all aspect of community and societal life.

In addition, the PPA participants strongly recommended strengthening the organisational and advocacy capacity of excluded groups and communities. Based on the level of participation in the PPA activities, the implementation of this recommendation will improve, over the long run, the participation of civil society in self-determination.

12.8.1 IMPLICATIONS

Social inclusion policies will have a direct impact in increasing people’s wellbeing, promote equitable growth, and enhance social stability and social cohesion. Social inclusion policies should also have a significant effect in reducing intergenerational poverty in the Cayman Islands, through the removal of barriers in education and employment and providing opportunities for children of excluded groups to fully participate in the economy in ways that their parents could not. Sustainable and healthy growth of any economy cannot rely solely on the injection of foreign investment. It must also include economic opportunities for the people of the country.

CHAPTER THIRTEEN – POVERTY FROM A GENDER PERSPECTIVE

The overall aim of this chapter is highlight some major challenges to the understanding of poverty from a gender perspective. The chapter first examines the methodologies and concepts used in the conduct of the NALC in the three Cayman Islands to discuss how the PPA has contributed to a more holistic assessment of the multidimensional and gender aspects of poverty.

Secondly, the qualitative data collected under the PPA is used to show gender-specific impact of poor living conditions, including gender-differentiated experiences, perceptions and responses. Discussions centre on the various stereotypes of women and men and how these affect how poverty is conceptualised and addressed. The social and psychological gender dimensions are discussed in Chapter 17 with other at-risk groups.

Thirdly, the chapter highlights individual case studies that are reflective of changing roles and the gender nuances that result in low-resource households.

Finally, the chapter offers some thoughts on future directions in research and policy that are more inclusive of gender analysis in mainstream analytical and methodological approaches. Equally important, is the utilisation of data from these approaches to direct appropriate resources to women and men, based on a more realistic understanding of gender roles rather than

on stereotypes. To further substantiate these recommendations, this final section of the chapter also reports on suggestions for improvements made by the women and men in the study.

13.1 CONTRIBUTION OF THE PPA TO POVERTY ASSESSMENT FROM A GENDERED PERSPECTIVE

Traditional definitions of poverty centre on the inability of an individual or group to secure some minimum level of goods consistent with accepted standards. The acceptable standard is usually based on some comparative material condition that exists for some people but not for others.

While this definition is closely associated with traditional definitions and measures of poverty focused on material wellbeing, this study recognises that poverty is multidimensional and has gendered aspects. Within this context, the NALC for the Cayman Islands included a PPA component that is sensitive to the multidimensional and gender dimensions of poverty. Gender awareness in poverty assessments is largely linked to the work done by feminists, including Caribbean feminist scholars, over the last three decades. According to Chant (2003), previous gender research that has most impacted on poverty studies comprises:

1. Research on women and development conducted during the UN-declared decade for women 1975-1985.

2. A later body of work focused on the impact of structural adjustment on women (See the work of Moser 1989; Safa and Antrobus 1992; and others conducted in the Caribbean).
3. Research focused on the growing number of women-headed households and the “feminisation of poverty” perspectives.

The bodies of research (1) and (2) indirectly linked gender with poverty. On the other hand, “feminisation of poverty” arguments that originate in Western societies directly focus on gender dimensions to poverty. Basically, the “feminisation of poverty” refers to the growing number of single female-headed households that are disproportionately found to be living under the poverty line. Influenced by these perspectives, traditional approaches to poverty assessment sought to further include gender-disaggregated data in the conduct of household analysis.

More recent arguments claim that the improvement in traditional approaches are inadequate and does not allow for a holistic understanding of poverty from a gender perspective. The inclusion of the PPA component in the NALC for the Cayman Islands ensured that poverty was assessed from a gender perspective and that a multidimensional approach was used. The use of the PPA and gender analysis provided insights of why certain groups of people are more likely to experience poor living conditions, why it is more difficult for

these groups to improve their living conditions, and factors that contribute to these experiences. The main contribution of this analysis is that it allows for a deeper understanding of the linkages, the nuances, and dynamics of poverty and gender inequality. For example, it highlights how poverty has different effects on women and men in single, nuclear, and extended families.

Within this context, the PPA component of the NALC includes contours of gender analysis that go beyond drawing the simple conclusion that female headed households are the “poorest of the poor.”

The PPA examined multidimensional and gender dimensions of all resource-poor households - single female-headed, two-parent, and multi-family households. Furthermore, this approach did not assume that households are altruistic units of production, consumption and reproduction. In fact, the interviews conducted with members of households and participants of the focus groups of women and men show that gender relations are complex.

In the Caymanian household, it would be incorrect to assume that males are the major decision-makers and/or income earners. Further, the data and the analysis confirm that while the wellbeing of children and of the family is the core concern of all members of the households, women and men express their views, feelings, and actions differently.

13.2 GENDER PERSPECTIVES AND RESPONSES

13.2.1 FEMINISATION OF POVERTY

Throughout the research distinct gender patterns emerge in the understanding of the negative impact of poor living conditions on women and men. For example, community leaders pointed out that the single female-headed household in their communities were more likely to experience financial difficulties that can lead to poor living conditions of their families. This belief is in congruence with the feminisation of poverty arguments, that increasingly, single female-headed households are unable to sustain a healthy standard of living. The evidence was further brought out when we compare the data from single female-headed households with the same socio-demographic characteristics with two-parent households. Here it was found that while both types of households experience financial difficulties, households with two low incomes can better afford to send their children through the secondary school level of education (see Table 13.1. below).

On closer examination of the demographic information, the likelihood of a family living in poor conditions is not directly linked to the sex of the individual who heads the household. Instead, a distinct pattern emerges in which individuals who left school at an early age for economic reasons are more likely to have low levels of education, work in low-paying jobs and experience difficulties in maintaining a family. Within this socio-economic state,

having one low income versus two low incomes makes a significant impact on the wellbeing of a family. In the table, while the comparison was made for education of children, we can expect a similar pattern in all aspects of wellbeing.

TABLE 13.1: DEMOGRAPHIC TRENDS BY HOUSEHOLD TYPE

Trends	Single Female Headed Households	Nuclear Family Households
Age	Same (44-55 years)	Same (44-55 years)
Family Size	Smaller (2-5 children)	Larger (4-7 children)
Age at first born	Same – young (17-24 years)	Same – young (17-24 years)
Level of Education	Same (up to some secondary level)	Same (up to some secondary level)
Type of jobs	Same -Low paying – unskilled	Same – Low paying unskilled
Economic status	Difficult	Difficult but can afford to send children to complete school up to secondary level

Wage stratification by skill and gender is important in assessing living conditions in the Cayman Islands, because, unlike most other Caribbean countries, conditions do not encourage a vibrant informal sector. Small businesses (sale of food, huckstering and ‘higgling’, crafts, etcetera) offer Caribbean women a major source of income or constitute an important supplement to household income. More importantly, income earned in this way fosters a sense of

independence from the state as well as from a male partner. In the Cayman Islands, wage employment is the main source of earning an income. In the absence of this opportunity, Caymanian women work primarily in the formal economy. For example, none of the women in the PPA identified themselves as a housewife or homemaker. Eighty-two percent of the women were working women with some level of secondary school education.

While women in the Caymanian society always worked, the data collected indicate that women and men tend to be employed in stereotypical gender jobs. Men work in physically demanding or technically-oriented jobs primarily as laborers, carpenters, masons, plumbers, farm hands, and so on. Women work in service-oriented jobs as domestics, assistants in kitchens and restaurants, cleaners in the hotels or in the civil service as clerks, nurses and teachers. Some work in the private sector as salespersons, cashiers, and so on.

The low economic status of women in single female-headed, nuclear type and multiple family households is therefore not a result of their not wanting to work or being unemployed. In fact, the women reported that they have consistently worked hard but in low-paying jobs. For example, one female participant had been working for over fifteen years and was still only getting paid five dollars (\$5.00) CA per hour. Another woman reported a salary of five dollars and sixty cents (\$5.60) CA per hour from which deductions are taken out for health and other benefits. They explained that working

hard under current conditions and salaries barely gives them what they need for their families.

Given the social and economic backgrounds of the women and men of the PPA component of the NALC, it is not surprising that a single-income household, more so single female-headed households, are more likely to experience the worse living conditions that sometimes make them dependent on family, community and state for assistance. A similar situation exists with single immigrant male households experiencing poor living conditions. Without another working partner and a family or community network, their low-paying jobs are unable to support a healthy lifestyle in the Cayman Islands, as well as that of their family back in their homeland.

13.2.2 GENDER ROLES AND PERCEPTIONS OF POVERTY

The PPA examined how women and men experience, perceive and respond to their living conditions in all types of households. It strengthened the quantitative approach used in the NALC, and also provided some support for the popular “feminisation of poverty” arguments. The gender analysis used was based on the understanding that women and men are human agents that negotiate their environments and not simply respond to it in stereotypical ways. This approach allowed for a deeper understanding to the common view held by some participants in the study that:

- *“women try and cope...men pick up and go”*
- *“men drink their fears away and have a problem expressing their feelings”*
- *“women tend to become more accepting of men’s indiscretions*
- *“man tells the woman ...you deal with it”*

An analysis of the PPA findings show that in many instances stereotypical perceptions and responses to harsh living conditions are linked to the socially defined gender roles in the Caymanian society, particularly those associated with children and family. For example, because women assume the role of nurturer they tend to become more stressed (than men) when they are unable to provide food and other basic needs for their children. As mothers they believe that *“if the woman is of poor condition...then the children is poor”*. This view is supported by community leaders, one of whom was adamant that, *“there is not a woman in her community that will not protect her child”*.

Interestingly, while the Caymanian woman always worked, sometimes contributing equal or more income than a male partner, the role of breadwinner has been socially defined as that of men. Similarly to women, men link this role to how they feel about their current living conditions. Consequently, men tend to define poverty relative to employment and income. As one participant put it, *“every man should be working and paying his bills.”*

The PPA allowed for deeper discussions and analysis and found that while men directly associate income and employment

with poverty, they indirectly link income and employment to their ability to provide for the family and their “manhood”. They consistently allude to the negative impact that not having adequate money has on manhood and family life. For example, they talk about either not being able to get married because they could not support a family, or having to work twice as hard if you do have a family. One male participant told a story where his girlfriend left him for someone who had more financial resources and *“who drove a top of the line Honda motorcar”*. Another spoke about not being able to take his wife anywhere. A grandfather expressed the belief that he was being denied the right to educate his grandchildren because of the lack of income.

13.2.3 GENDER RESPONSES

The data collected and analysed show that women and men respond to their living conditions in similar and in different ways. Equally important is that they also respond as a family unit or household in creative ways. For example, households which experience difficulties in “making ends meet” adopt the practice of (i) multiple families living in one household, (ii) working multiple jobs and overtime, (iii) making lifestyle adjustments (iv) sometimes becoming reliant on family, friends, neighbours, and government.

The practice of multiple family homesteads was observed as an important coping strategy, particularly in families where adult children had offspring of their own. In

this study, 1/3 of all the households sampled had multiple families of mother (and some fathers) with children and grandchildren. Within this group 3 households had separate units attached in one tenement yard, while in the other 2, family members lived together in one house. In this arrangement, both the parent and the adult offspring benefit. For example, the cost of living for the parents is shared by the informal understanding that the adult children assist in the overall expenses of the house. In particular, utilities and basic services such as electricity, water, and cable television are divided between the parent and the adult children (with or without their own children). Food and telephone expenses are usually separate. Adult offspring benefit from this arrangement because it offsets having to pay rent or build a home independent of the parents' land holdings. To a large extent, the persistence of these activities is sometimes interpreted as cultural.

Interestingly, these family arrangements (multiple families in one unit or independent but attached units) are prominent amongst mothers and daughters. In all five of the multiple family households interviewed in this study, daughters shared in their mother's homestead. Usually, the father of the children of the adult daughter did not live in the homestead. Adult male children with their own families tended to live in separate housing.

As individuals in single households, nuclear, and extended family situations women and men also respond to the harsh

living conditions in different ways. Survival strategies are found to be linked to the roles that women and men play in society and in the households. For example, men adopt strategies linked specifically to their role as breadwinners, and women adopt strategies associated with their roles as nurturers/family caretakers as well as that of an income earner.

As income earners the study found that women from single female-headed households are more likely to engage in working at two jobs on a shift system. One of the jobs is usually in tourist-linked services in which the amount of income earned is seasonal. Cutbacks in income acquired in the off-season can lead to not having adequate food, late or non-payment of utility bills, un-repaired automobiles, and several other financial challenges.

In this situation, women and families survive by adjusting their lifestyles. The adjustment involves shrewd decision-making: for example, bills must be paid before food, clothes, and other personal items are bought. Sometimes arrangements are made to pay the utility bills on a payment schedule or to keep utility bills down "turn lights on when you enter a room and turn lights off when you leave". In other situations, the decision is to have food only for some days of the month...until the next pay check. Clothes and other non-food items are never given priority. In these situations women sacrifice their own personal needs.

In extremely difficult times women rely on assistance from certain family members, friends and neighbours. Assistance can be in the form of remittances, transportation, food, small loans, or emotional comfort. Reliance on government is not always a first choice but sometimes necessary. They all felt that government assistance could be dispensed with greater respect for the beneficiary and without creating humiliation. In most households, government assistance is given periodically to meet requirements for school children (temporary but repeated), and as food vouchers (also temporary but repeated).

In general, the economic strategies used by women centre on either reducing the cost of living and supplementing individual earnings by doing two jobs or extra shifts on the same job. To reduce household expenses women:

- Share the cost of housing (rent, repairs, and mortgages) and utilities by sharing the living arrangements with friends, family, or renters.
- Look for bargains when purchasing goods.
- Periodically skip grocery shopping.
- Buy in bulk.
- Buy goods where they are sold at a cheaper price.
- Change the diet of the family to less frequent meals or less balanced meals.
- Just buy the basics that are needed.
- Put their social life on hold.

These measures require great sacrifices and control. As one woman puts it *“I do not red eye for things I cannot afford”*. Another explained that, *“I put my basket where I can reach it”*.

Strategies adopted to supplement women’s income include:

- Baking or cooking food items for sale.
- Working longer hours.
- Working extra shifts.
- Working extra jobs.
- Seeking assistance from the Department of Children and Family Services.
- Participating in “gaming” (illegal number game).
- Participating in informal saving schemes “throwing a partner”.
- Seeking financial loans or aids from family, friends, or neighbours.
- Having relationships with more than one partner (sequential or simultaneously).
- Tricking men for money or “boopsing”.

The survival strategies adopted by men are in some instances similar to those adopted by women. The men cope with financial difficulties and having to support a family by “working harder” doing extra jobs including part-time work, and working longer hours. In addition, they work in riskier jobs because these are more available

and the pay is slightly better than the less risky jobs. Some immigrant labourers also work for employers not attached to work permits and take the risk of (i) losing their work permits; (ii) being paid below minimum wage; or (iii) not getting paid at all.

Some men admit that when things are tough, they engage in petty theft and sell drugs. However, several questions on this issue were raised including the extent to which:

- *“a poor man buy drugs enough to sell?”*
- *“a poor man’s son find the money to buy and sell drugs?” or*
- *“whether it is the bigger people who bring it in and give it to the smaller people?”*

Men also spoke about cutting back on their social lives as a means of coping with insufficient incomes. As one participant jokingly suggested, *“instead of having five women, I only have two”*. Social adjustments also include cooking and taking meals to work instead of buying meals at a restaurant. Immigrant male workers sometimes *“run boats”*: that is, they get together and share the cost of the ingredients of the meals they prepare collectively. The Caymanian men sometimes borrow money from banks, friends, and family members. Others supplement the family food supply by fishing or farming.

They all suggest that, *“they focus on needs and not wants.”*

13.3 PATRIARCHAL MYTHS AND MATRILINEAL TRADITIONS

The gender patterns found in this study can be linked to the social history of the Cayman Islands. For example, the evolution of strong matri-focal families may be due to a tradition in which men left home for long periods to fish or seek employment off the island. In this situation, Caymanian women played central roles both in the public arena, including the workplace as well as in the family. These past practices influence and reify current gender behaviours and ideologies that are in many ways typical of the Caribbean. However, unique to the Cayman Islands is a reported matrilineal land tenure pattern. Most of the participants of the PPA research reported that family land was owned by women and passed on from mother to daughters.

13.3.1 THE MYTHS OF THE MALE BREADWINNER AND HEAD OF HOUSEHOLD

The gender focus of the PPA uncovered interesting gender patterns in the Cayman Islands. Firstly, the myth of the male breadwinner in Caribbean households was refuted by reports from the interviews with female and male householders. Women not only always worked, but in many instances earned as much or more than their male partners. Secondly, the male head of household was also challenged when the question as to who was the major decision-maker was explored. Both women and men suggested that in many households, either women were the major decision-makers or

decisions were jointly made by the male and female adults in the home.

For heuristic purpose the households were divided by household composition as single female-headed, nuclear-type households, and single male-headed households. This allowed for organisation of the materials as well as for some gender analysis. The respondents were asked about the decision-making process, and who they would consider as the head of the household.

As expected, in the *single female-headed households* where there were no husbands/fathers present, the adult female/mother identified herself as the head of the household. Decisions are made by the adult female who sometimes consults her children or grandchildren. Seven of the eight heads of household in this group had previous marriages and/or common-law relations. Based on this history, the women were questioned about decision-making in past marital relationships. Most of the women suggested that when they were married, decisions were jointly made by both partners. They believe that the headship of household at that time was a shared position. However, in one case, the woman explained that because of the age difference and the fact that she got married quite young, her husband made most of the decisions and he was the head of the household before the marriage ended. In a second household, the woman reported that because her husband's earnings were the major source of the household income he made most of the decisions. Consequently,

he was considered the head of the household.

The perceived head of household in the *nuclear-type family* structure yielded diverse and interesting patterns. Of the five households in this group, two suggested that the woman was the head of the household, two identified the male as the head of the household, and one reported a joint headship. Headship of the households was linked to the decision-making process and the person identified as the major decision-maker. For example, in households where a joint headship was reported, decisions were made jointly by the woman and her husband. Similarly, in the nuclear families where women identified themselves as the head of household, this was based on the belief that they were the ones who made most of the decisions for the family and the household.

In one of these households, the woman owned the property in which they lived and reported that her Jamaican husband had his own property in Jamaica. While he assisted her in making decisions and in making home improvements, she retained the role as the major decision-maker. Her current husband was also not the father of her adult children and she did not involve him in decisions about the children and their lives.

In another nuclear family household, the woman claimed household headship because she attended to all family and household activities. According to this respondent, "*if you want to get something done I must see to it*". She was currently

employed as a domestic in a diving resort and her husband was retired with a grant from the Seaman’s Association, and fished to subsidise the home diet.

In the two nuclear families where the women reported that their husbands were the head of households, decision-making was reported to be a collaborative effort between the two partners. In one of these households, the woman was then unemployed and complained that when she was working, household decision-making was more shared, with discussions. Given the current situation, *“he now tries to tell her what to do”*. She felt neglected, dependent, and sometimes left out. Without a contributing income, her household authority and power were diminished.

A very different scenario was reported in the second nuclear family household where the male was identified by the female as the head of household. In this case, the woman admitted that although she made more money than her husband, and decisions were usually made by both partners, she still identified her husband as the head of household. When asked about the rationale for her response she smiled and explained, *“he is the man, and this is how it is suppose to be...if anybody came off the street and asked, this is what I will tell them”*. This respondent also linked her identification of her husband as the head of household as a sign of respect. On the other hand, the female respondent commented that, she *“allows him to do what he wants...once it is in (her) favour...if not (she) will challenge him”*.

TABLE 13.2: DECISION-MAKING AND MAJOR INCOME EARNER BY HOUSEHOLD TYPE

Patterns	Single Female-Headed Household	Nuclear Family Household	Single Male-Headed Household
Decision-making process	Currently the female Prior 75% joint, 25% the male partner	Currently the female 40% joint 20% the male	Currently the male Prior the male
Major income earner	Currently the female Prior, 75% joint, 25% the male	Currently the female 40% joint 20% the male	Currently the male Prior the male

Observable trends are that women are important breadwinners in all types of households. They account for 40-75 percent of total household income earned. When income earned is linked to decision-making processes and headship, 40-75 percent of the women are considered joint decision-maker or sole decision-maker. However, as the case of Ms. Flowers below shows, headship is often not by choice.

13.3.2 MATRILINEAL LAND TENURE PATTERN

Land on a small but rapidly growing tropical island is a scarce and expensive commodity. In addition, the strength of the Caymanian dollar and the expansion of foreign residents have been reported to result in out-pricing of local Caymanians

who want to purchase land. According to one respondent:

“As an elderly local Caymanian who have worked hard all my life here I cannot afford to retire...not only is the cost of living high, but I cannot afford to buy a piece of land to build a home.”

The competing high price of limited land mass is threatening certain traditional land tenure patterns that can have serious national and gender consequences. This observation is based on the findings of the household interviews from which the following issues of land tenure patterns emerged.

First, the information collected reveals that communal living on family-owned land is a common trend in the Cayman Islands. Family land has its complications in that there is never a clear cut deed of ownership and demarcation of space. Because of this, some households experience problems with other family members as well as with land investors. For example, one family member complained that a cousin was building on the same plot of land but without much consideration to the physical proximity to other homes, thus resulting in overcrowding of physical space.

The lack of clearly defined land titles can also leave the family in vulnerable situations. For example, in the West Bay area where increasing numbers of North American nationals are purchasing properties for retirement or holiday homes, one of the sampled householders reported that a foreign land investor had been

encroaching on her family land. Without proper documentation, it is proving difficult to prevent the encroachment. In addition, financial resources are needed to take the foreign national to court and to have her family land surveyed.

The trend of family-owned and lived-on land, however, is slowly deteriorating, as increasingly, the tendency is to own individual property. Within this tradition of family-owned and lived-on lands a *matrilineal system of land ownership and inheritance* was discovered on Grand Cayman. In all of the sampled households that owned their homes, the land on which the house structures were built was inherited from the mother. This pattern was reported in both female-headed households and nuclear family households. The women of these households reported that it was their mothers who gave them approval to build on the land. On further investigation, the matrilineal pattern of land ownership was traced as far back as to grandmothers. In addition, more than one daughter of a family benefited from this pattern. That is, the female respondents gave other examples of sisters who were either also living on mother-owned family land, or who were still living in the same home with their mothers.

The land tenure pattern was different on Cayman Brac and Little Cayman, where none of the respondents who owned their homes reported that they inherited family land from a mother or grandmother. One homeowner bought the land, another inherited the land from a former rich

employer/landowner, and the third inherited it from both her parents.

13.4 SUMMARY AND RECOMMENDATIONS

The findings of the gender analysis of the PPA are congruent with the United Nations Millennium Declaration goals for the Caribbean. That is, the data collected and analysed show that women contribute to poverty alleviation by their financial contributions to the household as well as by assuming the primary responsibility for the care of children, the sick, and the elderly. At the same time, woman in single female-headed households are more likely to experience poor living conditions.

The findings show that it is imperative to promote gender equality and autonomy in the Caymanian household if the woman is to earn adequate income to support herself and her family in the absence of a male breadwinner. The importance of women's ability to earn an income that can afford them and their families a comfortable standard of living as well as a sense of economic autonomy was clearly highlighted in the Beijing Platform. The recommendation was made that *"the best way to reduce poverty is to give women the opportunity to earn their own income by affording them equal access to resources, employment, markets and trade"*. (This recommendation can also be extended to men of low income status with families. See also section on social exclusion).

The women of this study were cognizant of the importance of increased opportunities and their ability to become economically independent individuals, wives, and mothers. Their suggestions for improvements were very practical in content, and focused on how to improve their educational and/or skills backgrounds. They talked about taking evening classes/courses if they were offered and made affordable. The women recommended that the government establish training centres for youth and women with appropriate scholarships. In addition, the women suggested that there be some kind of price control on food, goods and services. They also recommended increase in wages and better health care insurance plans.

