

Country Inequality Briefs:

Caribbean Region

David Rosenblatt
Laura Giles Álvarez
Kimberly Waithe
Victor Gauto
Elton Bollers
Henry Mooney
Jason Christie
Jeetendra Khadan
Lodewijk Smets

Country Department Caribbean
Group

Department of Research and
Chief Economist

POLICY BRIEF N°
IDB-PB-328

Country Inequality Briefs:

Caribbean Region

David Rosenblatt
Laura Giles Álvarez
Kimberly Waithe
Victor Gauto
Elton Bollers
Henry Mooney
Jason Christie
Jeetendra Khadan
Lodewijk Smets

Inter-American Development Bank

March 2020



Cataloging-in-Publication data provided by the
Inter-American Development Bank
Felipe Herrera Library

Country inequality briefs: Caribbean Region / David Rosenblatt, Laura Giles Álvarez, Kimberly Waithe, Victor Gauto, Elton Bollers, Henry Mooney, Jason Christie, Jeetendra Khadan, Lodewijk Smets.

p. cm. — (IDB Policy Brief ; 328)

Includes bibliographic references.

1. Equality-Government policy-Caribbean Area. 2. Social integration-Government policy-Caribbean Area. 3. Social security-Government policy-Caribbean Area. 4. Caribbean Area-Social policy. I. Rosenblatt, David. II. Giles Álvarez, Laura. III. Waithe, Kimberly. IV. Gauto, Victor. V. Bollers, Elton. VI. Mooney, Henry. VII. Christie, Jason. VIII. Khadan, Jeetendra. IX. Smets, Lodewijk. X. Inter-American Development Bank. Department of Research and Chief Economist. XI. Inter-American Development Bank. Country Department Caribbean Group. XII. Series.
IDB-PB-328

<http://www.iadb.org>

Copyright © 2020 Inter-American Development Bank. This work is licensed under a Creative Commons IGO 3.0 Attribution-NonCommercial-NoDerivatives (CC-IGO BY-NC-ND 3.0 IGO) license (<http://creativecommons.org/licenses/by-nc-nd/3.0/igo/legalcode>) and may be reproduced with attribution to the IDB and for any non-commercial purpose. No derivative work is allowed.

Any dispute related to the use of the works of the IDB that cannot be settled amicably shall be submitted to arbitration pursuant to the UNCITRAL rules. The use of the IDB's name for any purpose other than for attribution, and the use of IDB's logo shall be subject to a separate written license agreement between the IDB and the user and is not authorized as part of this CC-IGO license.

Note that link provided above includes additional terms and conditions of the license.

The opinions expressed in this publication are those of the authors and do not necessarily reflect the views of the Inter-American Development Bank, its Board of Directors, or the countries they represent.



Country Inequality Briefs: Caribbean Region

Abstract

This policy brief summarizes the current state and evolution of inequality in The Bahamas, Barbados, Guyana, Jamaica, Suriname, and Trinidad and Tobago. The brief also surveys countries' efforts to address this issue.

JEL classifications: D31, D63, E60, H51, H52, H53, I32, I38, O15

Keywords: Inequality, Poverty, Social inclusion, Social Policy, Growth

This policy brief is released as complementary documentation to the 2020 Latin American and Caribbean Macroeconomic Report: Inclusion and Growth in Uncertain Times: www.iadb.org/macroreport2020

Contents

The Bahamas	3
Barbados	7
Guyana	11
Jamaica	15
Suriname	17
Trinidad and Tobago	21

The Bahamas

Laura Giles Álvarez and David Rosenblatt

1. A REVIEW OF POVERTY AND INEQUALITY MEASURES

The Commonwealth of the Bahamas is an archipelago of 700 islands with an estimated population of approximately 395,000 and a GNI per capita of US\$30,520. High average incomes have allowed The Bahamas to virtually eliminate extreme poverty, measured in terms of the \$1.90 a day purchasing power parity (PPP) poverty threshold. That said, persistent inequality levels imply that poverty, measured in terms of the \$5 a day PPP threshold, remains present and vulnerability is still a concern (see Table 1). This overall panorama is based on the most recent data, which are available until 2014. Developing updated values for socioeconomic indicators thus remains an increasingly pressing goal to better assess and understand poverty and vulnerability in the country, particularly given the looming threat of natural disasters.

Table 1. Poverty and Inequality in The Bahamas¹

	2011	2012	2013	2014
Extreme poverty rate	1.4	2.0	1.5	1.1
Poverty rate	5.3	6.2	6.6	4.4
Vulnerability rate	17.6	14.5	16.7	16.7
Percent of middle-class population	60.2	62.6	62.3	63.1
Percent of high-class population	16.9	16.7	14.4	15.8
Inequality	0.51	0.48	0.48	0.49
High Income Countries: poverty rate	1.9	1.9	1.9	1.8
High Income Countries: Gini	0.33	0.33	0.36	0.33

Sources: IDB Social Department Central Database; CCB Staff Calculations. All thresholds PPP adjusted.