For men, suggestions for improvements centred on their role as income earner and provider for the family. Most of the recommendations related to better working conditions, increased salaries, and reduced cost of living. Specific recommendations were for:

- Having continuous employment.
- Higher wages.
- Greater labour control.
- More flexible terms with work permits.
- Access to land to farm.
- Rent control.
- Food price control.

Both women and men believed that community development was also important to wellbeing. They would like to see infrastructural improvements and the strengthening of community networks. Moreover, a greater focus on “people” rather than on “tourists” and emphasis on:

- More educational opportunities for the youth (trade and academic).
- Community development projects.
- More partnerships in the community.
- Greater unity in the communities (one voice).
- Small business development projects that include loans
- Government regulation of the “bigger (business) people”.

CHAPTER FOURTEEN – OTHER GROUPS AT RISK

14.1 OVERVIEW

This Chapter focuses on selected groups at risk in the society and draws on data generated in the SLC and discussions in the PPA, as well as from information supplied on institutions in the IA. While measured indigence and poverty are low in Caymanian society, by any standards, an examination of conditions of those in the lowest quintile should reveal what challenges are faced by poorer people and those at risk.

More particularly, there are those sections of society that can experience vulnerability by reason of their likely dependence on others because of their age or social designation that excludes or limits labour force participation. They are not able or at least not expected to source the requirements for their own sustenance. Babies and children are expected to be provided for by others in society and can be at risk in situations where their parents or guardians are not able to treat with their requirements in keeping with the standards acceptable to the society. Similarly, the disabled and elderly are dependent on.

With the universalising of secondary education, and increasingly the lower reaches of post-secondary education and training, the educational cycle of the individual is seen as extending from age 3 years (or pre-school) to the late teen years or even the early twenties. Thus, it is now accepted that children should enrol in pre-

schools prior to formal schooling because of the stimulation and psychological development that can be experienced in an effective pre-school environment.

At the other end of the spectrum, it is expected that labour market entry should be delayed until the late teen years or early twenties so that the individual can complete as educational and training cycle appropriate to the demands of the economy of the 21st century. This means that young adults are expected to be in a dependent mode or to receive some level of support as young adults prior to their entrée into the labour market, once they are involved in human capital formation, by way of participation in the educational system as students or engaged in the training system, preparatory to entering the labour market.

Another category of persons in the dependent or near dependent mode are the elderly who are expected to withdraw from the labour market once they have reached the age of retirement, and to have available to them resources that they have accumulated in their earlier working careers, and/or to become the beneficiaries of social security, by way of national insurance (for example, through the pay as you go scheme) or to have available social assistance by reason of their age and their not having the wherewithal to maintain a decent livelihood.

These likely dependents in the respective age cohorts will be the focus of attention in

this chapter, as well as the persons with disabilities and certain sections of migrant labour, the social provisions for whom may be compromised by reason of the nature of their immigration status.

14.2 RISK AND AGE COHORTS

Table 14.1 disaggregates the population by the age cohorts at risk vis-à-vis the rest of the population. The table shows that overall 7.0 percent of the population was under 5 years of age, 10.9 percent was in the age group 15-24, and 5.7 percent was in the 65 years of age group and over. Some 5.0 percent of those in the lowest income group were in the age cohort under five years of age: this comprised about 540 children.

Assuming a rectangular distribution, 60 percent of these would have been aged 3 – 5 years of age: that is to say, there would have been some 324 pre-school children between the ages of 3 and 5 years of age in the lowest quintile. Of particular relevance to this group would have been the availability of pre-schools. These are capable of providing the stimulation compensating for any deficiencies in the household that might threaten to lock succeeding generations into the lower echelons of the income pyramid.

Another important group for consideration are children who may be abandoned by their parents, or whose parents might be deceased, or are incapable of taking care of them, because of, incarceration or incapability drug or alcohol dependency, financial situations, etcetera. If it is assumed that these were all in the lowest quintile, then some percentage of the children aged 0 to 14, would have been at risk. There were about 1700 children in the population in this age group in the lowest quintile.

Information in the IA indicates that 34 children were with foster families in 2006, and another 29 in the care and protection of the CAYS Foundation. Together, this represented 3.7 percent of the number in the lowest quintile. On the other hand, there were just over 10,000 children aged 0-14 in the population. If abandonment and the placement of children in care and protection is not restricted to any quintile and applies across the entire society, those in foster care or in the care of the CAYS Foundation represented about 0.63 percent of the population. There have been more recent initiatives to increase the number of foster families in Cayman Brac, as part of the new services to be provided by DCFS.

TABLE 14.1 POPULATION BY SELECTED AGE GROUPS AND QUINTILES

Selected Age Groups	Per Capita Consumption Quintiles					
	I	II	III	IV	V	Total
	%	%	%	%	%	%
Under 5 Years	5.0	6.8	7.4	9.1	6.9	7.0
Youths (15-24)	12.4	12.9	13.9	9.6	5.5	10.9
Elderly (65+)	3.8	4.1	4.2	7.8	8.7	5.7
Other	78.8	76.1	74.5	73.5	78.9	76.4
Total (%)	100.0	100.0	100.0	100.0	100.0	100.0
Total (N)	10,796	10,739	10,659	10,405	10,692	53,292

Some 12.4 percent of the persons in the lowest quintile were in the age group 15-24. If it is assumed that half of these were teenagers, then there were some 600-700 young people in the lowest income group to be accounted for by the school system or by training programmes oriented to labour market entry.

In the conduct of the IA, it was noted that the role of the State in respect of pre-schools has remained largely that of a regulator. This has meant that there has been little by way of direct provision of pre-school programmes on the part of the Government. It is unlikely that children of parents in the lowest quintile would have been able to avail themselves of the services of the private pre-schools. The educational gap between those in the lowest quintile and the rest would have started in the years of pre-school.

There are, however, services provided by the Department of Health and Family Services that correct for some of the challenge and the risk faced by those at the lower end of the income spectrum. From the IA, it was found that the DCFS provides assistance to poorer households by way of Preschool Assistance. In 2006, there were some 93 families receiving such assistance. If these were all in the lowest quintile, then, about one third of those in the quintile (93 out of just over 300) might have been beneficiaries of Preschool Assistance. Most of these were from households headed by women – 87 out of 93. It is debatable whether the other households in the lowest

quintile were all able to afford the services of pre-schools on their own resources.

From the SLC, it is estimated that there were 277 poor households, with almost half of them headed by women – 138. Female-headed households in poverty were likely to face far more acute conditions, given that females as breadwinners for low-income households, would often have been limited to the lowest paying jobs in the economy.

Parents making use of the book loan facility provided by the Government were more likely to be in the lower quintiles than in the higher ones. There was a significant difference between those receiving and those not receiving. Information in the IA indicates that 416 families were assisted with school lunches and 176 were in receipt of support by way of grants for uniforms. If the trend noted for assistance with school books was maintained in these two latter areas, then the largest number of beneficiaries would have been in the lowest quintiles. Thus, the measures put in place by the Government seem to have had the effect of improving equity and correcting for the risk faced by the more vulnerable in the society.

Another area of risk that impacts the upbringing of poorer children, has to do with the coping strategies of their parents in the face of conditions of poverty. In the course of the Participatory Poverty Assessment, women heading single-parent homes referred to the difficulties that their children faced. Because of their low levels of education, they tend to be employed in low-

paying jobs requiring long hours that keep them away from their children. This unavoidable lack of supervision of children and youth creates its own sequel, with children succumbing to negative influences. This is particularly evident among some male youths who become ensnared in the drug culture and the drug trade.

There was also the humiliation of mothers in having to depend on DCFS. In the course of the PPA, it was found that most of the women in single-parent households who received assistance from the Government at one time or another, considered the process humiliating and unpleasant:

'...I don't like to have to molest Children and Family Services to help my children.'

Children were very aware of the hardship faced by their mothers, and the frustration experienced in their attempting to provide for them. Mothers and children cry about their poverty.

'Mom cries a loteverybody cries when Mummy is crying again and again.'

The children at risk belong to mothers at risk. Although poor female-headed households accounted for only 0.7 percent of all households, the children of such women were faced by the acute difficulties that attended such households, as revealed in the accounts of women and children in the course of the PPA.

Among the groups at risk were some of the elderly. It is estimated that 3.8 percent of

those in the lowest quintile were in the age group 65 years and over. These were likely to be among the elderly at risk, and would have numbered some 400 or more persons. One of the difficulties faced by the elderly in the Cayman Islands would relate to their health needs. Medical Insurance is a relatively recent phenomenon. Many of the elderly would not have been covered by any of the existing plans, and even when covered, there is some confusion as to their entitlements. An example of this was demonstrated in the course of the PPA, by the case of Shirley, Christine's mother, who was bewildered in not being able to get her medical bills discharged, because there was something on her card that had expired, and she was given no coherent reason why this was so.

Those without the resources to pay for health services, are required to submit to being designated a 'pauper' according to the *Poor Relief Law* as applied by the DCFS, to receive health services for which they cannot pay. The establishment of the Seafarers' Associations was meant to provide social protection for ex-seafarers in the absence of anything being run by the State.

While there are homes for the aged, the numbers catered for are small: the Golden Age Home on Grand Cayman accommodates 14 persons. By and large, too, the homes have had a deficiency in their infrastructure, including their not being equipped for clients with special needs, a problem that was to be addressed in the course of the budgetary year,

2007/2008. The main criterion for entry to the home is indigence, a condition that has to be established by a Social Worker.

While measured indigence is non-existent in the Cayman Islands, the condition of the elderly requires specific focus in the context of the ageing of the society, and the decline of the extended family in meeting the needs of the individual. The introduction of the Adult Special Needs Programme that treats with those in need of assisted living should bring some relief to the elderly at risk. There is also an arrangement in place to deal with housing repairs for elderly persons.

In the course of the PPA, the elderly referred to their being neglected, and not being able make ends meet, even when provided with pensions. One elderly person admitted to being forced to mix ‘sugar and water’, to keep hunger away. Besides having the challenge of meeting ‘Mr. Light Bill and Mrs. Water Rate’, there are medical expenses that they claim they are unable to meet, let alone the psychological pain and despair of being marginalised and being seen as ‘useless’.

14.3 PERSONS WITH DISABILITIES

In the SLC/HBS only 1.5 percent of the population admitted to some type of disability. It is known that in most populations, about ten percent of the population is likely to present with some type of disability. Given the large presence of immigrant workers in the resident population, the percentage of persons with disabilities is likely to be lower, since

employers hiring persons from abroad, are likely to refrain from hiring anyone with an established disability. Few persons with a physical disability would have succeeded in landing contracts of employment from abroad.

Yet, recorded disability of 1.5 percent suggests that disability remains hidden in the Cayman Islands. However, the DCFS has formal responsibility for providing assistance to persons with disabilities. There are also other organisations that display sensitivity to the problems and risks of disabilities. The National Youth Commission and the Department of Youth recognise the need to cater to this group.

The PPA did reveal some of the problems faced by this group. Disability usually was the result of illness. Whatever the provision being supplied by the DCFS, those with disabilities felt ‘forgotten’ since they became disabled. Society did not seem to be kind to persons with disabilities:

‘no one knows me.’

The disabled felt a high level of vulnerability because of their dependence on others in both and public and private spheres of their lives. They faced such problems as:

- Lack of assistance for mobility in respect of transportation;
- Lack of employment – governmental policy has not facilitated the employment of the disabled;

- The absence of educational and retraining programmes for the disabled;
- Limited access to government and public places, including schools, bathrooms, businesses, and parking;
- Absence of programmes to make housing more accessible and affordable to disabled persons and their families;
- Absence of a residential home for the disabled;
- Paucity of rehabilitation programmes and assistance with equipment and devices;
- Limited community outreach, including that of residential churches; and
- Absence of support group for the disabled.

14.4 IMMIGRANT LABOUR

Another group at risk can be found among immigrants who have come in to fill the lower echelons of the labour market. Indeed, the labour market reflects segmentation on the basis of country of origin. The table below shows that there are differential risks in being in the lower quintiles as a non-Caymanian. Jamaicans were 22.6 percent of the population, but were 32.7 percent of those in the lowest

quintile, and 12.2 percent of those in the highest quintile. US citizens, on the other hand, were 6.2 percent of the resident population but were 2.5 percent of those in the lowest quintile and 13.4 percent of those in the highest quintile. UK citizens were 4.1 percent of the resident population but a mere 0.2 percent of those in the lowest quintile and as much as 12.5 percent of those in the highest quintile.

A similar status seems to attend conditions for citizens of Canada, while the reverse obtained for persons from Central America and the Philippines. There was a significant difference between Caymanians and non-Caymanians and in all likelihood, among the non-Caymanians as well.

In sum, poverty is not acute in the Cayman Islands, which suggests that some of the risks associated with poverty may be non-existent or present among only very small numbers in the society. However, information from the PPA and from the IA suggests that there are risks faced by various sections of the population that need to be addressed. Some of these are being catered for by the DCFS specifically. But there are others which create hardship and leave a number of persons in dire straits. There is hidden poverty, and there are also hidden and revealed risks in the Cayman Islands.

TABLE 14.2: POPULATION BY COUNTRY LIVED IN BEFORE COMING TO CAYMAN ISLANDS AND QUINTILES

Country Lived in Before Cayman Islands	Per Capita Consumption Quintiles					
	I	II	III	IV	V	Total
	%	%	%	%	%	%
Cayman	31.3	41.2	41.7	45.3	34.2	38.7
Jamaica	32.7	27.7	24.3	15.8	12.2	22.6
USA	2.5	2.6	3.6	9.1	13.4	6.2
UK	.2	2.1	.9	4.7	12.5	4.1
Honduras	4.0	4.2	4.6	2.7	1.4	3.4
Canada	0.4	1.2	3.3	4.2	6.6	3.1
Nicaragua	1.7	.5	0.3	0.8	0.2	0.7
Barbados	0.0	0.3	0.3	1.0	0.9	.5
Cuba	0.5	3.3	2.4	1.0	0.3	1.5
Trinidad and Tobago	0.2	0.3	0.7	0.2	1.6	0.6
Belize	0.2	0.5	0.5	0.1	0.1	0.3
Costa Rica	0.0	0.5	0.2	0.0	0.1	0.1
Ireland	0.2	0.0	0.4	0.5	0.7	0.3
Colombia	2.3	1.1	0.5	0.3	0.4	0.9
Philippines	11.6	2.0	2.7	1.5	.5	3.7
Other Caribbean	1.5	1.1	2.4	1.4	4.5	2.2
Rest of World	4.0	4.7	4.4	4.1	3.9	4.2
Not Stated	6.8	6.6	6.9	7.6	6.5	6.9
Total (%)	100.0	100.0	100.0	100.0	100.0	100.0
Total (N)	10,796	10,739	10,659	10,405	10,692	53,292

CHAPTER FIFTEEN – THE PHENOMENOLOGY OF POVERTY

In this chapter of the study we report on the qualitative, in-depth interviews of select households. The case studies are phenomenological in nature and have as their objective a representation of the meaning attached by the individual to the experience of being in a position of deprivation in Caymanian society. The second half of the 20th century witnessed a contextual change in the incorporation of the Cayman Islands in the international economy. The case studies have to be seen in the context of the current trends in globalisation and its impact on the Caymanian economy and society.

There is no question that benefits and increased opportunities have accrued to Caymanian society from the articulation of international economic processes on the country. One of the case studies that examines improvements in the socioeconomic status of a family across the generations brings this out. Commitment to educational advancement of children, and high labour commitment in an expanding economy were important elements in the climb out of intergenerational poverty for the family in this case study: these are characteristics that are not universal among poorer families in the Cayman Islands. Serendipitous factors and happenstance enter the picture to determine why one household escapes and another remains trapped in poverty, quite apart from structural determinants in the economy and society.

On the other hand, there are structural shifts in demand and relative declines of the locally oriented, non-tradable goods and services producing sectors, and changes in the price structures, now driven by new income levels, which have been associated with new manifestations of deprivation. Old skills and capabilities become redundant and irrelevant, while new ones become increasingly important. Simultaneously, previously established value systems that provided coherence to social action, and guided individuals and groups in the process of social interaction, have become passé and inconsistent with new requirements. This leads to dissonance in values in some sections of society.

Depending on the state of the educational system, the availability of small- and medium-level credit, and the efficiency of the social welfare system, changes at the macro level can translate into cases of dislocation, marginalisation and new poverty at the household level. In addition, there is a very real danger that those households that suffer from the deficiencies associated with a legacy of intergenerational (chronic) poverty will be lacking in the capabilities needed to adjust to the new economic scenario. Some of those who were non-poor in the pre-Globalisation era may now find themselves with skills that have suffered declines in the incomes they command relative to the new price structures. It can be conjectured that whole segments of the population of Cayman run the risk of being left behind socially and

economically by these changes. In circumstances where these developments have been compounded by natural disaster, the efficient, transparent operation of a social welfare safety net, an easily accessible and progressive educational system, adequate and responsive systems of credit and respect for the human rights of the citizenry become critically important for national development. There is also the challenge for the society of helping diverse groups to manage the socio-psychological effects of dynamic change.

15.1 METHOD

The in-depth interviews extended over many hours and were conducted over more than one occasion. There were three main components. The first inquired into the interviewee's history and life story. The second oriented both the researcher and the interviewee to the specific topic of interest. The third drew these together in a reflective dialogue about the meaning of the interviewee's experiences in light of his or her history. The interviews were open-ended, searching for the themes of meaning in participant's lives. The objective was to understand the lived experience of people. The central questions that were asked were:

- *'what has this person experienced?'*
- *'How does this person understand his or her experiences?'*

At the end of the process, an understanding of how deprivation has found expression in the lived experiences of the individual was obtained.

15.2 THE CASE STUDIES

CASE STUDY 1: MANAGING PHYSICAL DISABILITY AND ADJUSTING TO A TRANSFORMING ECONOMY

Betty and John Gooden live in a rural town in Grand Cayman. They have 4 children, one of whom suffers from mental and physical disablement. Betty was born 27 years ago in George Town, Grand Cayman, to a Jamaican father and a Caymanian mother. Her father is an accountant who came to Cayman to work with the government and eventually set up his own company. Betty graduated high school at age 17 and went to work for an Insurance company. She became pregnant at 17 and had her first child at 18. One year later she had her second child. After her first child she moved back in with her father, started working, but became pregnant again. She and her husband at that point decided to move into their own space and rented house for a short time.

Her father eventually gave her a piece of land and encouraged her to build on it instead of paying rent, especially when two other children got added, one of whom is physically and mentally disabled. They built a temporary house and started what they envisaged to be their 'main' house, 'out of their pocket.' The house that Betty and her husband are building has six bed rooms. They had originally planned for a much smaller house, but were advised that given the condition of their disabled son they would need extra space. They now have it up to the 'belting' stage. However, their joint incomes have been inadequate to

complete the house. Their main challenges are managing a disabled son, among four children, and completing the house, which may take some \$400,000 Caymanian dollars.

Betty earns \$800 per month and her husband makes even less than she. Betty's husband works 12 hours per day four days per week. In order to increase her income level Betty undertook training in a semi-professional field. Although Betty did not obtain work in the field for which she had trained, she has nonetheless increased her income by a couple of hundred dollars as a result of a new job.

Six years ago a good house could have been purchased for \$250,000. Changes in the real estate and construction markets through the intrusion of international capital with new players in finance and tourism, as well as rebuilding activities after the hurricane seem to have something to do with the escalation, she says. She and her husband are now in the process of looking for somewhere else to live because with their salaries and the bills that face them they cannot afford the cost of finishing the house. "It's going to stay as it is, because we can't finish it. Its highly impossible... unless I become a drug lord between now and tomorrow...but it's impossible to find \$400,000 ..."

The available government housing she says is not big enough to accommodate her family, especially with her sick son. "I have a nine year old and a seven year old and we just can't keep living like this with wood lice and the floor sinking so we might as

well just go ahead and pay rent. And even a two bedroom is like \$1500 to \$2000 per month....If you look at even Stephen (her disabled son) he got insect bites on him, we don't know what it is that bite him. In the mornings we see like scorpions in the tub we don't know how they get in. Honestly, it's very depressing even for my son, it's hard to see insect bites on him. "

But even acquiring government housing is a problem: the system of distribution seems flawed. "You help this person with a three bedroom house and only him in the house. We have a disabled child and you put us last on the list. I don't understand that. They say we should come back in..but from Ivan till now I have'nt seen the \$15,000 we were granted. All the wood here got damaged and the wood lice is just dropping through. We have to be moving the table if it dropping there. If you go round the back you could stick your finger in the wood, it is rotten."

The experiences of this family seem to suggest that the operation of state welfare is affected by inefficiencies, lack of transparency, and, in Betty's mind, possibly by corruption. "We see people who do stuff illegally and they get help and we don't do anything illegal and when we ask for help[from the State] is like oh no, no, ...but the guy who just walk in here look what he doing part-timing, why you don't look into that? Why is he driving a Mercedes Benz and you still giving him. The rumour is, is who you know."

We are struggling with a disabled child, who we don't want to put in a home, because he is ours, we don't want to do away with him, but we still can't get help. Even the \$450 they allocated to him it has to be reviewed by the Board... they shouldn't have to do it, it should be commonsense. And they literally send somebody here to see our living condition... nothing has changed, if anything it has gotten worse. Then she [the assessor] 'o.k. we will see if we can get someone to look about the lice...' and we still haven't seen them... and that was like last year".

Whatever its deficiencies, the state welfare system contributes to the meeting the costs of care of the child with disabilities. "When ever we go away with him, because he has to see doctors overseas (Miami), if he is up there for a week... two weeks we have to pay for the hotel. Government will pay for the transportation. The cost is between US\$50-125 per day [depending on where you stay]. Hospital charges are paid for by the government. People say then how come you are still indebted. We have to go away two or three times for the year. That money could be going towards something else... car insurance...if a tire blows that's like \$80 right there. ...It [the child's sickness] puts a big strain on our pockets. I don't owe anybody, but we always have bills. We don't owe any medical bills because the gov't pays for his medical bills,... The last assessment that we did with Social Services last year, we were over [in excess of] \$600 dollars in debt every month. After we pay all the bills that we [are able to from wages] we still have \$600 worth of bills that we are

not able to pay. We will pay something this month and then we will try not paying it the other month. That is how come they have allocated us \$450 per month for Stephen.'

After the hurricane, they sent the children to her aunt in Canada. There, she says, they pay more. The wages her aunt earns as a nurse [in Canada] is much more than in the local health sector. Even though she expects that with her qualifications she would get much better pay abroad, she and her husband have never seriously explored the possibility of moving abroad. "We like it here. We like to go plant the breadfruits and bananas. We real simple and we like that pace.... To go and get adjusted to somewhere else, it's kinda hard." Even while saying this, Betty recognises that things would be much better for her son in Canada.

For all her relative deprivation, Betty has a conception of poverty that is absolute. She does not consider herself poor because she has seen poverty where "children don't even have shoes because they can't afford it. Betty argues, "Rightfully, I don't think anybody in Cayman can say that they are poor... Places like Haiti.. I have seen people even walking on the street, but they are collecting money from government. Government pays for their light, their water, but they choose to do otherwise with their money that's why they don't have. They choose to walk around barefeet. I am not middle class and I am not poor."

According to her, “Poverty is when... I presume... I should look up the definition of poverty first. I think poor don’t have any where to stay, no light, no water. I would say I am not that, but **I cant** afford... like my clothes, I have been wearing the same clothes for four years cause I don’t like to buy small...**I cant**...my children if they go anywhere their dress shoes are like slippers.. their school shoes they will wear until its really bad. **We cant** take up and go away shopping. **We cant**...Even if we go out for dinner or a treat it has to be Burger King or something like that **we cant**... anything fancy **we cant** do that.” “It makes me feel aahmm.. I would say depressed...it’s like when you try to climb up a ladder you fall back... that is the part when it hurts. We have fallen back...