Although inequality remained stable between 2011 and 2014, poverty decreased. As seen in Table 1, inequality, measured in terms of the Gini coefficient, averaged 0.5 over the period, slightly declining to 0.49 in 2014.² This was much higher than the average Gini coefficient of 0.34 recorded in high-income countries during the same period. Between 2011 and 2014, extreme poverty (those earning below US\$1.9 a day) hovered in the range of 1 to 2 percent of the population and fell to 1.1 percent in 2014 (compared to 1.4 percent registered in 2011 and 2 percent recorded in 2012). Poverty levels (those earning below US\$5 a day) also decreased, from 5.3 percent of the population in 2011 to 4.4 percent in 2014. Poverty levels ranged between 4.4

¹ The definitions used in this table are the following: Extreme poverty: percent of population with income below US\$1.9 a day. Poverty: percent of population with income below US\$5 a day. Vulnerability: percent of population with income between US\$5 and US\$12.4 a day. Middle class: percent of population with income between US\$12.4 and US\$62 a day. High class: percent of population with income above US\$62 per day.

² The Gini coefficient ranges from 0 (complete equality) to 1 (complete inequality).

and 6.6 percent over the period. Although poverty levels are low compared to those of other countries in the Caribbean region, they are more than twice the poverty rate typically recorded in other high-income countries.³ Vulnerability (those earning between US\$5 and US\$12.4 a day) declined more modestly, from 17.6 percent in 2011 to 16.7 percent in 2014. In other words, the bottom quintile of the population in the Bahamas was either in poverty or at risk of falling into poverty. On the upper end of the income distribution, approximately 16 percent of the population were consistently living on more than US\$62 dollars per day over the period of study. This is substantially higher than other high-income countries in the Caribbean. For example, the comparable figures in 2014 were 4.2 percent in Barbados 1.2 percent in Trinidad and Tobago.

The Bahamas scores high on other welfare measures. The Bahamas is classified in the very high human development category, scoring 0.805 on the 2018 multidimensional Human Development Index (HDI) and ranking 60th out of 189 countries. However, despite the Bahamas' having a much higher level of GNI per capita, its HDI score lagged behind other regional peers, such as Barbados (which ranked 56th). It should nonetheless be noted that The Bahamas' 2018 HDI of 0.805 represents an improvement over the 2000 score of 0.787. This improvement was mostly the result of a 3.6-year increase in life expectancy at birth, a 0.6-year rise in mean years of schooling and an increase of 0.7 years in expected years of schooling. With regards to gender parity, The Bahamas scored 0.353 in the 2018 Gender Inequality Index (GII) and ranked 76th out of 162 countries. This was below the average 0.175 score of other very high HDI-scoring countries and above other countries in the region such as Jamaica (93rd out of 162 countries). However, the country scored below other regional peers such as Trinidad and Tobago (72nd out of 162 countries) and Barbados (55th out of 162 countries). In The Bahamas, 21.8 percent of parliamentary seats are held by women, and 88 percent of adult women have reached at least a secondary level of education compared to 91 percent of their male counterparts. In addition, 80 women per 100,000 live births die from pregnancy-related causes, and the adolescent birth rate for women aged 15-19 is 30 births per 1,000 women. Female participation in the labor market is 67.6 percent, compared to 82 percent for men (UNDP, 2019).

2. POLICIES TO ADDRESS POVERTY AND INEQUALITY

The country's National Development Plan Vision 2040 explicitly outlines targets and actions to reduce poverty and discrimination. Under the pillar "Human Capital," the government states "The Bahamas will be a nation free of poverty and discrimination, including gender, nationality and disabilities." The document outlines specific goals relating to achieving food security, implementing programs that promote the youth's entry into the labor market, removing discriminatory laws, policies and practices to ensure inclusion, strengthening the provision of social protection and improving data collection on poverty. The vision also outlines the goal of establishing a more modern, sustainable and universally accessible health care system as well as supplying a higher quality of education (GoB, 2016).

A broad institutional framework provides social services. These include the Ministry of Health, the Ministry of Education, the Ministry of Labor and the Ministry of Social Services. The Ministry of Social Services manages cash and in kind-transfer programs including food assistance (permanent, temporary and emergency modalities), financial assistance (rent, water, electricity, gas, clothing, building repairs, burial assistance and others), school uniforms and footwear, the

³ We use the World Bank's income category as a reference. High-income countries are those with a GNI per capita income of US\$12,376 or more.

National Lunch Program, disability allowance, and medical card assistance. However, challenges remain regarding the scale of such programs and the fragmentation of the institutional framework.