Betty and her family’s case is not a case of poverty inherited from their fore-parents. Although both principals are fairly well certified, they are tied to the domestic economy and have special needs because of their disabled son. Their pay has not kept pace with the increased costs associated with the development of real estate and construction sectors, through which the international economy articulates quite directly with the local economy. Significant segments of the Caymanian population probably find themselves in this position.

CASE STUDY 2: MS. FLOWERS TURNS TO GOD

Ms. Elizabeth Flowers is a proud, forthright, middle-aged, woman, and the mother of four children. Her present household consists of her daughter, son in law and

nephew. The daughter has a history of mental breakdown. Her son in law is a Jamaican immigrant that recently moved to the Cayman to be with his wife. Her nephew, recently released from prison, has spent most of his adult life going in and out of prison for drugs.

Ms. Flowers was abandoned by the father of the children many years ago. He never married her, and ran off to get married to a Frenchwoman first and then to a German woman, when the first marriage broke down. He currently works as a contractor, but makes no contribution in support of his daughter in her illness and never contributed to the upkeep of his children in any sustained way. The family resides in two houses on the margins of a large piece of land that was once owned by her ancestors. Ms. Flowers suffers from a chronic illness and is not employed, and may actually be unemployable. Ms. Flowers admits to things being hard.

She has had an ongoing dispute with a white American who bought most of the land left by her fore-parents and is determined to have every last inch of the land, including the remaining miniscule parcel that she still occupies. He has done his best to get her off of the piece of land including co-opting the local police in questionable actions against her.

Social and economic deprivation has been her lot, but she has found coherence and wholeness in her life through religion. Her deep religiosity has acted as a sustaining force and provides her with a spiritual

interpretation of deprivation and marginalisation within Cayman society.

I go through a lot of tribulations, you nuh, but thankful .. I can get up in the morning and praise God one more day and he giving me strength to overcome certain things because if you not strong, trust me if you don't have that spiritual food you can't overcome. You get taken away like the whirlwind and go with the rest, because some leave the Faith and go elsewhere because is so much durable things offering to them out there that is what taking them away. But that really cant take me there because that not really making me happy. Is my spiritual food I need, that's what makes me happy.

Because if you lacking that you lacking all things." In illustrating the point about the primacy of the spiritual over the material she goes on to relate a conversation she had recently with her sick daughter, who concluded, since you know everything, how come you not rich.' "I said rich? So riches can make me happy? Did I tell you I wanted to be rich? If I wanted to be rich I would have been out there in the world, but is not riches I seek. What riches can do for me? I am seeking spiritual food!"

When asked, "But what about lack of material things"?

"Well I would like to have... lack of material things? Well everybody deserve to have a big house and all the material things, but you see, I don't think that that would really make me happy. What would really make me feel happy now is my spiritual way of living. Well, if a big house comes

along, no problem, I would use it, because it is there for us to use it. because, Solomon, when God ask him what he wanted he said 'just give me the knowledge, wisdom and understanding to judge my people Israel. And God gave him the riches and everything. So riches once you get them honestly and know how to use them is alright. So if I could get a bigger house or a better place to live so I could accommodate my children that would be good for me. But if it doesn't come, well I am not going to sit down and worry about it. It don't make no sense [my primary need] is spiritual food because when I don't have that spiritual food then I be lacking all things. Because God say seek ye first the Kingdom and all things will come. So why seek material things first? That not going make you happy, because you will be short of that spiritual food! ..."

In response to the question of whether she feels she has a realistic chance to achieve these goals she says,

"yes, I feel that something will work out for me. Just place everything in God hand and God know my future already. He knows all of our futures, he knows all of our needs so whatever he sees fit for us that is what he going give us. So that's the way I live. I could achieve that, but if God don't want us to achieve that then that's just the way it is because we could be here today and tomorrow we don't have to be here. God is the one that has our lives, controls everything, our destiny, is only him. That's the way I live, because who is man in God's sight. God don't owe us anything we owe God.

Ms. Flowers' has been able to manage material deprivation, with the comfort

provided by her religious belief in the power of the intangible over the tangible and acceptance of the will of God. That is the source of her capacity in facing broken relationships, abandonment by the father of her children, the impossibility of employment as a result of lack of viable education and training to participate in the new economy, headship of a multi-generational household with adults on the fringe or with challenges – mental illness, drugs, low level employment – and with her housing rights contested by a wealthy foreigner pursuing real estate development in the Cayman Islands.

CASE STUDY 3: VERONICA ACCEPTS FAILURE AS HER LOT

Veronica Cole was born 22 years ago in the Caymans. Her mother had six children for five different men. She was, effectively, abandoned by her mother at birth, since she lacked the means to care of the baby. Veronica's paternal grandmother assumed responsibility for her. Her father was, and still is, a drug addict. When asked to describe him Veronica responds, "coke, coke coke." 'He smokes it as well as sells it,' she says.

Veronica had just over a year of High School, but was expelled for fighting. Other students would call her names and she would fight "them to the ground. Is only now since I get my two children I chill out. Everyday I used to fight up there. Not one day wouldn't pass when I would not fight." She went on to another school, but soon ran away.

Veronica's grandmother who was her 'mother and father' died shortly after she had her first child at sixteen. She says of her grandmother's death, "that was my whole life gone." She describes her father as 'an idiot' and hates her mother. "And I do hate my mother". When she was growing up, her mother had no dealings with her. Apparently, her mother did not look after her because after she had her she got pregnant again three years later and shortly after that as well.

"But", Veronica says, "that were her fault that was her mistake because she didn't have to open up her legs. She is my mother yes, but I still hate her."

However, Veronica now has to depend on her maternal grandmother for food and money. She has inherited some land but has no money to build. She has a small structure next to the home of her maternal grandmother, but there is considerable friction between the two of them. "That's why me and this grandmother we always rowing..."(quarreling). Veronica is unemployed, has worked only briefly in her life, and may be unemployable. She walked off her last job, following arguments with the boss.

She uses the facilities of her grandmother's home - kitchen, toilet etc. She owns a stove, a fridge, a radio, T.V. and a fan. Veronica and her son do not have adequate food on a daily basis. She eats only one good meal per day.. Veronica gets clothes from her family and attends the free public clinic. She has sinusitis and is bothered by her kidneys

occasionally. When she needs medicine and has no money she simply takes it at the clinic and does not pay.

Veronica has another child, but only one lives with her. Veronica wants nothing to do with the fathers of her children. “They slip and once they slip, they slide all the way.” The other child was taken away by the State because Veronica was deemed unable to properly care her. “My oldest child is going to be six September coming.” Veronica explains that her cousin took her first child for awhile, when he was two years old because she was not working and therefore not able to take care of the child properly. “I was glad for the help”.

But then there was this second child, and ‘...social services started to get involved.. that was so frustrating I used to explode a lot. I used to go off, you know? You see me? I don’t want you to take me lightly because I change a lot from how I was. I hear that they went to court and social services give some people permission to take my daughter without my permission, without me being to court and everything. That bun(hurt) me! The social worker that was dealing with the case at the time, I tell her, ‘I [EXPLETIVE DELETED] fi dat (her daughter), I carry that, and let me tell you something if you want to take somebody child and give her away you [EXPLETIVE DELETED] fi yours and give her away. You don’t come give away my pickney without me knowing...”

She is aware that training is essential for sustained employment, because “...every

time I apply for a job they tell me that I am under-qualified, I don’t have the education, I don’t have no time to explain.’ She faces a predicament. “First of all you got to have a job to get training...but every job in Cayman suppose to train the people.” There is little in place to facilitate someone in her situation, she concludes. There is the Young Parents Programme, but not everybody who is pregnant goes, and Veronica did not go ... “....could not deal with it”. She has given up trying to get a job: ‘.....I ain’t looking for none in Cayman either. Make no sense you looking in here.....Cayman is a hopeless case..... They ain’t making it no God damn better, they making it worse! And I tell anyone of them so. They is making it worse! Because you nuh see Caymanians killing Caymanians now?”

Migration is one option. ‘If I don’t go England, I going America.’ Yet she is ambivalent about migrating. She has relatives in the United States and actually spent some time there when she was a child, and regrets that they acceded to her request to come back to her other Grandmother in the Cayman Islands. However, she feels unable to migrate at this point in time because it would be inappropriate to migrate without some money at her disposal. ‘...imagine me leaving here and going to the States with not a dollar in my pocket. Hell no.’

Veronica alternates between great expectations and a fatalistic despair. She has had plans to finish her house, getting her car, but ‘something always go wrong.’ She finds consolation in her deceased

grandmother's counsel '.....my grand always used to tell me say, don't make plans, whatever happens, happens.' She admits that she is poor ' ... because there are things in life that never come to me. One of those things is not having a job.' The result is her fatalism. There is the *cri de coeur*: 'Everything I do in my life I fail at. I fail at looking a job, I fail at being a good mother. I telling you straight. I fail in everything I do in my life.'

Veronica's has suffered physical, emotional and social deprivation which have left her with low self esteem and a sense of worthlessness. It is as if the self-acclaimed fighter has been beaten 'down to the ground' by life in the Cayman. While there are social services to provide social protection, including for state support for her children in the event that she is too challenged, Veronica needs an intervention that treats with her psychological conditioning to help her to break the cycle and not recreate conditions of poverty for another generation.

The country may have low estimated poverty, but there are those like Veronica, afflicted with the poverty of spirit. Attending to the material deprivation is inadequate as a solution.

CASE STUDY 4: SHIRLEY RAWLINS TO CHRISTINE RAWLINS – FIGHTING TO ESCAPE POVERTY ACROSS THE GENERATIONS

Christine is 35 years old. She has three children aged 20, 14 and 10 and a grand-daughter, of eight months. She was born in

George Town, and went to secondary school. She became pregnant at age 15, but was allowed to return to school through the 'special programme'. Thus, she was able to return to school and start work immediately on completion. She became a trade unionist, but lost her job, largely because of her activism. While she is currently unemployed – possibly because her activism makes potential employers wary – she is involved in and is an active community organiser.

Christine got no support from the father of her first child and discontinued the relationship. She has had two children subsequently, by different men, but while marriage has not come her way, she thinks that she has managed at least in her most recent relationship, to avoid having any more children.

Christine lives in the main house which is owned by her mother, while a sister and her father live in two other buildings on the compound. She receives support from the fathers of her two under-age children who live with her in the extended household along with her grand-daughter, by her daughter who has to live elsewhere for reasons of her employment.

Things are hard for Christine at the present time, but she expects to find employment presently. In the meanwhile, she continues in community work with the NGO, an activity that she fully enjoys, and would have made her full-time activity, if it were possible to secure an adequate stipend for her personal support. She is committed to

ensuring that her two younger children avail themselves of educational opportunities.

Shirley, Christine's mother, is 65 years of age and is still working. She was born to parents who were very poor. Her father was a fisherman and her mother a rope maker. Her father had two children by his first marriage, then two in a subsequent relationship, before having five girls and seven boys with Shirley's mother. He died when Shirley was just five years of age and her mother had to struggle to mind Shirley and her siblings. Things were hard she says. "When mango season was in, one meal per day. Sometimes we had to boil mangoes. But we never starved. We never went naked, she (her mother) done what she could for us." She continues, "dem days, everybody used to cultivate. We used to live off the sea and off the plantation." While the family was poor, there was unity in the community. Families shared with one another and this provided a coping strategy.

Shirley says she went to school until she was seventeen, when she reached the age limit. In those days, only those who were well-off sent their children to Jamaica and Miami for schooling beyond this age. "In those days there were only government schools, now we can pick, choose, and refuse."

On leaving school, Shirley worked as a domestic helper for some time. Later she found employment in the hotel industry. She had her first child when she was 19. She

had two children before she got married, and had four other children subsequently and was married for 38 years. The Eldest child is 46, one is 41 another 39 and then 37 and ...34[the last one]. Of her children, one works with the government, one is an accountant, another is a shipping agent, one does not work due to illness and the last one is a technician. The marital relationship went well for five years and then they started having problems.

Her husband worked in the hotel sector for all of his working life. She started working at the same hotel where her husband worked and accumulated funds to purchase a taxi. This was done mainly from the tips that she got. This allowed her to become a part-time worker and run her taxi for the rest of the time. "I used to work night and day to support my children."

A good immigrant friend had encouraged her to "work at the hotel during the days and then work and run the taxi during the evenings." This high level of effort, along with her organising and running a 'partner system' - rotating credit - she mobilised savings to purchase land and build a home, and provide for her children in terms of their school needs and upkeep. She bought additional property using the partner system, in which she was involved for 'thirty years'.

Shirley has fallen on rough times lately. The onset of chronic diseases has reduced her capacity to work at high intensity of before. She has been forced to provide for her sick daughter by building a house on one of the

pieces of land that she owns: the house is unfinished. The daughter has had medical bills of some \$16,000. A good Samaritan and the church have helped but Shirley cannot pay all the bills that have accumulated. Moreover, she herself has succumbed to chronic diseases of high blood pressure and diabetes, and is having a hard time managing to keep her condition under control. "My pressure the other day was 226 over 100 and something. The nurse say 'girl, you climbing up in the strokes you know....' But Shirley is not sure about her entitlements from the health system.

"They tell me to write a letter, but they plainly made me understand that they could not guarantee me that they would offer me They keep sending me bills, sending me bills. I took the last one to [a government official]. He promised me that he would see what he could do with this bill and remember I have blood pressure and diabetes. I went to the hospital man and told him I cant afford to pay it and I said to him well if you want take me to court, take me to court you still not going get the money because I cant give it to you. And if you going to put me in jail, put me in jail with a bible. Just give me my bible."

At the same time, from Shirley's perspective, there seem to be people who have cards that work for them and continue to receive services. "So you see these are the things that we face, the people that need in the Cayman Islands the government not looking after us. And people that don't need they giving these cards to go to hospital to get their medicals free to see the doctors..."

Shirley is at a loss in understanding the criteria in place for assistance, and the relationship between the criteria applied by the social workers and access to services in the health system. "The social worker came here and I told her how much I make and that some days I make a little more than others and some days again I come home with 30, 40, 50 dollars. And, she ask me then what I have to spend money on and I tell her.. because Christine not working, phone bill and water bill and light bill and buy gas for the stove. Some times the light bill be \$100 and odd, sometimes \$200. And the water bill... and the gas for the car and the maintenance for the car. Sometimes I have to trust the parts from the car dealer. And I sit down and I tell her ... and she says that some days the costs come up to more than the earnings... and that's why she push for this for me to get my medication free. Christine went in for the government to give me something. They turn it down. That's the kind of government we got here, they turn it down.'

While her sons cannot support her on any systematic basis, given their own family responsibilities, they do help from time to time, including crucially in the payment of medical bills. Shirley can therefore thank God. 'I thank God. God never leave me and he never forsake me. He is always there. And then I got good friends....and the Church. In the storm the church people help me to get something back in the house."

The fact that she has adult children with stable and higher level incomes, has become her insurance against descending back into

serious poverty. Even Christine is afforded some help as well while she is unemployed. Shirley can 'give her some little thing. Sometimes I say Christine here is a \$50 or here is a \$25...."

Christine's case represents the movement of a family from poor to non-poor across generations. This is so in spite of the fact that she displays mating and fertility behaviour that is associated with poverty among women from disadvantaged socioeconomic backgrounds. Her mother, Shirley, prepared the path, and while the household does face some trying times, there are others who have benefited from Shirley's initiative and drive of earlier years, when she embraced a few opportunities opened up by an emerging hotel industry, to lay the foundations for her children to escape poverty. The full transition of some of them now protects Shirley and even Christine and her sister from a precipitous fall back into poverty. Because of Shirley, there are members of the wider Rawlins family that have made it out of poverty.

CASE STUDY 5: EMELDA LIGHTBOURNE: MIGRATION AND MAKING IT IN THE CAYMAN

Emelda Lightbourne was born in rural Jamaica 63 years ago. Her mother was part of an extended family, managed by Emelda's grand-parents who were agricultural labourers in St. Thomas. Emelda was one of the fifteen children of her mother, but only three others were by her father. While her mother and her grand-parents understood the importance of schooling, poverty prevented them from

sending Emelda to school with any regularity. At age 12, Emelda was sent to live with her grand-uncle and his wife in a neighbouring village. The wife saw Emelda as free home help and had not interest in sending her to school. On attaining full adulthood, she got work as an agricultural labourer, and fell in with a man by whom she had five children, three of whom died before their fifth birthday.

A chance came up through Emelda's sister for her to go and work in the Cayman. Emelda seized the opportunity readily, leaving her two children with her sister. She was already in her 30s, and the man for whom she had the children did not live with her, and was surely into other relationships. Within a year of arriving in the Cayman, Emelda got married to a Caymanian, and has one child - a daughter - by her marriage, who is now an adult with her own children.

Emelda soon started in working in the local food industry and ensured that she sent money home for the education of her children in Jamaica. Her limited schooling has left her technically illiterate. But she understands the value of education and left no stone unturned to ensure that her children got educated. The children in Jamaica came regularly to the Cayman for holidays. On becoming adults they joined Emelda, entering on work-permits.

There were barriers to overcome: "Immigration did not want me to have them here with me." Perseverance prevailed. Eventually her daughter and son

from Jamaica obtained work permits and stayed on a long term basis. That daughter now lives permanently in the Cayman Islands and has a landscaping business. The son was on the same track to becoming a permanent resident but got killed in an automobile accident. Her grandson by her son, has spent most of his life in the Cayman and even got to represent the country in sport while still a teenager. However, he has been refused permanent stay and is currently on the 'roll over'.

Emelda returns to Jamaica at least once per year, and recently went there for medical attention. She sees herself as having roots in both places. 'I love it here. But Jamaica is...I belong to two place.'

Emelda has clearly been able to improve the life chances for herself and for her children that were born in Jamaica, by migrating to the Cayman Islands. Firstly, she was able to send remittances and then help them secure stable employment in their following her as migrants to the Cayman.

15.3 KEY LESSONS FROM THE CASE STUDIES

The cases are the unique lived experiences of actual people resident in the Cayman Islands in the early 21st century. However, behind each case and across all of them there are structural factors and issues that individuals, families, and communities are coping with as the Cayman Islands experience economic and social change. Some of the major structural challenges are summarised under the following rubric.

15.3.1 THE DELIVERY OF SOCIAL SERVICES

The social services delivery mechanism falls under the Ministry of Health and Human Services. There is the Department of Health and also the DCFS. The Government has put in place a number of measures to treat with problems that would confront sections of Caymanian society, including the poorest. The Goodens have considerable support available to them for their son with a major disability. This has allowed them to access services abroad. The apparent middle income standing of the Goodens might have prompted the DCFS to limit its assistance to the medical attention needed by the son with the disability. There are other supports that the Goodens seem to require but these were not available. Moreover, they have a challenge in living accommodation that remains unattended.

The DCFS seems to have been forthright in taking Veronica's daughter into foster care when the issue of her suitability emerged. However, the Young Parents programme did not reach Veronica in time, in the first place. Nor was there an earlier intervention to treat with Veronica in her troubled and tormented youthful years, when she lost her grand-mother. The Department of Youth did not exist in the form that it now does. But neither does it seem to have the type of counselling services that would have protected types like Veronica descending down a track of hopelessness and despair. Her mother, whom she hates so passionately, might have been equally trapped, as Veronica, on low wage employment given limited education, and

having a child by a man whose chronic coke problem remains unaddressed by system in place such that he can become ‘an idiot’ as described by Veronica.

DCFS has demonstrably sought to establish a coherent system to treat with families in need. However, the silo structure of Government and of governance, might ensure that while Ms. Flowers qualifies to be part of the case load of DCFS, the matter of the protection of her right to property is not being addressed in the face of contestation on the part of a rich foreigner. Her belief in the ultimate protection of God may lull her into the belief that she is safe from the use of loop-holes in the law that may be exploited by those with money and maybe influence. DCFS, in its present incarnation, would be hard-pressed to take the matter to an agency that can examine whether Ms. Flowers has any legal rights to the property in which she has been domiciled for most of her life. Ms. Flowers does not have someone with the capacity of a Christine Rawlins to write the appropriate authorities in search of information, let alone intercede on her behalf.

There is an area of grey with the DCFS. The recent introduction of health insurance finds Shirley Rawlins in a state of in-betweenity. She thinks that she is entitled to assistance in managing her chronic condition. She is assessed as deserving some of the time, but then is confronted by mounting bills, when her card, inextricably to her, ‘runs out’. As far as she is concerned the criteria are flawed and the system lacks transparency.

15.3.2 LAND AND HOUSING ACCOMMODATION

There is a problem of access to land for housing in the Cayman Islands and poorer people have been forced to make arrangements within the extended family. Of the five cases, it is only Emelda Lightbourne who made no reference to the building of a residence or of extending accommodation on family land. The Goodens, Ms. Flowers, Veronica and Christine are living in accommodation on lands donated or provided by relatives. In a country with such a large number of immigrants, and in the absence of organised programmes for worker housing, poorer people would have to develop ingenious ways of housing their families.

15.3.3 DRUG CULTURE

Drug Abuse is a problem in the Cayman Islands. Ms. Flowers has a nephew who is a recidivist, having been to prison on a number of occasions on drug related offences. Veronica’s father has been a heavy abuser enough to be no longer fully in control of himself and apparently now seriously mentally challenged.

15.3.4 UNEMPLOYMENT AND UNDEREMPLOYMENT

Imported labour represents a large percentage of the employed work-force in the Cayman Islands. It is known that there is a high degree of labour market segmentation and in the context of occupational categories that are deemed to

be more appropriate for immigrants, domestic labour would display a higher reserve price for some occupations than for others. Emelda immediately finds work on arrival in the Cayman Islands. Shirley Rawlins was inducted into more agile labour force participation by a friendly immigrant who taught her how to operate in two or more sources of employment.

Yet Veronica cannot find work. Christine is unemployed for long enough that her mother has to assist with support. Ms. Flowers shows no inclination to join the labour market. To the extent that the immediate households of these women face difficulty, some of it may be self-imposed and would require attitudinal shifts to be overcome. None of them mentioned any agency of state working with them to treat with their labour market absorption.

15.3.5 SOCIO-CULTURAL DISSONANCE

The rapid social and cultural change that has taken place in the country might have created some level of socio-cultural dissonance. In classical sociological terms, it is possible to contextualise change in terms of anomie as traditional values and social structures no longer fit the new societal arrangements. Elizabeth Flowers and Shirley Rawlins can manage the stresses and strains by invoking the Almighty as the deliverer from all tribulations. Veronica has no such religious grounding and her anger and hate are focused on a system that is outside of her space, is incomprehensible and seen as forever hostile. She does not

consider herself an appropriate model for her children.

But she can identify neither male or female alter ego in her immediate environment that she can encourage her children to emulate. She displays an acute sense of being displaced but is powerless given her lack of capability with the demands of a new society and economy in terms of education, and training and being equipped with the appropriate attitudes for mobility. In circumstances in which ‘Caymanians are killing Caymanians’ – a state of social breakdown, there is nothing, in her view capable of empowering people like herself to embark on the path to salvation. She is one case of a person who contemplates migration from the Cayman which is the Mecca to so many. Emigration would allow her to escape a social milieu that she has come to hate.

There is also the decline in the social capital of yesteryear in which there was a well developed sense of social obligation and reciprocity that attended the experience of being poor when Christine’s mother Shirley was growing up in the 1940s and 50s. Much of that communitarian spirit has gone from today’s Caymanian society that is increasingly shaped by the principles of a globalised economic neo-liberalism. Only in the case of Christine was there mention of NGO presence that might have contributed to social capital formation at the community level. None of the persons interviewed mentioned the role of the Community Development Agency of the Government as

a stakeholder in the building of communities.

15.3.6 IMMIGRATION

In the contemporary Caribbean migration has had a distinctive nature related to the peculiarities of the region. This includes the way in which it has been integrated into the wider Global society. Increased interconnectedness, both within the region as well as between the region and the rest of the world has been said to lend a new dimension to the nature of Caribbean migration (Pessar 1997; Brown 1997; Brown 2006; Chamberlain 1998). Essentially, the historical pattern of long term sojourn has been replaced by repeated movement between places that is marked by seamlessness, multifacetedness and identity that now transcends any one locale.⁴⁹

Emelda sees herself belonging to two places: her identity is both Caymanian and Jamaican. This is the condition for many Caymanians, whose immediate ancestry can be traced back to Jamaica. Ironically, less than half a century ago, the Cayman Islands was the source of migrant labour seeking a livelihood abroad. These islands were a sending country. Their integration into the

international economy was almost entirely by way of the export of labour.

The beginning of the present century finds the country at the other end of the spectrum, as a receiving country, having emerged as a new pole of growth and prosperity in the sea of economic depression and poles of economic prosperity (Brown, 2004). The Cayman Islands are now the destination attracting streams of migrants fleeing the economic doldrums within the region towards an area of vibrancy and growth. On the other hand, relative proximity allows for circulation and even for an informal roll-over.

However, given that this labour import is essential for the economic prosperity of the country, there remain unresolved issues relating to the place of many immigrants who have strong family ties to the Cayman Islands. Emelda's grand-son, Ms. Flower's son-in-law, and a baby born of a Jamaican mother by a Caymanian father on Cayman Airways in Cayman airspace raise issues that go beyond Immigration Law and human rights, and focus attention on social integration given the nature of the historical development of the Cayman Islands over the last century at the very least.

49 Brown, Dennis, A.V., Migration and Family in three Caribbean countries (Forthcoming).

CHAPTER SIXTEEN – SHAPING THE QUALITY OF LIFE: THE POLITY AND THE ECONOMY

16.1 INTRODUCTION

The analysis of the SLC in the Cayman Islands conducted in 2007 has established that the country has very low levels of estimated poverty by any standards, and surely in comparison with neighbouring countries in the Caribbean. Indigence – or lack of basic food to maintain good bodily health – is non-existent in the country. This enviable record reflects the transformation that has occurred in the economy and the society over the latter half of the 20th century.

The institutions that discipline the processes of the society have guaranteed a high quality of life for most of the residents of the country. Thus, in addressing the problems that have been unearthed in this exercise, the challenge to the institutions of the society may have less to do with the classic Caribbean problem of poverty reduction and alleviation, and more with the improvement in the quality of life of citizens, especially those at the lower socio-economic level.

This has to be seen in the context of its recent economic history. The country succeeded in a re-insertion of itself into the international economy, by seizing the opportunities that emerged in the period, as tourism became an important sector with the growth in incomes in the post-World War II period. A high-end tourism built

with foreign capital created the Cayman Islands as a major destination.

The rise of off-shore finance presented the country with another opportunity that its planners readily embraced by creating the environment that attracted a range of financial institutions in the metropolitan economy, seeking to generate profit by the judicious placement of funds at some remove from the main financial centres, and their fiscal authorities.

In the first half of the 20th century, the population of the Cayman Islands relied heavily on seafaring and the provision of unskilled and semi-skilled labour services in earning much of their keep, which returned to their native land in the form of remittance income. The material conditions at that time were not dissimilar to those of any peripheral economy in the Caribbean. Like other Caribbean people in the first half of the 20th century, many Caymanians sought salvation abroad and settled permanently in other locations, in some cases enough to form new communities, e.g. Isle of Pines (Rolando, 2007).⁵⁰

50 The migration of Caymanians to Cuba in the first half of the 20th century is the subject of a documentary, *Cherished Island Memories: A History of Cubans and Cayman Islanders*, by Gloria Rolando, the Cuban filmmaker, which premiered in Havana on December 7, 2007. See <http://afrocubaweb.com/gloriarolando/passages.htm>

In the second half of the 20th century, the Cayman Islands experienced a migration reversal. The people were no longer required to seek for survival abroad. The Islands have since attracted labour from the surrounding economies and from further afield, and the country is now the source for remittances to populations in neighbouring countries. Foreign investment created a new economy that provided employment and income for many. As the country approaches the end of the first decade of the 21st century, there is a perceptible shift in policy to redefine the role of the Caymanian people in their place, so that they become active participants in their own development.

16.1.1 HIDDEN POVERTY

The PPA in the present exercise identified the feelings of some sections of the population most of whom feel that they have not benefited equitably from the changes that have taken place in the Cayman Islands in the last few decades.

Their concerns are corroborated by assessment conducted in the IA which has established that while the country is well endowed with a range of institutions and structures across a wide swathe, there are gaps in the delivery system that result in difficulties for particular groups and communities. Material standards reflected in the reduction in the numbers below the poverty line are one dimension of the challenge in the Cayman Islands. Social equity and the opportunity to achieve one's fullest potential are another.

The PPA and the IA suggest that there are problem areas in the society. While measured poverty is low, and indigence non-existent, in-depth examination of conditions for those in the lowest decile or lowest quintile would reveal poverty that would otherwise be hidden. This and the following chapters will examine how the institutional structures influence the quality of life of citizens and residents in a selective number of areas, and drawing on all the components of the NALC.

16.1.2 INSTITUTIONAL TYPES

Institutions can be assessed for their contributions in four easily designated areas: developmental, preventive, remedial and supportive. Developmental institutions contribute to the creation of capacity and assist individuals, groups or communities to achieve new possibilities for themselves. In other words, they teach people "to fish", in the words of the old adage.

Training institutions represent a good example of developmental institutions. Preventative institutions assist in protecting individuals from risks and vulnerabilities. A youth programme geared to encourage youth at risk of becoming engulfed in drug running is preventive in nature, since it orients them along a path that is constructive rather than destructive of society's goals and objectives.

Remedial institutions recognise that an individual or group has already succumbed to a challenge, but can create a possibility for the mending of ways and for recovery in

full or in part. A programme for teenage mothers to return to school and complete their education is an example of a remedial programme.

Supportive programmes are what are traditionally defined as social welfare services, and include social assistance transfers. The goal here is to provide succour out of concern to ensure that there is available to the targeted individual or group, the provision of resources consistent with what society regards as decent or appropriate. Social transfers are supportive in nature: the concern is to give fish.

There are also institutional arrangements that treat with the wider issue of rights, including human rights and political rights, which define the status, responsibilities and entitlements of an individual irrespective of his/her other social and economic status. It is important to underline the fact that institutions may have multiple objectives and may function in more than one area. Moreover, the rationale for their establishment is not always a good predictor of what roles that they actually perform.

In this and the following chapters, the focus will be on the role of institutions and organisational structures dictating social, economic and political realities in the Cayman Islands. The first that merit attention are those that relate to the running of the state itself. In that regard, the institutions are likely to be cross-cutting, with the focus on the legal framework, rules and principles rather than on formal

organisations. A more expanded documentation of the functions of all the organisations can be found in Volume III.

16.2 THE POLITY

16.2.1 GOVERNANCE AND THE UNITED KINGDOM

The Cayman Islands as an Overseas Territory of Britain, has attained a substantial level of devolution from the Foreign and Commonwealth Office, which is the main mechanism through which authority is exercised on what is largely a self-governing country.

There is currently discussion of new constitutional arrangements for the country. As has been argued by Fergus (2003), institutional development in the Cayman Islands reflects the fact that in its very foundation as a colony, it was not 'a garden of agriculture'.⁵¹ The absence of land suitable for large-scale plantation agriculture made it different from other Caribbean colonies. In the period of slavery, the slaves were not plantation workers but rather seafarers, turtle fishers, and assistant pirates, working side by side with their masters. A common lot created less room for social differentiation, and this has had sociological and political implications rendering the Cayman Islands atypical compared to other Caribbean ex-colonies.

51 Howard A. Fergus, 2003. Constitutional Modernisation in Montserrat and the Cayman Islands: Taking the British Seriously? Presented at the Montserrat Country Conference, November 13-14, 2002. Website: <http://www.cavehill.uwi.edu/bnccde/montserrat/conference/papers/fergus.html>

As an Overseas Territory, the status of the Cayman Islands comes up for review before the United Nations from time to time, to establish before international society, that citizens of the Cayman are fully exercising their rights to self-determination in remaining an overseas territory of the United Kingdom.

The irony of the late 20th century is that a number of the Caribbean territories that were deemed to be too small to be colonies on their own, and were “dependencies” have a more successful growth performance than those that were ready for political independence. The Cayman Islands and the Turks and Caicos Islands were at one stage in the political history of the 20th century, appended to Jamaica: both of the former have experienced faster rates of growth, and have been more successful in reducing poverty among nationals of the country.

It could hardly be argued that the Cayman Islands have remained an Overseas Territory against the wishes of the population generally, and as a result of pressure from the U.K. Government. This does not prevent their revisiting their status from time to time and their seeking to adapt their constitution to changing political and economic realities.

Whatever the outcome of the discussion on new constitutional arrangements, the relationship between the Cayman Islands and the United Kingdom has already accorded a level of devolution to the islands that leaves most citizens with little anxiety about their rights and status and about their

being able to self-actualise in the body politic of their society.

16.2.2 INTERNAL GOVERNANCE

On the other hand, there are internal issues of power that which relate to the Sister Islands vis-à-vis the Government in Grand Cayman. Prior to the economic take-off in the mid-twentieth century, there was far less disparity within the three-island state. However, as the seeds of economic transformation came to be sowed on Grand Cayman, which was also the seat of administration, centrifugal factors seem to have structured the relations among the islands, concentrating power in the Legislative Council on Grand Cayman and in the Executive, through the Cabinet, also located in Grand Cayman.

The Office of District Commissioner with officials appointed from the centre is often placed in an invidious situation in representing the views of people on the island in winning resources from the central government. There seem to be contradictory tendencies, with statements at the central level about ensuring that the benefits of development are more equitably distributed geographically, while at the same time, there are silo-like arrangements in place such that various departments from the central government are represented by officials at the level of the other islands, without their needing to coordinate their activities through the office of the District Commissioner. From the perspective of the residents of the Sister Islands, the following apply:

- There is a dilution of the autonomy and control of the DC's office, which has had structural, functional and fiscal implications;
- Budgetary allocations are defined in terms of the islands being districts, even though as separate islands they may require separate facilities;
- The Office of the DC is expected to discharge the function of a local government without the authority to do so.

In the case of Little Cayman, where the native born Cayman population is in the minority vis-à-vis rich foreign residents who have bought property on the island, there is a sense of marginalisation and alienation among the remaining Caymanians. The sense of exclusion from the decision-making process is shared by East End.

16.2.3 IMMIGRANTS AS POTENTIAL CITIZENS

Another source of tension in the society is the matter of the rights of non-Caymanians. With the passage of Immigration Laws recently, the clear distinctions of immigrant and citizen may seem settled for the moment, in terms of law. As an Overseas Territory, the country was forced to move quickly to adjust its Immigration Laws to make them consistent with the spirit of those enshrined in the European Convention on Human Rights.

The Cayman Islands face a vastly different challenge to that of the European Union.

The problem is the possibility of Caymanians being numerically overwhelmed by immigrant labour that may qualify for citizenship under the rules that apply in the EU. The socio-psychological carrying capacity of the society is stretched in according citizen rights to a substantial number of non-Caymanians, the services of whom have been critical in maintaining the rate of growth and the level of economic expansion to which the country has become accustomed.

No political administration in the Cayman Islands can escape outlining its position on immigration. There seems to be bi-partisan support for avoiding the possibility of Caymanians being outnumbered by non-Caymanians, and for diversifying the sources of labour supply, which approach shapes current immigration policy in the Cayman Islands. The Government's position is outlined in the words of the Leader of Government Business:

'...though large-scale immigration will always be needed, control of the country must remain in the hands of Caymanians. We are happy, as we always have been, to integrate immigrants into our society; to accept in due course that they have become Caymanians with all the rights of Caymanians, but the numbers must be limited. We cannot in that sense integrate all those who would like to live here. That would not be integration, it would be take-over. So the bulk of the immigrants must be permit-holders, who do not have the same rights as Caymanians. There is nothing new in this, and experience shows that immigrants are happy to come here on that

basis. This is not anti-Jamaican (or anti-anyone else).⁵²

The thrust of the institutional machinery has the following elements in place:

- Term limit on employment in the Cayman Islands to a period less than would qualify a work-permit holder for the right to apply to become a permanent resident and eventually for naturalisation on the basis of continual residence in the country;
- Management of numbers of persons on work-permits such that Caymanians remain in the majority of persons resident in the country at any point in time, and 'the number of persons added to the population is small enough that the country can absorb them'⁵³;
- Widening of opportunity for Caymanians to upgrade their education and to qualify for consideration for the high-level positions in the public and private sectors of the country.

In effect, the Department of Immigration is responsible for managing population policy, employment policy and industrial policy, all woven into immigration policy. All of this is implicit in the roll-over policy.

However, the roll-over policy has to be seen against the increasing competition for skilled and professional personnel worldwide, and moreso in developed world markets.

In the context of globalisation, even larger countries, including the United Kingdom, have faced difficulty in assimilating immigrants needed for economic expansion. The assimilation of immigrants who qualify even under the stringent rules of the Cayman Islands will be one of the challenges to be addressed in the evolving political scenario of the Cayman Islands. It may well be already the case, in some of its constituencies, that the majority of the voting population is already not native-born Caymanian.

The small size of the native Caymanian population and the requirements of high rates of growth have created the most difficult problematique in the development of the country. Even if the country were to maximise the number of Caymanians with high-level education and skills, its natural population base of born Caymanians, cannot provide all the personnel required to operate in all the strategic areas of management and decision-making let alone at the level of skilled and semi-skilled occupations.

52 See comment by Leader of Government Business, Hon. Kurt Tibbetts, in http://www.gov.ky/portal/page?_pageid=1142,1797747&_dad=portal&_schema=PORTAL.

53 The words of Minister Alden McLaughlin, in his contribution to the debate on the amendments to the Immigration Law in the Legislative Assembly on March 6, 2007. See Press Release of Government Information Services of March 14, 2006.

16.2.4 SECURITY OF THE INDIVIDUAL

Another issue in respect of the citizen and the state has to do with the guarantee of the security of the individual. The country has been spared the violence, especially gun

violence, that has rocked a number of Caribbean societies in recent years. Given the heavy reliance on tourism, the country can ill afford threats to personal security. Experience elsewhere in the region has demonstrated the costs to the society of travel advisories put out on tourist destinations.

The small size of the country, the vastness of its territorial waters, and its proximity to the North American sea-board makes Cayman Islands an attractive target for the drug-running cartels from South America, for the transshipment of narcotics to North America. The high per capita income makes the country an attractive internal market as well.

In the PPA, there was mention on the part of a number of households, including the youth, of the prevalence of drug abuse in neighbourhoods, and of turf wars among gangs involved in drug running. National security is thus an essential factor in the quality of life and represents an important area of investment.

16.2.5 RIGHTS OF THE CITIZEN

As a British Overseas Territory, the Cayman Islands are required to observe a number of international conventions, including those relating to fundamental human rights, and more particularly, the European Convention on Human Rights.

As a major destination for labour in search of work from neighbouring countries, and with the non-Caymanian population

occasionally approximating a majority of the resident population, the rights of immigrants are a highly-charged political issue. The remit and processes of the Department of Immigration are an area of focus in the society. It is charged not only with guarding very jealously Caymanian status, but, implicitly and perhaps more importantly in the psyche of the public, it is expected to protect Caymanians from ever becoming a minority of residents.

On the matter of the rights of the individual *vis-à-vis* the public service, there is the Office of the Complaints Commissioner that allows redress to all legal residents who might have been unfairly treated by a Government Agency.

There is also the Cayman Islands Human Rights Committee, which was established to bring its legal framework in line with the Conventions of which the country is a signatory.

There is also provision for legal aid, through the Legal Aid Office, that provides for the legal fees of an accused who does not have wherewithal to pay for his/her own defence.

16.2.6 CULTURE

Given the heavy reliance on guest workers in the running of the economy, it is inevitable that the population of the Cayman Islands face a major challenge in affirming their culture as a people and yet creating the environment to accommodate large numbers from diverse cultures. The

National Cultural Foundation seeks to create balance in the face of contradictory forces. Many Caymanians describe themselves and their society as Christian.

As the country seeks to diversify its source for labour, the society will face the challenge of managing cultural diversity and even demands that Christianity not be portrayed as having pride of place above any other religion. With the increase in resident population because of the demand for labour, there has been a bulge in the population of working age. This has the effect of increasing the share of the naturalised component of the Caymanian population relative to longer standing native-born Caymanians, which has implications for culture in the Cayman Islands. In diversifying sources of labour supply, the official policy of assimilation may have to be modified to accept diversity, with no religion or culture having pride of place over any other.

Table 16.1 summarises the assessment of some of the institutions that give shape to the polity of the Cayman Islands and influence the environment in which residents conduct their daily lives.

16.3 ECONOMIC DEVELOPMENT INSTITUTIONS

An examination of the development institutions of the country has to be contextualised against the objectives of economic development policy and strategy. Some of this has been the subject of Speeches from the Throne and in Statements by the Leader of Government Business.

The most recent formulation of the philosophy outlined by the Leader of Government Business, seeks to create opportunities for Caymanians in lesser developed districts in the context of continued growth of the economy.⁵⁴

The expansion of the economy is premised on the some level of diversification within the two sectors that have been the pillars of economic transformation of the country. Thus, within tourism, there is a thrust to eco-tourism, and there is the expectation that the country can adjust its regulatory framework for the Financial Services Sector to encourage the growth of a new niche within this sector. Indeed, the last budget cycle document 2007/08 suggested some slight shift in the role of Government. The Financial Secretary outlined the commitment of the Government to ‘support the economy’ by such specific strategic measures as:

- Enhancing tourism and developing a cruise tourism policy framework;
- Promoting the financial services industry;
- Supporting Cayman Airways;
- Encouraging small business development;
- Developing economic activity in the Sister Islands;
- Developing the agricultural sector; and
- Continuing support for the ‘Go East’ Initiative.

⁵⁴ Making a Difference: Delivering Results. An address delivered by the Leader of Government Business, the Hon. Kurt Tibbetts, to the Legislative Assembly at the Budget meeting Friday, 27 April 2007. Website: http://www.gov.ky/portal/page?_pageid=1142,2073084&_ad=portal&_schema=PORTAL

TABLE 16.1: ASSESSMENT OF INSTITUTIONAL EFFICACY

No.	Name of Organisation	Primary Focus	Key Actions for Improving quality of lives for Caymanians	Score
1.	Cayman Human Rights Committee	Developmental, preventive	Was established by the Government but seeks to operate arms-length from the Government; promotes protection of human rights in the Cayman Islands, and engages in advocacy and education of the public on the principles of human rights, and related international conventions; provides a forum for review of contentious issues relating to the rights of individuals as in Immigration Law, status of refugees, employment laws and minimum wages and conditions of service; promotes the adoption of conventions relating to elimination of discrimination on the grounds of race, ethnicity or gender.	4
2.	Legal Aid	Supportive	Provides support by way of legal representation of any person legally resident in the Cayman Islands, arraigned before the Courts for a serious offence, and without means to secure representation.	3
3.	District Commissioner's Office, Cayman Brac	Developmental	Provides opportunity for residents of Cayman Brac to have their voices and concerns represented in the administration of the affairs of the country; seeks to compensate for silo type structure that result in officials in Cayman Brac reporting directly to offices in Grand Cayman and preventing coordination on the ground on Cayman Brac;	3
4.	Department of Immigration	Preventive	Seeks to manage an implicit industrial policy, population policy and employment policy with immigration policy; has responsibility for the 'roll-over policy' that seeks to protect the national space of the Cayman Islands and avoid having the non-Caymanian resident population surpass Caymanians; tries to ensure that immigration rules reflect some sensitivity to socio-psychological carrying capacity of the Caymanian population.	4
5.	National Cultural Foundation	Developmental	Seeks to unearth artistic and musical talent of Caymanians, and to allow all the arts of the Cayman Islands to flower and to give identity to the place and its people; has been responsible for putting CAY Fest on the calendar of the country; contributes to the differentiation of Caymanian tourism product through music, art and culture.	3
6.	National Gallery	Developmental	Runs programmes for children and young people in the school system, thereby helping them to realise their potential; works also with inmates of Eagle House, opening an opportunity for self-expression;	4

16.3.1 INEQUALITY AS A DEVELOPMENTAL CHALLENGE

Economic growth is a necessary, though not a sufficient condition for affording an improved standard of living and quality of life to citizens of a country. There is still considerable debate, however, on the extent to which growth is associated with improved equity in a society. Indeed, according to the Kuznets hypothesis, inequality tends to increase during the early stages of the growth process. The hypothesis posits, however, that at some stage, the level of inequality falls, once the growth process has been sustained over a sufficiently long period.

The Cayman Islands have been blessed with rapid rates of growth for most of the last half-century. The economic expansion has been achieved with certain evident disparities, however. These have been revealed in respect of:

- Interpersonal distribution;
- Geographic distribution;
- Inter-group distribution.

Firstly, the level of inequality, while comparable to that of other Caribbean countries is higher than that of countries that have achieved such a high per capita income. The Cayman Islands has a per capita income that approximates that of a developed country. Inequality as measured by the Gini coefficient approximates 0.4. However, given the high concentration of non-Caymanians at the bottom of the economic pyramid, it could be argued that

the recorded inequality reflects disparities between nationals and persons who are transient labour and are due to return to their country of origin at some stage. The fact is, that some of the transients may become citizens at a later stage. Thus, the entrapment of any group on the lowest rung of the ladder may not conduce to the social good.

Secondly, the research has established the presence of geographic disparities. Cayman Brac has a higher level of measured poverty than other parts of the country. Given the inevitable reliance of Cayman Brac on Grand Cayman for supplies of essential consumer goods, the cost of living is higher than in Grand Cayman. Sea and air transport between Grand Cayman and the Sister Islands are often subject to disruption. Participants in the PPA in the East End attest to being left behind as well.

The Cayman Islands are similar to other multi-island states in the Caribbean where the issue of regional disparities has emerged alongside the demands of islanders in the less well-endowed communities for a greater devolution to the individual island entities. The perception of the residents on the smaller islands is that the economic and infrastructural disparity between these islands and Grand Cayman converges with differential power and influence in the running of the country.

Thirdly, data from the labour market reveal substantial segmentation, confirmed by the SLC, with segments emerging along lines of distinction in national origin. Whatever the

source of the inequality, the country has had enough secular expansion for the inequality level to fall and to approximate that of developed countries, rather than that of a typical developing country. The reduction of inequality and the elimination of barriers have to be an objective of policy.

16.3.2 TOURISM

This sector was from very early, an important driver in the take-off of the economy in the second half of the 20th century, as the country embraced the possibilities offered by its amenity resources of sun, sea and sand and its relative proximity to the eastern sea-board of the United States, in creating a high end destination.

The Ministry of Tourism, Environment, Investment and Commerce has the broad responsibility for policy formulation for this sector that has transformed Grand Cayman and is now seen as offering the possibility for the transformation of areas of Grand Cayman that have been excluded so far, and as well the Sister Islands. Its specific policy frame anticipates:

- Imminent expansion of the Cuban tourism product to the rest of the world, and the threats to and opportunities for the Cayman Islands Tourism Sector;
- The necessary upgrading of hotel and tourism plant to improve the competitiveness of the Cayman Islands;

- Promotion of Caymanian participation in the ownership and running of hotels and other establishments and the creation conditions for Caymanian entrepreneurship;
- Promotion of the 'Go East' Initiative to involve other parts of Grand Cayman as part of the tourism product of the country and the retention of 'Caymanianess' in the ownership and in the ethos and character of this emerging product;
- The opening up of the Sister Islands as part of the nature-based or eco-tourism thrust, and the fullest involvement of the Caymanian population in this initiative;
- The promotion of group ownership arrangements to facilitate retention of ownership in the hands of Caymanians;
- The training of Caymanians to function at the upper echelons of the industry, especially in management and supervisory roles; and
- Invoking sustainability in future tourism projects and avoiding the repetition of the pattern set in the Seven Mile Beach example, which has not been conducive to maximising local participation.

The Department of Tourism performs roles of both development and regulation in the sector. On the one hand, it has been instrumental in managing the entrée of high-level service providers with a view to

rebranding the Cayman Islands in the current context of international tourism. On the other, it seeks to help the shift to sustainability, nature and history in the tourism product and to embracing the other parts of Grand Cayman – ‘Go East’ Initiative – and the Sister Islands. The regulatory role is discharged by the licensing requirement to which all hotels and accommodation units must be subjected. This has allowed the Cayman Islands to maintain the high-end quality of its product, in respect of accommodation.

The shift in the focus of the Government is too recent to assess the extent to which it has led to the expected results in terms of Caymanian entrepreneurship in the sector.

There are two active NGOs involved in the sector – The Tourism Association based in Grand Cayman and the Sister Islands Tourism Association. The Tourism Association has a membership that spans a wide range within tourism and the ancillary and support services. Its role is primarily that of advocacy for the sector with the rest of the society and serves as a platform for networking among its own members. It mounts an annual promotional event to profile the industry among the general public in helping to make the sector ‘near and dear’ to the population. One objective is to encourage more Caymanians to enter ancillary service areas where they have been absent, as with dive operations.

It collaborates with the public sector agencies in the development of training programmes designed to empower

participants in the sector and to raise the quality of service, thereby enhancing the competitiveness of the Caymanian product. Its most recent challenge has been in helping the sector to adjust to the travails caused by the ‘roll-over’ policy of the Government, which has depleted the sector of some of its better trained personnel.

The Sister Islands Tourism Association was established to promote the involvement of residents of the Sister Islands in the creation of a different tourism product on the Sister Islands. It has been involved in marketing the islands with a brand that is founded on conservation and the observance of eco-sensitivity, and exploits the small scale, quaintness and quiet and amenities for dive operations and bird watching on the two islands.

A major challenge on Cayman Brac is the distinct preference among the Caymanian population for employment in Government, rather than in the tourism sector, thus forcing the sector, as small as it is, to a heavy reliance on non-national labour. Another challenge is the failure to exploit the important backward linkages to the fisheries potential of the surrounding waters.

The stimulation of economic activity in the Sister Islands and in East End, in the latter case, through the ‘Go East’ Initiative, confirms the official recognition of the role of the state in correcting geographic disparities that have been created in the course of economic development over the last four decades.

There are a number of developmental issues that remain unresolved in this paradigm shift that may present obstacles to the achievement of the objectives. The initial transformation of the economy of the Cayman Islands was achieved on the basis of foreign direct investment with foreign firms and their management entering with finance, expertise and entrepreneurship to create a new possibility within the Cayman Islands. The domestic population was in a bystander role for the most part. The new paradigm is premised on local entrepreneurship. The CIIB seems to be the only organisation charged with the responsibility of creating and encouraging an entrepreneurship orientation among the Caymanian population.

16.3.3 FINANCIAL SERVICES

The Financial Services Sector has been the other major pillar in the growth and transformation of the country. Its major contribution has been through the revenues that the Government collects from the registration of financial services providers to the rest of the world. The pre-eminent factor in the attractiveness of the Cayman Islands was the absence of income and other taxes on the service providers.

The main service providers operating in the jurisdiction have been Banks, Trusts, Mutual Funds and Insurance Companies. More recently, Mutual Funds and Captive Insurance have been the main growth areas. Freedom to operate, once registered, was the primary benefit that the Cayman Islands afforded the industry, with the Government

securing its returns from the revenues derived from registration. A similar approach was adopted in respect of the registry of vessels.

The Cayman Islands Monetary Authority (CIMA) was established by the Government to guarantee transparency and disclosure that is consistent with requirements of the Basel Accord. CIMA operates with a certain independence from the Government while still answerable to it.

It is responsible also for the licensing and registration of all Cayman Islands regulated entities. CIMA is committed, inter alia:

- To regulate the financial services industry and to assist overseas regulators in a manner which meets internationally applied standards; and
- To act in the best economic interests of the Cayman Islands and in a fair, open, efficient and cost-effective manner.⁵⁵

The regulatory structure was substantially modified following the September, 2001 terrorist attack in the United States, to avoid this off-shore centre being used by criminal and terrorist organisations. The upgraded regulatory environment has allowed the Cayman Islands Stock Exchange to list a range of offshore operations and to operate as an approved organisation with the London Stock Exchange. Through CIMA,

55 Website: http://www.caymanfinances.com/reg_framework.cfm

the Government of the Cayman Islands has maintained a competitive edge in the market for international financial services by adapting its legislation from time to time. The regulatory structure is being geared to comply with Basel II. CIMA is the institution at the pivot in meeting these obligations.

In sum, the quality of the regulatory environment and the sophistication of its practices have allowed the country to retain its place in the international financial services market ranking fourth, according to a recent study by the IMF, behind Bermuda, Jersey, and Luxembourg among offshore financial centres in terms of the percentage of GDP contributed by the export of financial services – 17.3 percent (Zorome, 2007).⁵⁶

16.3.4 AGRICULTURE AND FISHERIES

This sector remains small but has been occasionally vibrant. It consists of animal husbandry – large and small livestock animals – tree crops and vegetable and root crops for domestic consumption and tourism-catering business. Much of the agricultural lands have been absorbed by real estate development geared to tourism or commercial activities. Retaining land in agricultural use has been a major challenge on Grand Cayman and increasingly on Cayman Brac where agricultural lands are

now being converted to residential and resort use. The passage of Hurricane Ivan led to further decline in the role of the sector.

It is estimated that only 37 percent of the land zoned for agriculture is actually suited for agricultural production. The rest includes lands set aside for environmental protection – made up mainly of wetlands – and lands over water lenses. Fishing remains small scale compared to Caribbean countries and is focused largely on meeting domestic requirements.

The Agriculture and Fisheries Sector remain under-exploited even in respect of the possibilities they offer for forward linkage to a major tourism sector. The importance of the latter point is well demonstrated by the sudden recognition of the major food security problem countries like the Cayman now face with the world wide crisis in food and energy prices. There is room for small scale agriculture in filling some domestic needs, as inexorable is the requirement for imports given the size of the resident population relative to the nature of the agricultural resources of the country.

The Department of Agriculture which falls under the Ministry of Health, is expected to provide policy direction and advice on scientific, technical and strategic matters relating to the sector. The majority of staff members are multi-skilled and cross-trained, thus making them adaptable to changing situations.

⁵⁶ Zorome, A., 2007, Concept of Offshore Financial Centers: In search of an Operational Definition, IMF Working Paper, WP/07/87, Website Source: http://papers.ssm.com/sol3/papers.cfm?abstract_id=98681
5

The Department provides a range of services including agricultural planning, overseas procurement and sale of agricultural supplies, provision of health care and veterinary services, and provision of marketing, public education and promotion services. The Department also has statutory authority for the administration of a number of laws including the Endangered Species Protection and Propagation Law 1988, and the Plants Law of 1983.

One of the highlights of the work of the Department is its annual Agricultural Shows which take place in Grand Cayman and in Cayman Brac. Given the importance of tourism, the Department has made the strategic decision to invest in an agro-tourism project which offers the possibility to realise growth within the agricultural sector.

In sum, it is recognised that the agricultural sector needs a new strategic direction given its declining status.

16.3.5 OTHER DOMESTIC INVESTMENT AND BUSINESS

The transformation of the country from a peripheral Caribbean economy and society based on sea-faring and small-scale farming and fishing, to an economy based on international tourism and off-shore financial services was achieved largely with reliance on foreign direct investment. At the dawn of this transformation, the institutional infrastructure for participation of nationals in the growth sectors of new

economy of the Cayman was rudimentary. A new economy could be fashioned in the Caymanian space, whether or not the Caymanian people were willing and available to participate in it.

The requirements of the late 20th and early 21st centuries involve the participation of Caymanians in the running of the economy, and in their contributing beyond being labour force participants in the dynamic sectors of the economy, whether these be the export of goods and services through tourism and financial services or in those areas of the domestic economy that are more focused on domestic demand and the internally traded sectors. There are institutions geared to fulfil this remit.

The Cayman Islands Investment Bureau is the reincarnation of a predecessor agency, which had the promotion of FDI as the main objective. Since Hurricane Ivan, and in recognition of the experience in the rest of the Caribbean that FDI has not brought the level of benefits anticipated CIIB has sought to focus attention on small and medium sized business from among the Caymanian population. Domestic capital is seen as complementary to FDI, with CIIB enlisting the cooperation of other domestic institutions in this thrust.

While there is no overarching policy document that guides the approach of CIIB, its initiatives have been apparently well received by such agencies as the Department of Agriculture, District Committees (e.g., the 'Go East Initiative') and the Cayman Island National

Development Bank. It has sought to complement new policies relating to the involvement of nationals in the Tourism Sector as active participants, and in the sensitive area of the control of the land resources of the country by nationals.

Its most recent initiatives have included:

- Training for prospective entrepreneurs in the development of business plans and in the operation of a business; and
- Involvement of ‘Angel Investors’ through whom start-up businesses run by Caymanians might access equity investment, and advice from more established entrepreneurs.

Other important players in business development and commerce in the Cayman Islands are the Cayman National Bank, the local bank and the only one present in Cayman Brac and the Chamber of Commerce, which has been engaged in much more than advocacy. Indeed, it is the Chamber that introduced social protection for the generality of workers through pensions and insurance.

There are also the internally traded sectors that can provide opportunities but which need structural support to allow the Caymanian population new possibilities for income generation. Distribution and Commerce tend to be vibrant in any growing economy. In the absence of entrepreneurial zeal, non-Caymanians are likely to be the main actors, even though under present rules of the Trade and Licensing Board, they may be required to seek Caymanian business partners. The

Board remains a regulator and is not enjoined to stimulate a thirst for business among Caymanians.

Construction remains a booming sector in the Cayman Islands. It is a moot point as to the extent to which there is a presence of Caymanians in the sector, as Contractors and Managers on the large projects currently being undertaken in the country.

16.3.6 LABOUR

The management of labour demand and supply remains at the centre stage of economic policy and strategy in the Cayman Islands and cuts across all aspects of the operations of the economy. The discussion of labour inevitably prompts discussion about the threat of being overwhelmed by inflows of workers from abroad, especially if there is lack of diversification of source. There is a triad of structures in place with oversight on various areas of immigration. The underlying stratagem of the existing policy seems targeted to secure enough of an inflow to satisfy domestic requirements, but without numbers ever surpassing the number of Caymanians in the population. There is a notional ceiling to the number of immigrants and thus to the number of workers who can be available at any point in time.

At the lower level of the occupational pyramid, unskilled or semi-skilled labour from abroad can fill positions and be readily ‘rolled over’ because an unlimited supply of labour is available from abroad at going wages relative to the demand in the

Cayman. These are among the large number of workers in the lowest quintile, in households where there were no children. At the other end of the spectrum, firms are expected to develop human resource plans with a view to the eventual replacement by trained Caymanians of higher level skilled and professional personnel.

The absence of minimum wages legislation, and the fact that a worker on a work-permit is required to work only with the person who contracted his services, creates conditions under which Caymanian employers would use low-level labour liberally, and would be less inclined to apply labour-saving technology. This is one aspect of the calculus that seems to be ignored in the examination of labour demand.

In the absence of a formal economic or econometric modeling, it is unlikely that a long-term strategy can be developed for treating with the requirements in certain areas of the economy. The private costs to employers, however, do not take account of the social costs of a large work-force on the lowest possible wages and disposed to abide by conditions that are characterised by severe overcrowding and other stresses that may remain unrevealed but may flare up in a deterioration of health conditions.

The conundrum for policy makers in the Cayman Islands is the decision as to the number and the level of the jobs to be filled ideally by Caymanians, consistently with their having the demonstrable capacity, and with due regard for the numbers that will create their own employment as entrepreneurs in the further transformation of the economy and society.

Another criterion to be applied would be the degree to which particular activities would be subjected to conscious technological upgrading to reduce labour utilisation. From this point of departure, the allowable inflow of labour becomes the residual which is then subjected to the roll-over principle.

Table 16.2 presents in summary form an assessment of the organisations that contribute to the economic life of the country. The scores on performance reflect of an ascending order of rating of 1, which is poor, to 5 which is excellent. The scoring has to be interpreted in the context of the resources available to respective organisations: the score implies that the level of delivery deserves such a rating. On the other hand, the sheer scale of the problem or issue may render their efforts picayune, relative to what is required overall. It may not be the remit of one organisation to solve the problem by itself.

TABLE 16.2: ASSESSMENT OF ORGANISATIONS

No.	Name of Organisation	Primary Focus	Key Actions for Improving quality of lives for Caymanians	Score
1.	Ministry of Tourism, Environment, Investment and Commerce	Developmental and Regulatory	Seeks to improve competitiveness of tourism sector; promotes 'Go East' Initiative ; encourages involvement of Caymanian population in growth sectors, and SMEs; developing thrust in eco-tourism with inclusion of Sister Islands.	4
2.	Department of Tourism	Developmental and Regulatory	Promotes involvement of other parts of the country in the expansion of tourism; seeks to differentiate tourism product of the Cayman Islands through development of ecotourism.	4
3.	Cayman Islands Tourism Association	Developmental	Advocates on behalf of participants in the sector; creates a platform for sharing of information and collaboration among members of sector in the Cayman Islands.	4
4.	The Sister Islands Tourism Association	Development	Seeks to create a different tourism product from Grand Cayman on Cayman Brac and Little Cayman, by exploiting remoteness and solitude, as well as excellent dive sites.	3
5.	Cayman Islands Monetary Authority	Regulatory	Ensures that Cayman Islands complies with Basel Accord and other requirements for operation of Offshore Financial Services; shows no inclination for increasing greater Caymanian presence in sector.	4
6.	Department of Agriculture – Grand Cayman	Developmental	Seeks to ensure Cayman maintains some semblance of involvement in agriculture and fisheries directed at domestic demand; faces challenge of rapid alienation of land from agriculture.	3
	Department of Environment	Developmental and Regulatory	Advocacy and research on protection of the environment of the Cayman Islands.	5
	Department of Agriculture – Cayman Brac	Developmental	Seeks to ensure Cayman maintains some semblance of involvement in agriculture and fisheries directed at domestic demand; faces challenge of rapid alienation of land from agriculture.	3
7.	Cayman Islands Investment Bureau	Developmental	Promotes SMEs in recognition of limited participation of Caymanians as primary agents in creating of income and wealth; runs workshops for Caymanians to encourage entrepreneurship; actively involved and committed to the 'Go East Initiative'.	4
7.	Cayman Islands Development Bank	Developmental	Now devotes forty percent of resources to SMEs, with rest focused on student loans and mortgages; has sourced funds from the CDB for on-lending for mortgages to first time home-owners; striving to correct for lack of participation of Caymanians in entrepreneurial activity.	4
	Cayman National Bank	Developmental	Deems itself <i>the</i> national bank, fully part of the national fabric; in addition to banking, is involved in insurance and brokerage; has orientation to service in addition to profit; has the largest spread of services and is in the East End and in Cayman Brac; seeks to empower Caymanian population in ownership and entrepreneurship in the domestic space; is committed to inducing mindset change among Caymanians to equip them to participate as active agents in the development of the country.	5

No.	Name of Organisation	Primary Focus	Key Actions for Improving quality of lives for Caymanians	Score
8.	Cayman Islands Civil Service Association Coop. Credit Union	Developmental	Serves mainly credit needs of members; small percentage of resources devoted to corporate clients and SMEs; only now increasing lengths of time for mortgages beyond ten years, and not into development of residential estates.	3
9.	Chamber of Commerce	Developmental	Engages in wide swathe of activity in the country; has been precursor ahead of the State in respect of health insurance and forms of social protection of workers; conducts surveys on wages and compensation in the country; is also involved in the promotion and protection of the rights of citizens and engages in advocacy abroad in respect of interests of the citizenry, as for example in the United Nations Special Committee on Decolonisation.	5
10.	Trade and Business Licensing Board	Regulatory	Limits itself to registration and regulation of businesses in the Caymanian Islands; has created orderly environment for establishment of business, but may have fettered development of SMEs from informal sector activity which remains almost non-existent in the Caymanian Islands	3
11.	Office of the Financial Secretary	Developmental	Maintains environment for economic expansion with revenues of Government exceeding expenditure; ensures that key ratios are maintained with low inflation and low unemployment.	4
12.	Department of Employment Relations	Developmental and regulatory	Seeks to encourage compliance with international standards set by ILO; promotes clearing of labour market by identifying areas in which shortages exist and where nationals need to be sent abroad for training or on scholarships; maintains directory of unemployed; runs Occupational Wage Survey and has established Labour Market Information Systems (LMIS); seeks to reorient psyche of Caymanians in respect of entrepreneurship, employment and Technical and Vocational Education and Training (TVET); may contribute to entitlements syndrome, however, through 'right to work' dictum.	4
13.	National Pensions Office	Regulatory	Ensures compliance of employers with Pension Law, and most Caymanians now covered by private pensions; not clear that Office has much of a role in assessing the viability of plans.	4

CHAPTER SEVENTEEN – SHAPING THE QUALITY OF LIFE: SOCIAL SERVICES

The Social Services span the full range – developmental, preventive, supportive and remedial. The developmental component in substance may be no different to investment and can be treated under the narrower lens of investment analysis, as is the case with post-secondary education and training. Other types of services may be more akin to direct transfers.

There is a general acceptance by the State of a responsibility for social services with its being viewed as providing the ultimate recourse by way of social protection. This has been one of the outcomes of the work of international society since the founding of the United Nations System, with the commitment to the Millennium Development Goals being the most recent affirmation of this position, and is part of Government policy in the Cayman Islands.

However, the country has a long tradition of voluntarism and self-help, dating back to the 19th century. This has meant that even when the state has been absent in the delivery of social services, the NGO sector may fill the gap, and sometimes more competently than the state. Indeed, over the last two decades there have been examples of the NGOs responding to a need that would normally be discharged by the State.

The Chamber of Commerce pre-empted the state in the development of wide-coverage worker pension schemes, and the Seafarers Associations were ahead of the Government

in providing formal social protection for ex-seafarers in the evening of their days. Thus, there is a wide range of providers outside the state sector performing on a voluntary basis. This chapter examines some of the main providers in the area of the social services.

17.1 SUPPORT SERVICES

17.1.1 DEPARTMENT OF CHILDREN AND FAMILY SERVICES AND PARTNERS

The DCFS is the focal point in the delivery of social support services in the Cayman Islands. It is part of the Ministry of Health and Human Services, with a remit that includes social welfare, relief services, Homes for children, protection of the elderly and persons with disabilities, as well as the handling of refugees. Service delivery is discharged through offices in the various districts. Most importantly, its offices are networked electronically, which allows for on-line case management. A staff of some 200 includes 17 social workers with training to degree level in the Social Sciences.

There is also volunteer support supplementing the agency. In 2006, there were over 5000 clients, which compares with 1013 persons who were estimated to be poor in the SLC, and is just under 10 percent of the total estimated population. If half of the first quintile would have been in need of service from the Department, the

case load is remarkably close to the group at potential risk.

Child protection is given very high priority in keeping with the Children's Law of 2003. The case of Veronica's daughter shows that the Department can act expeditiously, in situations of neglect. A major challenge faced by the Department has been in treating with cases of children from mixed or joint families, comprised of unions of a Caymanian and an immigrant. The Department often has to lobby in the Maintenance Court, for child support for immigrant women. There are also cases of children of immigrant parents waiting to have their status regularised prior to their entering the school system; this can be subject to extensive delay, with implications for the schooling of the children.

The National Parenting Programme (NPP) is geared towards assisting girls who succumb to teenage pregnancy, and their reintegration into the school system with the cooperation of the Department of Education.

The Department is also responsible for the STARSS (Support Towards Autonomy Retraining and Self-Sufficiency) which is directed at persons who come repeatedly for support. However, in this programme, there is a reliance on NGO volunteers to teach courses and provide employment-related services. Neither Ms. Flowers nor Veronica seemed to have availed themselves of this programme. There were households, though, that referred to it.

Through the Division of Children and Family Services, there are three types of services provided:

- Residential services
- Adult Day Care
- In-home programme

There are homes for the aged supported entirely by the Government. There is the Golden Aged Home on Grand Cayman, which is the largest such facility in the country, with 14 beds. It was established in 1996 and was designed initially for elderly persons, mainly women. There is a better distribution in more recent times between men and women.

There exist also the Pines Retirement Home, the Sunrise Cottage in the East End, and the Kirkconnell Community Care Centre in Cayman Brac. There have been problems in the physical infrastructure at the homes, which have not been all built for the purpose of providing care for the elderly. There might also have been lack of maintenance, or indifferent maintenance, with the result that clients live in trying circumstances, let alone the absence of facilities for those in need of very special care because of health problems.

The main criterion for entry is indigence. A Social Worker establishes that the would-be resident has no money, and has no one to take care of him or her, and there is need for clearance by the Medical Department. DCFS is also responsible for home help for the elderly.

The Homes are not geared to cater for the growing challenge, namely the elderly who are too old to take care of themselves, have no relatives capable and willing to take care of them, and lack the resources to pay caregivers for themselves. As the society ages, and as the extended family wanes in importance, there will be many such elderly who are not indigent, by the standards set by the DCFS, but lack the resources to be placed in a private home with appropriate standards.

The community development function is also a responsibility of the Department, but has not been a major focal point in the delivery of such services. The underlying weakness in the community development function was evident in the PPA. While respondents pointed to a range of community problems, they did not seem to refer to interventions that counted for much in their eyes. The rapid urbanisation that has taken place in the country would have created major needs, which may remain unattended in the absence of a structure for delivery in community development on the part of the state, and in the absence of effective CBOs. The Cayman Islands Ministers' Association highlighted a number of community development challenges that are not being addressed.

The DCFS is the source for subvention to a range of social partners that allow for a reach of social services to a large clientele in need or at risk. Through the Department, the state has become the prime or most reliable source of funding in the provision of particular services. The partnering

arrangements allow the Government to collaborate with a range of agencies in the NGO sector that are organised around the principles of voluntarism in addressing particular social needs. On the other hand, the commitment to value for money, implicit in the accounting principles in place has meant that there is a required level of transparency of costs and benefits, and there is an avoidance of any listing to open-ended expenditures.

Another aspect of partnering developed by the Government is the establishment of special purpose Centres and Foundations which may be fully funded for a number of years by the Government, but which in terms of its governance, would include from the very outset, relevant stakeholders and volunteers. The establishment of a formal entity may be on the initiative of an NGO which then seeks support and partnership with the Government. The Professional Women's Club, in responding to the problem of domestic violence, sought the assistance of DCFS in the creation of the Crisis Centre which offers victims an immediate but short-term refuge from domestic violence. However, while DCFS is supportive of the effort, its monetary contribution seems to be focused on the abused person and less in contributing to the running of the Centre.

A more elaborate method of partnering is the establishment of a Foundation by the Government, which is gradually encouraged to mature to a relationship of less dependence on the Government. The expectation here seems to be that, over time,

the state can reduce its direct contribution and its role, while the NGO sector and the private sector become more fully responsible for maintaining the particular service. There may even be special legislation creating the organisation, and defining its role.

The arrangement is not guaranteed success, however. Thus, the National Drug Council seems to be threatened with decline, even though there is need for it to expand its operations in the light of the enormity of the drug abuse problem that the country seems to face. The National AIDS Foundation seems beset by similar problems. In both cases, the main personnel in place seem keen to take on the challenge, but the provision of resources has been inadequate to sustain operations and to provide the service for which the agency is responsible.

In some areas, the approach has been to encourage the agency established to provide a service to engage in some level of cost recovery with DCFS compensating fully for those clients that would not be able to access the particular benefit otherwise. Thus, the National Council of Volunteer Organisations (NCVO) provides day care services for lower income mothers who need the service to allow them to participate in the labour market.

17.1.2 SOCIAL DYSFUNCTION

There are a number of areas of dysfunction which require interventions of a preventive, remedial or supportive type. Drug abuse, and drug running were adverted to in the

PPA and in the discussions during the IA, there are a few organisations that are committed to work in this area, in addition to the National Drug Council. Cayman Against Drug Abuse (CADA) has only one full-time staff member but collaborates with other organisations. The National Youth Commission in seeking to implement the National Youth Policy has targeted the problem of drug abuse among young people.

However, it is not altogether clear what actual measures it has been able to implement in the face of a growing problem. The enormity of the drug abuse problem is evinced in the fact that most of inmates and juveniles at Eagle House were incarcerated for drug offences. The Probation After-Care Unit estimates that recidivism is highest among drug abusers – about 40 per cent. The absence of transitional housing arrangements for parolees guarantees the return to drug abuse and to recidivism.

The Family Support Unit, established by the Police Service, has developed some capacity in dealing with domestic violence and especially in respect of abuse of children and incest. There is a programme targeted at schools to raise awareness of pupils. It operates an on-call system 24/7: the level and age at which children are being abused have startled authorities.

One disturbing factor arising from lack of resources is the placement of young persons in need of care and protection with young offenders. The country may be blessed with

a wide range of organisations in the Social Services, and with providers who are excellent in their delivery. However, for a variety of reasons its delivery system does reflect areas of weakness.

17.1.3 HEALTH SERVICES

The Cayman Islands has implemented a major initiative in health sector reform that has made it unique in the Commonwealth Caribbean. While the organisational frame is evolving, its basic outline is well delineated. The Ministry of Health and Human Services is responsible for the development of policy for the system. The delivery of health services is discharged by the Health Services Authority (HSA), through district health centres, clinics for dental and eye care, and secondary and tertiary care through the two public hospitals of the country on Grand Cayman and on Cayman Brac.

The HSA secures revenue from the provision of services to the population. However, in respect of the costs of services provided to the indigent and to children, the Government refunds the cost of the provision of services. DCFS is responsible for establishing the bona fides of persons who are indigent. HSA is guaranteed payment in treating with the general public through the compulsory health insurance law that requires that all residents to have health insurance. In cases of emergency no one is denied service at a public institution. Doctors and nurses are employed by HSA. Another important feature of the system is the fact that there is a schedule of costs for

all procedures, making transparent to clients what is being paid for.

The system has not achieved universal penetration. Although a state owned company, Cayman Islands National Insurance Company (CINICO) is responsible for operating a 'Standard Health Insurance Plan' for elderly persons with no health insurance coverage, there are persons who are not protected. Shirley Rawlins is at a loss to understand why she is protected in one situation and not in another. The elderly who would not have built any benefit stream, given the recency of the scheme, have been particularly hard-done by the system.

On the other hand, the Goodens whose son has a serious disability have accessed secondary and tertiary care, including specialised services in the United States and to Canada for which they received support of the State.

17.1.4 DEVELOPMENTAL SERVICES

Developmental Services are crucial in the building of capacity. In the case of countries like the Cayman Islands, human resources loom large. In the knowledge-driven economy of the 21st century, the smaller the country, the more reliant is it likely to be, on the capabilities of its people in securing its keep in the international market place. The role of CIIB in the creation of entrepreneurial capabilities has been noted above. The institutions responsible for formal education are the bedrock of the competitive base of the country.

17.1.5 MINISTRY OF EDUCATION

The Ministry is currently engaged in the revamping of the education system to fulfil the more demanding requirements of the 21st century, and to improve performance of students in the system in the face of an apparent decline in standards. While there is a vibrant private sector, the public system provides for the needs of most, relative to the age cohort.

Universal primary education was achieved many decades ago, was soon followed by a thrust to universal secondary enrolment. The emphasis given to human resource development has led to the development and expansion of tertiary education with a state-funded facility now providing for some of the needs of the population. The more recent thrust has been in the development of TVET, and in creating a coherent structure embracing training for the Hotel Industry, and in marine pursuits.

As elsewhere in the Caribbean, enrolment of females has been either at the same level or higher than males in most areas of the educational system. Earlier limitations in the participation of girls and women have long since disappeared. The problem of male underperformance in the educational system is also one of the challenges faced in the Cayman Islands. The SLC shows that in the younger age cohorts among the working age population, females were more likely to have educational qualifications than males.

While there may not as yet exist an explicit tertiary education policy document, the roll-over programme represents an underlying commitment to the expansion in the numbers securing tertiary and related education and training. The human resource plans required of firms are the direct evidence of the needs of the economy for trained personnel and serve to establish the areas for which Caymanians should be trained as part of the strategic objectives of the country.

One major gap seems to exist in respect of pre-primary enrolment which remains an area for fee paying. There is evidence of lower participation in the poorer quintiles, with implications that this carries for widening the opportunity gap between those at the bottom of the pyramid and those higher up on the ladder.

Within the Ministry of Education is the Department of Employment Relations which has a range of functions, one of which is human resource development focused on industry needs and the identification of the scholarship requirements for the preparation of Caymanians for the higher echelons of the employment pyramid. In respect of these two functions, it has been engaged in the development of a labour market information system and is institutionalising tracer studies. There is recognition of the need for heavy investment in worker training and upgrading, and especially for encouraging the participation of marginalised youth in programmes geared to close gaps in their education.

However, the gap here is the organisational structure to address the socio-psychological challenge of creating a thirst for knowledge and information relevant to the world of work, on the part of marginalised youth. While there is an emerging collaboration between the reorganised Department of Youth and the Department of Employment Relations, the former is not well equipped to treat with the challenge of the psychological problems of marginalised or dysfunctional youth. Neither is there evidence of effective interventions on the part of any of the other providers: the problems seem to dwarf the capacity of STARRS.

It is likely that Veronica and her male counterpart might remain beyond reach, in spite of programmes being established by the Department of Employment Relations. If he is engaged in lucrative drug-running, the challenge is even greater. If he is a victim of drug abuse, he may be well on his way to becoming ‘an idiot’ as Veronica describes her father, who has lost all capacity to be a productive member of society.

Table 17.1 provides a listing of some of the key social services and the primary focus of their programmes. Table 17.2 seeks to identify the service providers that address risks and vulnerabilities at various stages of the age cycle.

TABLE 17.1: ASSESSMENT OF SOCIAL SERVICES AGENCIES

No.	Name of Organisation	Primary Focus	Key Actions for Improving quality of lives for Caymanians	Score
1.	Department of Children and Family Services (DCFS)	Supportive, and Remedial	Has a wide remit in addressing problems of individuals and households in difficult circumstances; has strict criteria in place for support, and uses information technology in monitoring cases; had case load of 5000 in 2006; has responsibility for STARSS programme; has problems in treating with children of 'mixed' families; has been forced to place children in need of care and protection with children in custodial care; has to declare some in difficult circumstances as indigent to assist them in the face of unemployment difficulties; limitations in treating with community development issues in the current scenario; problems in treating youth at risk, with particular regard to spread of drug use especially among males and of girls succumbing to blandishments of older men.	4
2.	National Parenting Programme	Preventive and Remedial	National Parenting Programme of DCFS encourages involvement of NGOs and FBOs in running of parenting programme; has mounted Youth Parents Programme to help reduce unplanned pregnancies among teenagers.	4
3.	Department of Youth and Sport	Developmental, Preventive and Remedial	The mandate of the Unit is to act as a collaborating agency between governmental and non-governmental agencies in youth related activities; hosts monthly youth meetings – Youth Flex – to treat with topical issues, including conflict resolution, and HIV/AIDS; has done 'one-off' project with Youth in the East End; is trying obliquely to treat with gangs that exist in George Town – 'Lynch Mob', 'Wild Dogs' and 'Wolf Back', which are rumoured to have international connections; teenage pregnancy and lack of programmes for males are issues facing the Unit; has been able to get some young men into the world of work through collaboration with Employment Relations.	3
4.	National Youth Commission	Developmental, Preventive	Has been established with its primary remit to oversee implementation of the National Youth Policy; engages in monitoring and advocacy; seeks to encourage action in areas of major difficulty among the youth of the country –values dissonance, impact of urbanisation, spread in use of designer drugs, limitations in education programmes in addressing needs of youth with learning disabilities, lack of outreach programmes from corporate sector to youth and youth employment;	3

No.	Name of Organisation	Primary Focus	Key Actions for Improving quality of lives for Caymanians	Score
5.	National Council for Volunteer Organisation (NCVO)	Developmental and Supportive	Runs nursery and pre-school infrastructure mainly for lower income residents, compensating for non-involvement of state as provider at this level; runs foster home for children in need of care; limitation of resources creates problems in staffing; involved in assisting elderly as well.	4
6.	National AIDS Foundation	Preventive and Supportive	Has had to limit itself to advocacy and publicity and to distribution of condoms in face of strong stigma against victims of HIV/AIDS and taboo against sex education in schools; prostitution in the society suggests that Cayman Islands are not immune to spread of HIV/AIDS in the way it has taken place in the rest of the Caribbean, but Foundation not well resourced in fighting this challenge.	3
7.	National Drug Council	Preventive	Brings together a range of agencies to collaborate in the fight against spread of drug use; Council has had resources to start but not necessarily to sustain programmes; resources of finance and of personnel limited in face of challenge with youth recognising large rewards in the peddling of drugs.	3
8.	Caymans Against Drug Use (CASA)	Preventive	Engages mainly in counselling of youths and their parents; resources limited in the face of the scale of the problem, with 50 percent of Caymanians in prison there for drug abuse offences.	4
9.	Department of Sports and Recreation	Developmental and Preventive	Runs an after school programme of teaching and coaching in key sports; Department has to mount programmes against backdrop of sports still being seen as a waste of time in some quarters; has to rely on volunteers, thus limiting reach of programmes in some areas of Grand Cayman; obesity a problem – 60 percent of Grade 6 students in one school were overweight, and 20 percent obese and only 20 percent of normal weight; lack of infrastructure in schools limits possibilities for the Department in getting population involved in wellness through sport and recreation.	3
10.	Cayman Island Seafarers Association	Supportive	Provides Seamen's Pension of \$500 per month, ensuring that social protection for work-force of the past in absence of National Insurance Programme	3
11.	Veterans and Seamen Society of Cayman Brac and Little Cayman	Supportive	Provides same services as counterpart on Grand Cayman.	3

No.	Name of Organisation	Primary Focus	Key Actions for Improving quality of lives for Caymanians	Score
12.	Homes for the Aged	Supportive	Provides for the Elderly who are indigent, but not geared to treat with larger problem of Elderly who have cannot afford caregivers and are neglected by relatives in context of declining role of extended family.	4
13.	CAYS Foundation	Supportive	Provides residential care for boys and girls, deemed by the Courts to be in need of care and protection; has some adolescents needing custodial care under the same roof with those in need of care; children attend regular school but there is need for vocational preparation that Foundation cannot provide; some males pass into regular prison system and girls succumb to early pregnancies; sense of inadequacy in programmes in place relative to needs.	3
14.	Eagle House	Remedial	Provides custodial care to male juveniles in regular prison; has sought to provide education and training to the juveniles but Eagle House is not well equipped to offer a viable programme; most are still in need of counselling following discharge from Eagle House.	3
15.	Probation and After Care Units	Remedial	Seek reintegration of parolees into society; with Unit being unable to provide or organise transitional housing, many parolees return to drugs and succumb to recidivism; with low levels of education and training of parolees, Unit has difficulty getting them absorbed into the labour market.	3
16.	Family Support Unit	Supportive, Remedial, Preventive	Provides protection for victims of abuse, especially abused children; promotes awareness among children in school about incest and other forms of abuse; lobbies for laws on sex offenders' register; is not equipped to offer emotional support to victims of abuse.	4
17.	Cayman Islands Crisis Centre	Supportive	Has established 24 hour hotline to assist victims of domestic violence; women and children are provided with food, clothing and shelter, but are allowed to stay for sixty days; collaborates with the Women's Resource Centre and Counselling Centre in providing emotional support for victims; finds it difficult to secure employment and housing for women in sixty days, especially with usual lack of skills and education of women in abusive situations.	4
18.	British Red Cross Cayman Islands Branch	Preventive, Supportive	Engages in traditional functions of Red Cross in providing relief and preparing populations to manage disaster to avoid loss of life and property; sponsors a Peer Education Programme in respect of HIV, and organises care for patients and assists in HIV awareness.	4

No.	Name of Organisation	Primary Focus	Key Actions for Improving quality of lives for Caymanians	Score
19.	Ministry of Education	Developmental	Provides for universal primary and secondary education in the Cayman Islands; seeks to widen offering at post-secondary and tertiary education given demands of the economy, and mobility needs of Caymanian population; focuses on upgrading educational system in the light of evidence of mediocrity; has limited role in pre-primary and pre-schools, outside of regulatory control.	3
20.	Department of Education	Developmental	In the throes of reorganisation, and leadership change. Insufficient information received to score agency.	-
21.	University College of the Cayman Islands	Developmental	Is the main institution offering tertiary education to Caymanians in the Cayman Islands; staff still totally non-Caymanian, because of shortage of Caymanians attending Ivy League or equivalent institutions, and thus being prepared for academic careers; entitlements syndrome may constrain commitment of Caymanians to quality performance at tertiary level.	4
22.	Association of Human Resources Professionals	Developmental	Promotes professionalism among managers and personnel involved in human resource management.	3
23.	Health Services Authority	Preventive, Remedial	Manages the system of primary, secondary and tertiary health care in the Cayman Islands; has user charges in place for secondary and tertiary care, with payment organised by system of health insurance, which has been made mandatory for all residents; has a reach to the majority of residents of the Cayman Islands; given recency of system, HSA still engaged in resolving grey areas in health care delivery with system of user charges and fees, against the backdrop of an implicit code that no one should be denied service in the case of an emergency.	4
24.	Department of Public Health	Preventive, Remedial	Seeks to guarantee basic primary health care, as well as secondary and tertiary care, with universal insurance guaranteeing that state provision is not over-exploited, and with the poor or indigent appropriately exempted from payment. Health Insurance has become near universal in short order, and Department is relatively well organised to provide service with transparent delivery rules.	4
25.	Health Insurance Commission	Regulatory	Regulates the business of health insurance to ensure some level of competition among the small number of firms providing a service the use of which has been made obligatory on all residents; has developed a list of standard health insurance fees.	3
26.	Cayman Islands National Insurance Company	Supportive	Provides health insurance to public servants and to low income residents in the Cayman Islands; has not been able to reach all of the poor, with the result that some sections of the population does not enjoy coverage by way of health insurance.	3

TABLE 17.2: SOCIAL CHALLENGES AND AGE COHORTS

Age Cohort	Developmental	Preventive	Remedial	Supportive
Children	NCVO	Family Support Unit,		DCFS, CAYS, NCVO, Family Support Unit
Male Youth	Dept. of Youth, University College, National Gallery	CASA, Dept. of Youth, Dept. of Sport	Eagle House, STARRS	DCFS, CAYS,
Female Youth	Dept. of Youth, University College, National Gallery, Business and Professional Women	National Parenting Programme, CASA	STARRS, National Parenting Programme, National AIDS Foundation	CAYS,
Prime Age Males	Employment Relations, Investment Bureau, National Bank, National Building Society, National Housing Trust	National AIDS Foundation	Probation, National AIDS Foundation	Probation, Legal Aid
Prime Age Females	Employment Relations, Investment Bureau, National Bank, National Building Society, National Housing Trust	National AIDS Foundation	DCFS, Women's Resource Centre, Probation, National AIDS Foundation	DCFS, Crisis Centre, Women's Resource Centre, Family Support Unit, Probation, Red Cross,
Elderly				DCFS, Homes for the Aged, Seafarers Association, Veterans and Seamen Society

CHAPTER EIGHTEEN – SHAPING THE QUALITY OF LIFE: HOUSING, INFRASTRUCTURE AND MANAGEMENT OF THE ENVIRONMENT

This Chapter examines the institutional context in which matters relating to housing, infrastructure and the management of the environment are handled in the Cayman Islands. In each case, there are a number of institutions involved.

18.1 HOUSING

The housing of the lowest income groups in Caribbean societies has been a persistent problem in Caribbean countries, and has been accepted as an area requiring intervention by the Governments ever since it was identified in the Moyne Commission Report of the 1940s. However, there is differential acceptance and commitment by Governments of the importance of this role.

The rapid growth of tourism and financial services in the economy of the Cayman Islands has given rise to a highly dynamic real estate market, which embraces a number of segments:

- The population of Caymanians seeking living accommodation for families;
- The expatriate population comprised of both high-end personnel with high salaries and lower-level labour that has come to fill low-level positions in the Hotel Sector, and in distribution, commerce and other services and in construction activity;

- Rich retirees from the metropole and others who spend extensive periods as residents in the Cayman in holiday homes in exquisite surroundings; and
- Speculators abroad who hold property in the Cayman Islands among their portfolio of investments, as a way of securing appreciation of their assets.

In such an environment, the needs of lower- and even middle-income Caymanians will receive short shrift in the market place. Much depends on the extent and level of investment on the part of the Government in meeting the needs of the Caymanian population and the lower-level labour from abroad that are the backbone of production in a range of sectors.

In the Cayman Islands, this has been an area for fitful intervention in the past. It was only in 2003 that the National Housing Development Trust was established with the objective of providing three main services to Caymanians, namely:

- The management of the Affordable Homes Programme;
- The running of the Government Guaranteed Home Assisted Plan; and
- The establishment of the new Affordable Homes Programme.

Its first efforts at delivering on its mandate have not been encouraging. This has had negative implications for the people who are most in need of assistance from the Government in the fulfilment of their housing needs. Some 200 homes were built in 2003, but most did not measure up to the required standards, according to a structural survey that was conducted following an investigation ordered by the Government. Hurricane Ivan created additional devastation, on structures that were below par in the first place.

Some of the purported beneficiaries have been in dispute with the Government over the value of these properties, having regard to the wide range of structural defects. There seems to be an official insistence that residents abide by the principle that they service their registered mortgages by way of value received, while residents continue to question the quality of the accommodation that they are being required to pay for, given the suspect condition of these homes and the high maintenance costs that they face because of rapid deterioration. There was still some area of grey and in dispute, at the time of the conduct of the Institutional Analysis, of the claims of residents against the backdrop of the principles of efficiency and financial administration in Government operations and of value for money approaches.

In the course correction undertaken by the present administration in Government, greater reliance is being placed on the provision of a Government guarantee of up to 30 percent of the down-payment on the

homes of first-time owners. In other words, instead of the Government getting involved itself in the construction and provision of homes on which mortgages are going to be contracted, the private sector will be expected to serve the needs of all residents, with lower-income home owners benefiting from the Government guarantee. Another initiative adopted by the Trust is in organising counselling of would-be homeowners in the amassing of savings for down-payment. The Trust is also encouraging the reduction of lot sizes to increase density of accommodation units. There is still reluctance to embark on multi-level dwelling accommodation.

It is a moot point whether this level of intervention will be adequate to contain the cost of the provision of homes to the lower-income groups in Caymanian society, for both Caymanian nationals and workers from abroad needing rental accommodation during their stay in the Cayman Islands. If the cost of real estate rises faster than the disposable income of lower- and middle-income Caymanians, there is the real possibility that the standard of living accommodation available to many Caymanians will fall. The country may yet be in need of arriving at the institutional mechanisms for delivering decent accommodation for lower-income residents.

The majority of the clients of the Trust have been women, most of whom are heads of single households. There may be a greater propensity among women to secure homes than among men. The latter come as joint clients with their wives, but seldom alone.

This hints at the structure of decision-making among lower and middle income households in the Cayman Islands.

The Cayman Islands Development Bank is another agency of the Government involved in support of the housing initiatives. With funding provided by the Caribbean Development Bank for un-lending, it provides mortgages to first time homeowners. About 50 percent of its portfolio is directed at mortgaging lending.

Outside of the commercial banks, which may play little role in mortgages for low-income people, there is the National Building Society and the Cayman Islands Civil Service Association Cooperative Credit Union Ltd. The Building Society has been path-breaking in its approach, and provides mortgages up to the age of 65 and for periods of up to 30 years. The Cooperative Credit Union is changing its rules which restricted mortgages to a ten-year limit.

Hurricane Ivan inflicted widespread damage including on housing. The lower-income groups in the society have faced resource constraints in repairing and replacing homes. The Government's response was the Temporary Homes Management Unit which provides Trailer Homes as temporary accommodation for persons who were rendered homeless by Hurricane Ivan. The fact that most of those who were housed in these facilities following the disaster were still resident there three years after, points to the serious housing problem that the country faces in

respect of persons at the lower levels of the income scale, including the guest workers at this level.

The participants in the PPA expressed grave concerns with living accommodation. The SLC would not reflect overcrowding where one person 'households' rent space in multiple dwellings. As shown in the SLC, 50 percent of those in the lowest quintile were living in a 'flat' or 'apartment' and another 14 percent were living in part of private house. There may well be that single rooms were being defined as 'flats' or 'apartments'. Equally interestingly, the SLC did not identify any households in the first three quintiles living in Trailer Homes. Housing may well be one of the areas of hidden poverty, unless one delves beyond the statistics.

18.2 INFRASTRUCTURE

The Cayman Islands are highly vulnerable coastal landscapes and ecological systems, which in the context of global climate change and sea level rise and predominance of coastal settlements, impose a requirement on the Government to observe the highest of standards in constructing public infrastructure. Given its low-lying nature, planners have to anticipate storm surges, and to invest in sea defences. Another challenge is in correcting for the high level of concentration of activities in George Town, which absorbs much of the development budget.

The passage of Hurricane Ivan and the impact have established that the planning

standards observed by the Department of Planning have served the Cayman Islands in good stead. Most of the buildings constructed in the last twenty years were able to withstand the hurricane. The experience has provided a public endorsement for sound physical planning.

18.2.1 ENVIRONMENT MANAGEMENT AND DISASTER MANAGEMENT

The nature of the ecology of the Cayman Islands imposes certain requirements on the society and the Government in ensuring some level of sustainability. Its institutions focusing on this area have to meet certain requirements as a collective, including:

- Providing basic infrastructure for the population in terms of safe water, waste water management, flood protection, all in the context of minimising damage to the environment;
- Sound environmental management against the backdrop of highly competing activities in respect of land use
- Maintenance of biodiversity – terrestrial and marine;
- Reduction of disaster risk through mitigation, given the increasing frequency of episodes like hurricanes, etcetera.

The country is blessed with agencies with personnel with relevant professional expertise – Department of Environmental Health, Department of Planning, National

Trust, Department of Environment, the Mosquito Research and Control Unit, Hazard Management Unit and Solid Waste Management Unit. Although there are some problems of inter-agency collaboration, some of these organisations are centres of excellence in their own right, and their modus operandi provides the country with a sound structure for environmental management.

The real challenge was seen in their being empowered, or rather not being disempowered by decision-making or lack of understanding at other higher levels of government. Moreover, although critically, the Departments of Planning, Environment and Environmental Health have initiated discussions among themselves, the approach is still sectoral rather than national in scope. An additional lacuna is that there is either an absence of relevant legislation, or existing legislation is outdated.

The Physical Plan is not current with existing reality, let alone appropriate to shaping the future. The Department of Environment does not have an Act in place to ensure that its remit can be discharged in the public interest. Its role in guiding action and providing advice on Cayman Brac and Little Cayman seems circumscribed. The Department of Environmental Health needs new legislation also to cater to the broader requirements of environmental health.

Table 18.1 provides summary information on the organisations in this area.

By and large, however, the Cayman Islands has an excellent institutional infrastructure in this area, that affords it the personnel with expertise in preparing for climate

change. However, climate change has to be given t more prominence in the national development agenda, and not be seen as a matter for specialised agencies.

TABLE 18.1: HOUSING, INFRASTRUCTURE AND THE ENVIRONMENT

No.	Name of Organisation	Primary Focus	Key Actions for Improving quality of lives for Caymanians	Score
1.	Cayman Islands Real Estate Brokers' Association	Semi-regulatory	Seeks to regulate modus operandi among real estate brokers in the Cayman Islands; seeks orderly development of market for high end properties; may be creating the marker for price of land in the Cayman Islands, by encouraging inward investment by non-nationals.	3
2.	National Housing Development Trust	Developmental	Has been the prime agency involved in the provision of housing to lower income Caymanians; still involved in repairing damage caused by debacle of earlier efforts at affordable homes; promotes Guaranteed Home Assisted Plan; is developing shared ownership agreements and long term mortgages of up to 30 years; has refrained from development of lands for housing in the more recent past.	3
3.	National Building Society	Developmental	Seeks to exercise maximum flexibility in lending for mortgages and lends persons subject to repayment by age 65, and lends up to 95 percent of the value of home; encourages savings for initial downpayment.	5
4.	Temporary Homes Management Unit	Supportive	Provides accommodation to families that were rendered homeless by Hurricane Ivan; has had difficulty phasing itself out since many of its clients are unable to find alternative accommodation and affordable homes programme has not been expanded.	3
5.	National Roads Authority	Developmental	Recently established, has responsibility for planning, construction and road construction in the Cayman Islands; examining possibility for rapid transit and other systems in face of vehicle over-population on Grand Cayman, and pressure on residents to own private vehicles in the absence of developed public transport system.	4
6.	Cayman Society of Architects, Surveyors, and Engineers	Developmental	Engages in advocacy to ensure the observance of appropriate standards and adherence to building codes in the Cayman Islands.	3
7.	Cayman Brac Power and Light Company Limited	Commercial	Ensures electricity supply to Cayman Brac and Little Cayman, on terms regulated by the Government.	4

No.	Name of Organisation	Primary Focus	Key Actions for Improving quality of lives for Caymanians	Score
8.	Department of Planning	Regulatory/ Development	Exercises oversight for physical planning in Grand Cayman; has sought to ensure that Planning Law is adhered to, and has created an environment to induce compliance by most; pressure of population forcing many to test limits set by the Department, and signs of stress emerging in overcrowding in respect of housing, and land degradation, silting of reefs salt water intrusion of canals in respect of the physical environment.	4
9.	Department of the Environment	Developmental	Has responsibility for the management and conservation of the environment and natural resources, generally, and of the protected areas, specifically; conducts scientific studies on the environment; seeks to ensure collaboration with other agencies, in spite of no formal legislation requiring it; faces challenge of inculcating respect for the highly vulnerable environment among a culturally diverse resident population, some of whom are transient; has the responsibility of getting the country to become compliant with international conventions, and to prepare for Climate Change.	4
10.	Department of Environmental Health	Preventive	Has the responsibility for monitoring public health and sanitation and for the provision of environmental health services, including Solid Waste Management; collaborates with Department of Agriculture and Mosquito Research and Control Unit; seeks the updating of legislation, standards and guidelines for environmental health.	4
11.	Mosquito Research & Control Unit	Preventive	Utilises approaches to mosquito control based on Applied Science; has been effective in the control of mosquito population; operates under its own legislation and is not part of the Department of Public Health.	5
12.	Solid Waste Management Division	Preventive	Disposes of residential and commercial waste; faces challenge of managing a landfill on Grand Cayman that is much below requirements; has to help country to manage shift to reducing, reusing, and recycling waste given the pattern of consumption and the waste generated on a small island land mass.	4
13.	National Recovery Fund	Remedial	Has created a mechanism for private-public sector participation in funding relief and reconstruction of homes following Hurricane Ivan, with special attention to those at the bottom end of the pyramid.	4
14.	Hazard Management Agency	Preventive/ Remedial	Has responsibility for preparing the population in all matters relating to public preparedness to mitigate loss of life and damage to property from natural and other disasters; needs to have legislation in place to give full effect to the work of the organisation, and other supporting infrastructure like legislation mandating the implementation of an EIA process.	3

No.	Name of Organisation	Primary Focus	Key Actions for Improving quality of lives for Caymanians	Score
15.	National Trust	Developmental	Seeks to acquire and hold in trust sites that are of historical or environmental interest; contributes to heritage management and heritage tourism; is involved in the 'Go East Initiative', tempering thrust to over-development.	4

CHAPTER NINETEEN – STRATEGIES FOR IMPROVING QUALITY OF LIFE IN THE CAYMAN ISLANDS

This chapter identifies the strategies for improving two dimensions of well-being – living standards and quality of life – in the context of the main findings of the NALC conducted in 2007. The key issues and strategies have to be contextualised against some of the measures that the Government of the Cayman Islands has already adopted, and must also be placed in the context of policy proposals that have been elaborated in official documents and statements of Ministers.

The overarching strategy of the Government is to continue the process of economic transformation on the basis of the sectors that have been the pillars of growth, namely Tourism and Financial Services, and to seek some level of diversification within these sectors at the same time as Caymanians are being prepared to participate as major players. In effect, the policy of the Government is aimed at the reinsertion of the Caymanian people in the international economy, by equipping them with the skills and knowledge such that they can participate at the highest echelons of the growth industries in the country.

Another element of the overarching strategy is to manage inflows of people such that the resident non-Caymanian population never exceeds the Caymanian population. The sheet anchor of this strategy wraps immigration policy, industrial policy and population policy into one major lever, exercised through the Department of Immigration.

A number of assumptions underlie the proposed strategy. They include:

- The current slowing down of the world economy will be short-lived and will be neutral in its impact on the other centres in international tourism and in financial services on the one hand and on the counterpart in the Cayman Islands;
- The Government can continue on the current path of growth of a healthy revenue base and observe the ratios required by the Government of the United Kingdom in respect of debt to GDP and revenue flow;
- There will continue to be a ready supply of semi-skilled and higher level personnel from neighbouring and more distant economies that can be available on tap to close gaps between the demand for labour and the supply available from the base of the Caymanian population;
- Entrepreneurial zeal will be awakened among the Caymanian population such that enough of them would take up the challenge posed by the strategy of the Government to root the process of transformation more firmly on the capability of the Caymanian population; and
- The public sector is adaptable enough to be immediately facilitative of the paradigm shift and can provide all the other supporting measures to respond to the demands of Cayman Business and Enterprise,

in seeking to become equally proficient as foreign capital in contestable markets in the Cayman Islands.

Key Issues and Related Strategies

Sen's capability approach characterises well-being in terms of what a person can do and be (Sen 1987, 1992, 1997).⁵⁷ According to this perspective, a person's ability to "be well" is related not only to the level of income or consumption that the person is able to achieve, but also to wider issues that affect the opportunities that are available. These include issues such as governance, environmental quality, housing quality, health, education and knowledge, security, participation in community and society, and freedom of choice in a number of areas that may impact on the kind of life a person may choose to live. Notwithstanding the methodological complexities involved in measuring these various aspects of well-being, it is widely agreed that they all bear some measure of importance.

In the context of the Cayman Islands, we consider two dimensions of well-being in elaborating the main issues to be addressed: standard of living (material and physical) and quality of life. The main issues to be addressed are listed hereunder and the proposed strategies to address them against this policy framework are outlined in the tabular presentations.

⁵⁷ Sen A. (1987), *The standard of living*, Cambridge University Press, Cambridge; Sen A. (1992), *Inequality reexamined*, Clarendon Press, Oxford; and Sen A. (1997), *On economic inequality*, Clarendon Press, Oxford.

19.1 GOVERNANCE AND PARTICIPATION IN DECISION-MAKING PROCESSES

The voices of the Sister Islands and of East End are unanimous in seeking greater participation in decisions that affect them directly. In the Sister Islands, remoteness and the vulnerability to disruption in communications and transportation add to relative hardships of residents in these locations. The ready acceptance of the 'Go East Initiative' in East End is in part due to the feeling that there is an imminent possibility of an end to marginalisation.

Additionally, the PPA revealed that residents felt strongly that there was a need for those in authority to "listen to the people" and to "improve government response". Some related rights based issues also emerged in this regard: PPA participants suggested that there was a need to "provide equal opportunities for all (including immigrants)" and to "focus on people [residents] rather than on tourists".

19.1.1 LOCAL GOVERNMENT

The Sister Islands and Districts need to be invested with greater decision-making authority over the affairs that affect them directly. District Councils may be initiated on an interim basis for a three-year period, prior to being instituted by statute.

TABLE 19.1 IMPROVING GOVERNANCE

Goal	Time Frame	Strategy	Purpose	Implementing Agency	Output	Methods of Verification & Monitoring
Devolution of decision-making to Sister Islands and to Districts	I	<ul style="list-style-type: none"> Build Local Council in Sister Island with DC as Secretary Create Councils to represent thinking in Districts 	Ensure greater participation of residents in Sister Islands on their own affairs	Office of the Chief Secretary	Decisions tailored to needs of residents in Sister Islands	Reports of the Chief Secretary

Key: I - Immediate Priority S - Short-term Priority M - Medium-term Priority

19.2 ECONOMIC OPPORTUNITIES AND MATERIAL STANDARD OF LIVING

19.2.1 ACTIVE INCORPORATION OF CAYMANIANS

A major though nuanced shift is taking place in the policy paradigm with the commitment of the Government to continue to grow the economy of the Cayman Islands, but with the Caymanian population located more centrally in the process of transformation. It is recognised that while Caymanians have derived enormous benefits from the decades of secular growth in the economy, their role has been essentially passive.

This shift can be accomplished through a programme of initiatives that prepares and facilitates Caymanians who have an interest in entrepreneurship to participate more actively in the various sectors of economy as owners of businesses and of capital. The relevant programme will have to address

the socio-psychological dimensions of entrepreneurship, having regard to the social history of the Cayman Islands. CIIB is one of the institutions that will have a role to play here, but there will be need for it to collaborate with other agencies, in inducting Caymanians in the following four broad sectoral areas.

19.2.2 TOURISM

The fundamental objective of the strategy is to create a wide interest in entrepreneurship among Caymanians and to help them to 'reinvent' themselves for economic participation in all areas of the economy but with special regard for the tourism and eco-tourism sectors.

The 'Go East Initiative', and the promotion of tourism development on the Sister Islands will require Caymanians who are competent in business as well as sensitive to the requirements involved in eco-tourism.

There are also the ancillary activities that give coherence to a viable tourism industry. The CIIB and the Department of Tourism are the key agents in this regard, and their presence has to extend to a full collaboration in the Sister Islands in support of the work there.

In order to improve participation in the already established larger-scale hotel industry, the training of Caymanians in Hotel Management will need to continue to be an area for the award of scholarships to better tertiary institutions. The training of persons for supervisory functions must also

be promoted and upgraded in the local institutions involved in this activity. The Department of Employment Relations in collaboration with the Department of Tourism will need to cooperate in this area.

The Department of Tourism will, in the context of its development role, arrange and coordinate study tours for persons, especially from among those involved in the ‘Go East Initiative’ and the Sister Islands Tourism thrust, to countries noted for best practice in the management of ecologically sensitive environments in sustainable tourism.

TABLE 19.2: PREPARING FOR THE NEW THRUST IN THE ECONOMY - TOURISM

Goal	Time Frame	Strategy	Purpose	Implementing Agency	Output	Methods of Verification & Monitoring
Maximise involvement of Caymanians in tourism sector as entrepreneurs and operators of facilities	I	Mount short intensive programmes in entrepreneurship for Caymanians interested in business of tourism and ancillary activities Increase numbers of Caymanians on scholarships in Hotel Management in tertiary level institutions	Ensure involvement of Caymanians as investors and entrepreneurs in tourism and related activities and as high level managers in hotel operations	CIIB, Dept Employment Relations and Cayman Islands Development Bank	Caymanians with a range of capabilities in the management and operation of hotel industry, and with sensitivity to requirements of eco-tourism subsector	Reports of CIIB and Department of Employment Relations.
Expose Caymanians to best practice in management of eco-tourism facilities	I	Mount short study tours for persons interested or involved in eco-tourism operations to locations in other parts of the world with examples of best practice	Upgrade understanding of requirements of sustainable ecotourism	Department of Tourism	Cadre of people with appreciation of ecotourism and best practices, and better prepared for projects in East End and in Sister Islands	Reports of Department of Tourism

Key: I - Immediate Priority S - Short-term Priority M - Medium-term Priority

19.2.3 FINANCIAL SERVICES

The objective is to create a cadre of Caymanians with the capacity to operate at the highest level of international finance and thus in the highest reaches of the local financial services sector. They would need to attend Ivy League type Institutions to pursue training in Law, Finance and Accounting. The Department of

Employment Relations will target a select group of best-performing students completing secondary school to enter programmes in the best business schools in North America, Britain and Europe to pursue scholarships leading to the high-level capacity among Caymanians. With such preparation, eventually some of them will create their own businesses in the sector: their entrée is likely to be as employees first.

TABLE 19.3: PREPARING FOR THE NEW THRUST IN THE ECONOMY – FINANCIAL SERVICES

Goal	Time Frame	Strategy	Purpose	Implementing Agency	Output	Methods of Verification & Monitoring
Maximise involvement of Caymanians in highest reaches of international finance	I	Increase the numbers capable of entering the top business schools in the world.	Ensure involvement of Caymanians as high level personnel and even to set up their own financial services sector firms	Department of Immigration and Department of Employment Relations	Caymanians with training in Law, Finance and Accounting or other training required in running a world-class financial service centre.	Reports of Immigration and Department of Employment Relations.

Key: I - Immediate Priority S - Short-term Priority M - Medium-term Priority

19.2.4 AGRICULTURE AND FISHERIES

The objective is to expand domestic capacity in this area, with a view to creating some level of self-sufficiency especially in the area of fisheries and in the context of the

escalation of food prices internationally: the prices are likely to remain at present levels for the foreseeable future. While Cayman has limited agricultural potential, its limits need to be fully exploited. Its fisheries have remained underexploited.

TABLE 19.4: PREPARING FOR THE NEW THRUST IN THE ECONOMY – AGRICULTURE AND FISHERIES

Goal	Time Frame	Strategy	Purpose	Implementing Agency	Output	Methods of Verification & Monitoring
Establish viable enterprise in Agriculture and Fisheries	S	Establish focused activities in agriculture and encourage development of fisheries sector	Ensure domestic production geared to satisfy part of domestic demand	Department of Agriculture and Fisheries	Caymanians exploiting opportunities in Agriculture and Fisheries.	Reports of Department of Agriculture and Fisheries

Key: I - Immediate Priority S - Short-term Priority M - Medium-term Priority

19.2.5 OTHER BUSINESS AND COMMERCE

A growing economy generates a host of opportunities in the internally traded sectors - Commerce, Distribution, Transportation and Construction. The relative lack of entrepreneurship among

Caymanians results in their not seeing such opportunities at worst, or being used as partners of convenience at best. The primary goal is in creating interest in entrepreneurship, to encourage more Caymanians to see these sectors as offering opportunities for viable livelihoods, and to train and prepare for entry.

TABLE 19.5: PREPARING FOR THE NEW THRUST IN THE ECONOMY – BUSINESS, COMMERCE AND CONSTRUCTION

Goal	Time Frame	Strategy	Purpose	Implementing Agency	Output	Methods of Verification & Monitoring
Increase number of Caymanians in domestic enterprise	S	Development of sectoral profiles outlining opportunities and requirements	Ensure large numbers of Caymanians are inducted into business culture	CIIB, Development Bank	Cadre of Caymanian Entrepreneurs in all sectors	Reports of CIIB and Development Bank

Key: I - Immediate Priority S - Short-term Priority M - Medium-term Priority

19.2.6 INTRODUCTION OF MINIMUM WAGES

The absence of Minimum Wages in an economy like the Cayman Islands creates conditions for open exploitation, especially of unskilled guest workers who respond to the complementary push factors in their home country and the pull factor of the Caymanian economy. There is likely to be some amount of money illusion in the process. The absence of a Minimum Wage encourages a high utilisation of labour,

much of it from abroad, but which in its presence, imposes social costs that are neither revealed nor absorbed by payments made by employers. These costs are in the excessive overcrowding of housing accommodation, and the concentrated use of facilities. There is also less inclination to utilise labour-saving technology, given the relative cheapness of labour in the absence of Minimum Wages. The main objective is the settling of a country-wide Minimum Wage, that it is easy to police.

TABLE 19.6: INTRODUCTION OF MINIMUM WAGES

Goal	Time Frame	Strategy	Purpose	Implementing Agency	Output	Methods of Verification & Monitoring
Establish country-wide Minimum Wage	I	Application of Minimum Wage	Protect workers from unscrupulous employers	Departments of Employment Relations	Transparent wage at the lowest level of the ladder	Reports of Department of Employment Relations

Key: I - Immediate Priority S - Short-term Priority M - Medium-term Priority

19.3 INVESTMENT IN INFRASTRUCTURE AND PHYSICAL LIVING STANDARDS

19.3.1 REDUCING GEOGRAPHIC DISPARITIES

The pattern of development pursued has created concentrations of economic growth, and with that, concentration of physical and social infrastructure. This impacts the life chances of residents in lagging areas.

The main objective of this strategy is the reduction of the geographic disparities by appropriate infrastructural investment in areas that have not been nodes of growth in the more recent past. The official announcement of a commitment to develop

the Sister Islands and areas like East End has to be underpinned with area plans that demonstrate in fiscal form, per capita expenditures by area, with due regard for the higher cost of investment to achieve the same result in areas that have been previously marginalised.

Infrastructural development has to be complemented by the provision of resources for private sector investment, so that the private sector very quickly generates the activity that can yield a return on the investment on the part of the society. There may be need for further incentives to encourage private sector development.

TABLE 19.7: REDUCING GEOGRAPHIC DISPARITIES

Goal	Time Frame	Strategy	Purpose	Implementing Agency	Output	Methods of Verification & Monitoring
Equitable development across the country	S	Investment in infrastructure consistent with needs of particular districts Encouragement of private sector growth in lagging areas	Promote balanced development Private Sector creating increasing rounds of investment and activity	Ministry responsible for Tourism and Commerce	Reduced disparities among Districts and Islands	Reports of the Ministries responsible for Works and for Tourism and Commerce

Key: I - Immediate Priority S - Short-term Priority M - Medium-term Priority

19.3.2 UPGRADING INFRASTRUCTURE FOR CLIMATE CHANGE

The demands of climate change with the anticipated sea-rise, imposes a major requirement of Government. Investment levels have to rise to take account of the

need for improved sea defences and for drainage systems for flood-prone areas.

This area has to be the subject of a general physical plan for the three islands. The planning process has to start immediately for implementation to be instituted in the medium term.

TABLE 19.8: UPGRADING INFRASTRUCTURE FOR CLIMATE CHANGE

Goal	Time Frame	Strategy	Purpose	Implementing Agency	Output	Methods of Verification & Monitoring
Abate the impact of Sea-Rise	M	Manage impact of climate change and sea-rise by undertaking appropriate investments	Protect land space and physical integrity of the Cayman Islands	Department of Works and Department of Physical Planning	Appropriate built infrastructure for new reality	Annual reports of Ministry responsible for Works and Department of Physical Planning
Control flooding	M	Install capacity to manage flooding	Reduce damage from flooding	Department of Works	Appropriate infrastructure in place, including mechanical equipment	Department of Works

Key: I - Immediate Priority S - Short-term Priority M - Medium-term Priority

19.3.3 DEVELOP PUBLIC TRANSPORTATION SYSTEM

Transportation cost is one of the more significant items in the budgets of households in the Cayman Islands. The absence of public transport makes private vehicle ownership a necessity and an element in wage goods. The result is that the entire society is put on the path to treat with transport needs through private vehicles with consequences for traffic and congestion, and to constant clamour to expand and widen the road system.

The country has to embark on a change in the transport culture and to embrace public transport or mass transit to improve the efficiency with which large groups in the population are moved.

This approach would be especially useful in the context of secondary school children (and to lesser extent primary school children) who travel relatively long distances to attend schools centrally located in George Town.

TABLE 19.9 DEVELOP PUBLIC TRANSPORT

Goal	Time Frame	Strategy	Purpose	Implementing Agency	Output
Develop public transport or mass transit	S	Cultivate public transport as an alternative	Rationalise transport system	National Roads Authority	More efficient movement of people

Key: I - Immediate Priority S - Short-term Priority M - Medium-term Priority

19.3.4 EXPAND INVESTMENT IN HOUSING THROUGH PUBLIC SECTOR

The housing market in the Cayman Islands is highly differentiated, but with real estate prices dictated by demand from the wealthy in the rest of the world who may seek to invest in holiday homes in the Cayman. There is evidence of falling standards in housing for the low income groups. As much as 30 percent of the dwellings in the lowest quintile was with outer walls of wood. While a large percentage of those in poor quality housing are guest workers on short-term contracts, there are Caymanians who are unable to satisfy their housing

needs. Housing and the utilities account for a largest share of expenditure of all quintiles.

Judicious initiatives on the part of the Government can assist in realising economies of scale in accessing land for low and middle income housing districts. Joint venture with such agencies as the National Building Society, and the Cayman National Bank could ensure that business principles apply in seeking to address the needs of low and middle income groups. The Bank may need to seek to increase the quantum of funds being sourced from the Caribbean Development Bank, having regard to the enormity of the task.

TABLE 19.10: STATE INITIATIVE IN HOUSING

Goal	Time Frame	Strategy	Purpose	Implementing Agency	Output	Methods of Verification & Monitoring
Renew efforts through National Housing Trust to secure appropriate lands for low and middle income housing	I	Development of Land Bank on the part of the State in anticipation of demand for housing by low and middle income residents	Ensure availability of land for provision of low and middle income accommodation	National Housing Development Trust in association with other agencies in the private sector, committed to the provision of affordable accommodation	Better quality housing for low and middle income residents, including for rental accommodation to be used by guest workers	Reports of National Housing Development Trust
Mobilise resources of low and middle income prospective home owners	I	Development of Housing Bond to attract savings of low and middle income prospective owners as investment in their own homes	Stimulate saving for housing on part of prospective beneficiaries	Consortium initiated by the relevant agency of Government, and including private sector participation	Fund for housing	Report of the Financial Secretary

Key: I - Immediate Priority S - Short-term Priority M - Medium-term Priority

19.4 QUALITY OF THE ENVIRONMENT

19.4.1 UPDATE FRAMEWORK FOR ENVIRONMENTAL MANAGEMENT

The Cayman Islands cannot afford any indifference in the management of its environment and considerable amenity resource provided by Nature. There already

exists expertise in the main agencies that would need to collaborate in the management and regulation of the use of the environment. There is need for updating of legislation in some areas, and the introduction of new legislation in others. It also calls for the development of the Sustainable Development Strategy which will guide for national and regional development in Cayman Islands.

TABLE 19.11: UPDATE FRAMEWORK FOR ENVIRONMENTAL MANAGEMENT

Goal	Time Frame	Strategy	Purpose	Implementing Agency	Output	Methods of Verification & Monitoring
Update all legislation and bring regulatory framework in line with requirements of the present realities	I	Develop the necessary legislation for approval of the Assembly	Ensure that relevant agencies are authorised to protect public interest in the exploitation of the environment	Departments of the Environment, Physical Planning, Environmental Health, Hazard Management, Solid Waste and Mosquito Research and Control Unit	Coherent legal framework for management of the environment	Reports of the Department of the Environment, Physical Planning, Environmental Health, Mosquito Research and Control Unit, Hazard Management and Solid Waste
New national and regional sustainable development framework	I	Prepare a sustainable development strategy	Provide a framework that will guide socioeconomic development in Cayman Islands	Ministry with responsibility for socioeconomic planning	Coherent sustainable development Strategy and action plan	National Sustainable Development Strategy, Annual Reports on implementation of the Strategy

Key: I - Immediate Priority S - Short-term Priority M - Medium-term Priority

19.4.2 ESTABLISHMENT OF A CENTRE OF EXCELLENCE

The country has been able to assemble substantial expertise, comprised mainly of Caymanians, in the area of the environment, physical planning and related areas. There exists collaboration among them, but not necessarily formalised. There is need to support the collaboration by Statute, and most importantly, to create the mechanism for these agencies as a collectivity, to be afforded the resources to operate as a Centre of Excellence, which some of them already are in their own right.

This would allow them to attract scholars from around the world, to contribute knowledge and to conduct research in the management of an ecologically sensitive environment as are the Cayman Islands.

This would allow for educational tourism, in addition to increasing the fount of knowledge of Caymanians in the field, through the exposure to experts of world class who would visit from time to time. Moreover, the Caymans would contribute to an area of international cooperation.

TABLE 19.12: ESTABLISHMENT OF CENTRE OF EXCELLENCE

Goal	Time Frame	Strategy	Purpose	Implementing Agency	Output	Methods of Verification & Monitoring
Establish Centre of Excellence	S	Promotion of R&D among collaborating agencies	Build existing expertise into world-class institution	Departments of the Environment, Physical Planning, Environmental Health, Hazard Management, Solid Waste and Mosquito Research and Control Unit	Widening and deepening of knowledge of environmental management in eco-sensitive areas	Reports of Agencies as a collectivity

Key: I - Immediate Priority S - Short-term Priority M - Medium-term Priority

19.4.3 IMPROVE WASTE MANAGEMENT SYSTEMS

The country has a relatively well organised system in place for solid waste collection: however the land fill site is near exhaustion. With its growing tourism sector and the expansion of population, resources are limited relative to nature and complexity of the task. There is need to shore up the solid waste management with updated legislation, and with a comprehensive and

integrated approach, with clear regulatory guidelines for the collection all type of solid and hazardous waste collection, for landfill management and recycling. Part of this approach must include a firm decision about the use of waste-energy technologies and interventions geared at changing the population's perception and behaviour if sustainable approaches are to be found in the management of solid waste in the special circumstances of the Cayman Islands.

TABLE 19.13: IMPROVE WASTE MANAGEMENT SYSTEM

Goal	Time Frame	Strategy	Purpose	Implementing Agency	Output	Methods of Verification & Monitoring
Integrated approach to solid waste management	S	Development and implementation of integrated solid waste management strategy	Effective management of solid and hazardous waste	Solid Waste Management Unit	Healthy environment; Less solid waste to landfill Proper treatment of hazardous waste	Reports of Solid Waste and Hazardous Management

Key: I - Immediate Priority S - Short-term Priority M - Medium-term Priority

19.4.4 IMPROVE ON-SITE WASTEWATER MANAGEMENT

The Water Authority has recognised the deficiencies in operation of on-site sewerage treatment systems in Cayman Islands. Effective community level on-site wastewater management programme must be developed which include the following stages 1) assessment of the current status of onsite wastewater management; 2) selection of appropriate programme elements and objectives to meet the community's wastewater treatment needs; 3) evaluation of the strengths

and weaknesses of current activities relative to the programme objectives; 4) selection of appropriate management activities to meet programme objectives; 5) development of a

plan for implementation of the management programme; and 6) development of a system to continuous monitoring of the operations of onsite wastewater management systems.

The cost of sewage treatment and disposal is generally higher than the cost of supplying water. There will be lower income households who may be unable to afford the cost of ensuring that their on-site wastewater treatment systems remain efficient and who cannot afford the cost of connection to public centralised West Bay sewerage system which will be extended beyond its current service area. There is need for payment mechanisms which will allow such households to cover the costs of connection.

TABLE 19.14: IMPROVE ON-SITE WASTEWATER MANAGEMENT

Goal	Time Frame	Strategy	Purpose	Implementing Agency	Output	Methods of Verification & Monitoring
Improvement of on-site wastewater management	M	Development and implementation on-site wastewater management programme	Effective operation and management of on-site wastewater systems	Water Authority	Control of land-based pollution due to on-site wastewater effective management	Reports on the on-site wastewater management programme
Total coverage in area covered by the centralised public sewerage system	M	Introduction of payment mechanisms for lower income households for connection to centralised sewerage system	Ensuring all households within the service areas are connected to the centralised system	Water Authority	Effective wastewater management	Records of payment for targeted customers

Key: I - Immediate Priority S - Short-term Priority M - Medium-term Priority

19.5 CARE FOR DEPENDENT SUB-POPULATION GROUPS

19.5.1 UNIVERSALISE ACCESS TO EARLY CHILDHOOD EDUCATION AND CARE

The lower involvement of children in the poorest quintile in pre-schools vis-à-vis those in higher quintiles, is likely to create gaps in relative opportunity later in the life cycle. The country needs to universalise the provision of pre-schools and ensure full participation irrespective of socio-economic status.

19.5.2 PROTECTION OF THE ELDERLY

Inevitably, with the decline of the extended family, there will be increasing numbers of the elderly who would need the services of

homes, and would not be able to afford the fees at privately run homes. There will be a continuing need for state institutions, and with formal fee paying. There is need for allocations for such institutions to be maintained at the level such that quality of accommodation never falls below par.

The introduction of compulsory health insurance is relatively recent. There is evidence that a number of elderly people have not been able to meet the costs of health insurance and are loathe to have themselves declared as indigent to have free access. Given the high prevalence of chronic diseases among them, the Government should relieve hardship by supplying free to all Caymanians aged 65 and above, a standard formulary to treat with such chronic diseases as diabetes and hypertension.

TABLE 19.15: UNIVERSALISE ACCESS TO PRE-SCHOOLS

Goal	Time Frame	Strategy	Purpose	Implementing Agency	Output	Methods of Verification & Monitoring
Universalise pre-school attendance	S	Establish pre-schools in all communities State provision for all those not having resources to pay fees	Ensure universal access irrespective of socio-economic status	Ministry of Education	All children of pre-school age having access	Reports of Ministry of Education.

Key: I - Immediate Priority S - Short-term Priority M - Medium-term Priority

TABLE 19.16: PROTECTION OF ELDERLY

Goal	Time Frame	Strategy	Purpose	Implementing Agency	Output	Methods of Verification & Monitoring
Protection of elderly in need of long stay accommodation	I	Upgrade homes for the elderly	Ensure decent accommodation	Ministry of Health through DCFS	Better quality accommodation for elderly in need of long stay accommodation	Reports of Ministry of Health
Protect elderly with Chronic Diseases	I	Provision, free of charge, of a basic formulary for chronic diseases	Ensure chronic diseases are managed	Ministry of Health, through HAS	Better quality of care for Elderly with chronic diseases	Reports of Ministry of Health

Key: I - Immediate Priority S - Short-term Priority M - Medium-term Priority

19.5.3 PROTECTION OF GROUPS AT RISK

There are a number of groups at risk, and some in need of temporary support while others need longer term support. DCFS has collaborated with a number of agencies in addressing these needs. In recognition that most of the problems are not episodic, DCFS should be provided with the resources to respond to needs as and when they occur, on its own or with the partnership of other agencies in the NGO community: children taken into care should not be lodged with young offenders, for example. About ten percent of the population will present with some type of

disability: much of this group is hidden in the Cayman Islands.

There are the marginalised youth at risk of falling prey to drug abuse and to drug running, and to forming violent gangs. Their educational careers have been stunted and they place little value on the efficacy of education and training in their particular circumstances. The psychological condition of those at risk is also an area that invites the attention of counsellors. The mere provision of programmes is not likely to yield success in respect of youth who are earning high incomes in the drug trade.

TABLE 19.17: PROTECTION OF GROUPS AT RISK

Goal	Time Frame	Strategy	Purpose	Implementing Agency	Output	Methods of Verification & Monitoring
Protection of abandoned children	S	Upgrade facilities for children in need of care and protection, and develop foster care system to provide for stable home environment for children	Ensure safety and protection of child in need	DCFS and relevant NGOs	Children at risk having a good chance of maturing into normal adult life	Reports of DCFS
Support for Persons with Disabilities	S	Ensure that support systems are in place to meet the needs of all persons with disabilities, irrespective of type	Guarantee the right of a full life to all citizens, in keeping with their abilities	DCFS, HAS, Department of Employment Relations and relevant NGOs	All persons with disabilities empowered to live life to the fullest	Report of Ministry of Health
Empowerment of marginalized youth, especially males	I	Mount programmes capable of attracting and keeping attention of marginalized youth on path to skills training and educational upgrading	Provide alternative to marginalised youth such that most pursue track of socially acceptable channels of employment and livelihoods	Departments of Youth and Employment Relations and relevant NGOs and CBOs	More youth enrolled in programmes geared to socially productive endeavours	Reports of Department of Youth and Employment Relations
Protection of Abused Women with Children	I	Provision of support over six month period to allow for training and labour market reentry	Prepare abused women to be self-reliant	DCFS and relevant NGOs	Women capable of being self-reliant following abusive relations	Reports of DCFS
Rehabilitative Support	I	Assist ex-prisoners opportunity for self-upgrading and labour market re-entry	Reduce risk of recidivism	DCFS and Probation Department and relevant NGOs	Ex-prisoner rehabilitated	Reports of DCFS and Probation Department

Key: I - Immediate Priority S - Short-term Priority M - Medium-term Priority

19.6 ACCESS TO QUALITY EDUCATION

19.6.1 EXPAND OPPORTUNITIES FOR CONTINUING EDUCATION AND TRAINING

Having regard to the roll-over policy, and to the present educational status of the Caymanian population, large numbers already in the workforce will need to upgrade their levels of education and training. The objective is to raise the level of

attainment. This means having the same or a larger percentage of Caymanians trained to high level technical and University levels, than is the case of the knowledge-driven economies like South Korea or Singapore. Technological literacy is a pre-eminent requirement in the labour force of the 20th century. The country would need to target a Caymanian workforce with at least 50 percent holding post-secondary and tertiary level qualifications.

TABLE 19.18: EXPAND OPPORTUNITIES FOR CONTINUING EDUCATION AND UPGRADING THROUGH TRAINING

Goal	Time Frame	Strategy	Purpose	Implementing Agency	Output	Methods of Verification & Monitoring
Stimulate commitment to training, lifelong learning and the attainment of University degrees by majority of Caymanians	M	Promotion of Continuing Education Provision of support for Study Leave	Prepare Caymanians for knowledge-based economy and for seamless replacement of foreign personnel in highest echelons of main industries	Ministry of Education and Department of Employment Relations	Highly educated and well trained Caymanian workforce	Reports of the Ministry of Education

Key: I - Immediate Priority

S - Short-term Priority

M - Medium-term Priority

19.7 ACCESS TO HIGH QUALITY, AFFORDABLE HEALTH CARE

19.7.1 PROMOTE WELLNESS

The Cayman Islands displays a similar prevalence of chronic diseases as has been established across the Commonwealth

Caribbean. The changes in diet along with more sedentary life styles have resulted in the rapid increase in the incidence of chronic diseases among the population. It was revealed that high levels of obesity are becoming evident among children in the Cayman Islands.

TABLE 19.19: PROMOTION OF WELLNESS

Goal	Time Frame	Strategy	Purpose	Implementing Agency	Output	Methods of Verification & Monitoring
Inculcate high commitment to healthy life styles on the part of all	I	Popularise wellness in mass media	Achieve better health among the population	Ministry of Health and Department of Sports	Healthy Population	Reports of Ministry of Health and Department of Sports

Key: I - Immediate Priority S - Short-term Priority M - Medium-term Priority

19.8 SECURITY AND FORTIFICATION AGAINST SOCIETAL ILLS

19.8.1 COMBAT DRUG TRAFFICKING AND OTHER CRIME

There is evidence of incipient criminality in the society, fostered by the incorporation of elements of Caymanian society in the international narcotics industry, with the Cayman Islands serving as a warehouse for some of the South American and Central American operators. A long and lightly policed coastline makes the island a soft target for such operators. The island is also

a market in itself with some marginalised youth becoming involved and being drawn into activity that is more lucrative than any other employment in which they could engage having regard to their preparation for the formal labour market. Drug running has as its natural concomitant the formation of gangs and the use of guns in the protection of turf.

The main objective is to contain the spread of the narcotics industry in the Cayman Islands by the effective interdiction of suppliers.

TABLE 19.20: COMBAT DRUG TRAFFICKING AND OTHER CRIMES

Goal	Time Frame	Strategy	Purpose	Implementing Agency	Output	Methods of Verification & Monitoring
Arrest growth of narcotics industry in Cayman Islands	I	<p>Improve policing of territorial waters.</p> <p>Improve intervention capabilities of such organisations as CASA</p> <p>Improve resources for National Drug Council</p> <p>Anti-drug education programmes in schools</p>	<p>Prevent Cayman Islands being used by international drug syndicates</p> <p>Rehabilitation of drug users and protect those at risk.</p>	<p>Police Service</p> <p>CASA</p> <p>National Drug Council</p>	<p>Drug-free Cayman Islands</p>	<p>Report of the Police Service</p> <p>Reports of National Drug Council</p>
Reduce and eliminate use of illegal firearms	I	<p>Improve detection by occasional police searches for firearms</p>	<p>Prevent carrying and use of illegal arms</p>	<p>Police Service</p>	<p>Safe Cayman Islands</p>	<p>Report of the Police Service</p>
Institutionalise wide use of cameras on all public roads	S	<p>Increase surveillance</p>	<p>Improve detection of illegal activities</p>	<p>Police Service</p>	<p>Reduced Crime</p>	<p>Report of the Police Service</p>

Key: I - Immediate Priority S - Short-term Priority M - Medium-term Priority

19.9 CULTIVATE COMMUNITIES

19.9.1 REVAMPING COMMUNITY DEVELOPMENT

Rapid social change has taken its toll on the social fabric of the society, evinced in problems among the youth, the rise of gangs, family breakdown, children left unattended. While the DCFS has worked well in addressing individual needs of

clients in poorer neighbourhoods, the challenge of building positive community structures is not being addressed.

The need for an effective community development agency is evident. The revamped agency will need to work closely with the Department of Youth to ensure coherent approaches in interventions at the level of the community.

TABLE 19.21: REVAMP COMMUNITY DEVELOPMENT

Goal	Time Frame	Strategy	Purpose	Implementing Agency	Output	Methods of Verification & Monitoring
Revamp Community Development Agency	I	Revisit structure and appoint officers with training and experience in Community Development	Ensure interventions in support of building effective community structures	Ministry of Health and Human Services	Effective Community Development Agency	Reports of Ministry of Health
Improve Community Social and Physical Infrastructure	S	Build community centres	Ensure that there are community facilities available for such activities as indoor sports, reading, home-work centres	Ministry of Health and Human Services	Upgraded community facilities	Reports of Ministry of Health
		Establish arrangements with schools for the use of schools grounds by the community	Develop active sports programmes in communities	Ministry of Health and Ministry of Education	Sport made integral to community life	Ministry of Health and Ministry of Education

Key: I - Immediate Priority S - Short-term Priority M - Medium-term Priority

19.10 RECONCILING CASE LOAD WITH SYSTEM APPROACH TO GROUPS AT RISK

DCFS has generally performed well at the management of the case load of groups at risk. The rapid social change that the society has undergone has had fall-out effects, with particular groups succumbing in the face of risks, in spite of a range of social delivery services that are geared to manage social protection.

This has meant that resources are inadequate having regard to the scale of the problems that emerging. DCFS is placed in an invidious situation of not being able to treat with some problems because of budgetary limitations. Moreover, in its collaboration with the range of NGOs that contribute by way of voluntary support, DCFS ends up relying excessively on the voluntary support to discharge the responsibility.

Case loads can be anticipated in terms of the percentage in each age cohort likely to fall victim to particular social and other risks. Children run the risk of being abandoned and need to be taken into care. The Elderly are also left to their own devices even though no longer capable of taking care of themselves. Teenage girls may become pregnant.

However, constant monitoring in association with other social service providers will allow DCFS to establish where new pressures are emerging and help identify where systematic approaches are relevant, rather than the provision of individual support.

A systemic approach to transitional support for groups of would-be recidivists, succumbing again to drug abuse, may go much further than the sum of individual transfers.

19.11 PROTECTION OF PURCHASING POWER OF TRANSFERS TO THE MOST VULNERABLE

The DCFS provides transfers to a number of clients whose only source of income are receipts from this source. Although the Cayman Islands have enjoyed relatively low rates of inflation in the past, recent movements in the price of energy and food have shifted cost structures upward.

The DCFS with the support of ESO is now equipped with the techniques of poverty assessment and in the calculation of indigence lines such that it is possible to engage in regular updating of the level of transfers made to the poor. It is possible to index link using the food index specifically.

TABLE 19.22: RECONCILING CASE LOADS AND SYSTEM APPROACHES WITH GROUPS AT RISK

Goal	Time Frame	Strategy	Purpose	Implementing Agency	Output	Methods of Verification & Monitoring
Secure adequate funding for social services delivery	I	Develop systematic approaches with the collaboration of other social partners	Strike balance between individualised support and group interventions in treating emerging social problems	DCFS and collaborating NGOs	System response to areas of social dysfunction	Reports of the DCFS

Key: I - Immediate Priority S - Short-term Priority M - Medium-term Priority

TABLE 19.23: MAINTAIN PURCHASING POWER OF TRANSFERS TO MOST VULNERABLE

Goal	Time Frame	Strategy	Purpose	Implementing Agency	Output	Methods of Verification & Monitoring
Protect purchasing power of the poor in receipt of public transfers	I	Link transfers to changes in the cost of living, with special reference to the price of food	Ensure that escalation of prices of food do not erode buying power of poor	DCFS and ESO	Transfer payment protected from price escalation	Reports of the DCFS and ESO

Key: I - Immediate Priority S - Short-term Priority M - Medium-term Priority

19.12 DEVELOP REAL ESTATE INVESTMENT TRUST

The price of land in an economy like the Cayman Islands is subject to upward pressure as the well to do in the rest of the world seeks to secure holiday homes or to hold as part of their investment portfolio, land and real estate in the Cayman Islands. In addition to putting much land out of the reach of nationals, the gains from speculation redound to the better off from the rest of the world while more and more, land is alienated from ownership by

Caymanians. On the other hand, many of the properties on prime land yield returns to their foreign owners from short and even longer term rentals.

It behooves the State to create a REIT on behalf of the population in which the Caymanian population can invest and indirectly own shares in lands that are utilised in the resort accommodation sector. A development partner like the CDB may assist in lending technical support in the design of such an instrument.

TABLE 19.24: DEVELOP REAL ESTATE INVESTMENT TRUST

Goal	Time Frame	Strategy	Purpose	Implementing Agency	Output	Methods of Verification & Monitoring
Establish REIT targeted at Caymanians	I	Secure participation of Caymanian population in collective investment in real estate in the Cayman Islands	Ensure that some of gains in real estate in the Cayman Islands accrue to Caymanians	Office of the Financial Secretary	Caymanian Population participating in benefits of developments in their midst	Reports of the Office of the Financial Secretary

Key: I - Immediate Priority S - Short-term Priority M - Medium-term Priority

19.13 RECOMMITTING TO ECONOMIC AND SOCIAL PLANNING

The implications of addressing the NALC demonstrate that there is a host of measures that the country needs to take. These can best be assessed in the context of an overall economic and social plan. In other words, Economic and Social Planning is an overarching requirement. ESO is the pivot in the provision of data and will have to conduct analysis as well. However, there is need for other agencies to become involved in research work with the data that are generated by ESO. A substantial investment budget is required in addressing all of the areas identified above. There will be need for economic or Econometric modeling of the relationship in the mix of investment, especially in the identification of the likely labour and personnel requirements.

The establishment of the NAT for the NALC has brought together research potential that needs to be sustained and widened in addressing a range of issues that as individual departments, organisations would have ignored but as a collectivity, they recognise as critical to the transformation of the Cayman Islands. Moreover, the tradition of evidence based analysis becomes more firmly rooted in the body politic. The Ministry of Health and Human Services has performed the role of coordinator. The results of the NALC are cross-cutting and span a much wider range of issues that are the remit of the Ministry. However, in the collegial environment of research and analysis, it matters little which agency coordinates.

CHAPTER TWENTY – CONCLUSION

Analysis of the data collected for the NALC in the Cayman Islands has established that the country has one of the lowest rates of estimated poverty in the Commonwealth Caribbean. Even more interesting, there was no evidence of indigence. This attests to the high rates of secular growth that has taken place in the last half century which have transformed the Cayman Islands from a country on the periphery of the Caribbean backwater, to being a major international financial centre and an important destination in international tourism. The Cayman Islands were a typical sending country with most of the population in search of income abroad. The beginning of the 21st century finds the country as the destination with large numbers seeking salvation in the Caymanian sun.

These felicitous findings however, have to be treated with caution. Inequality as measured by the Gini coefficient is high relative to the per capita income of the country. There are obvious disparities across the districts and between Grand Cayman and the Sister Islands, which reflect the pattern of development that has been pursued so far. There is evidence of social dissonance as the rapid pace of urbanisation and change leaves some groups behind. The international narcotics syndicates have not left the Cayman Islands untouched and there are tell-tale signs of some elements of the society become engulfed in the sector.

On a positive front, the country is blessed with a range of organisations in the area of social services which in collaboration with the State and anchored on a high level of voluntarism, allows many in need to secure assistance. There remain gaps however, in spite of the best efforts of the DCFS, which is the premier government agency engaged in the social services delivery, and this results in hardships, as were identified in interviews with the some of victims themselves.

Housing conditions for the lowest income groups are acute, and are exacerbated by the large influx of low level labour in the economy in the Cayman Islands. The Government has reorganised health service delivery, and is perhaps the only country in the Commonwealth Caribbean that has moved its health sector in a full cost recovery mode with insurance support to treat with individual needs as they arise. Penetration of health insurance is high but there are some who have fallen between the cracks. The Educational System is being reorganised and initiatives are being taken to create fluidity in the labour market, but with the overriding objective being the filling as many places as possible at the highest echelons of industry with trained or qualified nationals.

Indeed, this is reflects the underlying economic strategy of the Government, which is committed to an apparent reinsertion of the Cayman people into the international economy, by empowering

them to secure high level employment and/or to develop the capacity to establish and run their own businesses. In the economic thrust of the last century, it was accepted that foreign direct investment would enter and provide the jobs for some Caymanians, and with the revenues provided to the Government, contribute to the expansion of the state and public sector hiring. In the early 21st century, the thrust is to maintain the rate of growth, but to move the Caymanian from being participant observer, to being actor.

Low rates of poverty and high quality of life for large numbers have been the reality of the Cayman Islands. The country is better placed than most Caribbean countries to address issues of poverty and vulnerability. It is not immune to the fall-out effects of the rise in cost of food and of energy in the last years, and now the sub-prime crisis in the United States and the North Atlantic countries generally. The contagion will impact the Cayman Islands as well as other Caribbean economies that are heavily reliant on Tourism and Financial Services. It is inevitable that poverty will increase in the short-term in the Cayman Islands, even though rising from a low base.

In the midst of addressing the negative impact of the present international economic crisis, and the consequential

increase in poverty in the country, it is obvious that an equally important consideration will be the empowerment of the Caymanian people for the next phase of transformation and the reduction of inequality generally. The litmus test is the degree to which they are involved in devising their economic and social reality in their space.

Always lurking on the horizon is the possibility of severe weather events, that are likely to be frequent as a result of global climate change the evidence on which is now incontrovertible. Environmental episodes like Hurricane Ivan constitute a whole system threat to life and livelihoods in the Cayman Islands and have to be accommodated in the planning process.

The data are now available for the country to establish its priorities in structuring the economy to address the sea change in the international economy, given the harbingers already evident as a result of the momentous events in financial markets in the latter half of 2008. The NALC has provided a wealth of data that can be used for the first steps in a multi-sectoral plan that can take the country into the second decade of the 21st century.

APPENDIX I: TEAM OF CONSULTANTS

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