The National Insurance Board (NIB) provides benefits relating to sickness, maternity, funeral, retirement, invalidity, survivorship, unemployment, injury, disablement and death. Retirement benefits are based on a defined benefit, pay-as-you-go system, with coverage estimated at 72.3 percent of the elderly.⁴ The NIB also provides means tested non-contributory pensions, as well as disability and survivor's benefits targeted to the elderly poor who do not meet the requirements for a contributory pension or other contributory benefits (NIB, 2016).

Education is compulsory for children between the ages of 5 and 16, and tuition is free. Undergraduate degrees are also free of charge for Bahamian citizens who score above a GPA threshold and who are enrolled in a minimum amount of credits. Primary school enrollment is practically universal and net enrollment in secondary education is almost 85 percent. Enrollment by Bahamians in tertiary educational institutions has increased steadily, to 20 percent of the population over 15 years of age. Although the unemployment rate reached its lowest level in the past ten years (9.5 percent in May 2019), youth unemployment remains high, at 20 percent in 2019 (GoB, 2017).

All Bahamians and legal residents can receive public health care through the National Health Insurance (NHI). The NHI is overseen by the National Health Insurance Authority. The country's health care model has been changing in recent years and now consists of a multi-payer system including a public insurer run under private administration. The NHI Act was approved in 2016 and programs have been rolled out since then, providing access to a range of medical services which are free of charge at the point of service. Covered services were initially only primary care services,⁵ but subsequent implementation stages are expected to provide coverage for catastrophic conditions as well as secondary and tertiary care.

Despite overall low levels of poverty and access to a broad range of social services, challenges persist. Equity gaps prevail in the education system, particularly between public and private schools, between males and females, and across regions. Uneven population distribution across islands and the prevalence of social and economic disparities among the islands pose additional challenges for the delivery of, and access to, social services. As such, disparities across islands prevail in many socioeconomic indicators (GoB, 2018). For example, the proportion of the population with at least some college education is higher in New Providence (22.7 percent) and Grand Bahama (22.5 percent) than in the Family Islands (18.2 percent), whereas the proportion of people with primary education or less was markedly higher in the Family Islands (19.3 percent) than in New Providence (8.6 percent) and Grand Bahama (5.1 percent).

References

Government of The Bahamas (GoB). 2016. National Development Plan: Vision 2040. Working Draft for Public Consultation. Available at: <http://www.vision2040bahamas.org/>

Government of The Bahamas (GoB). 2017. 10 Highlights from the May 2017 Labour Force and Household Income Survey. Available at:

https://www.bahamas.gov.bs/wps/wcm/connect/8c4c944a-a289-4d39-bbb1-7d3a81a044bd/Labour+Force+Report+May_2017.pdf?MOD=AJPERES

⁴ Calculated based on the number of covered persons in the NIB over total population aged over 65 years.

⁵ The primary care package includes medical services, medications, and imaging and laboratory services.

Government of the Bahamas (GoB). 2018. Voluntary National Review on the Sustainable Development Goals to the High-Level Political Forum of the United Nations Economic and Social Council. Available at:

<https://sustainabledevelopment.un.org/memberstates/bahamas>

National Insurance Board (NIB). 2016. The National Insurance Board's 2016 Annual Report.

Available at: <https://www.nib-bahamas.com/home>

UNDP (United Nations Development Programme). 2019. Human Development Report. Barbados. New York: UNDP. Available at: <http://hdr.undp.org/en/countries/profiles/BHS>

Barbados

Laura Giles Álvarez and Kimberly Waithe

1. INEQUALITY AND POVERTY

Inequality has declined in recent years. The Gini coefficient fell from 0.43 in 2010 to 0.32 in 2016.⁶ Despite this improvement, inequality continues to hinder social outcomes. Barbados scores 0.675 in the Inequality-adjusted Human Development Index, a 17% loss to its HDI score (UNDP, 2019).⁷ Barbados scores well on the Gender Inequality Index (GII) by regional standards, yet gender disparities persist. The country scored 0.256 on the GII (55th out of 162 countries), which was higher than the Latin American and Caribbean (LAC) average regional score of 0.383 and that of other regional peers such as The Bahamas (0.353). A low maternal mortality rate (27.0 per 100,000 live births), a high percentage of women with at least some secondary education (94.6%) and high female labor force participation by regional standards (61.9% versus the LAC average of 51.8%) support these results (UNDP, 2019). Gender disparities in education outcomes also persist, as girls outperform boys in school. On average, girls perform better than boys in the Barbados Secondary School Entrance Exam (BSSEE) Math and English examination results. Boys are also more likely to leave school without a certificate.

Empirical analysis examines the effect of key factors that reduce inequality. These factors include economic growth, government expenditure on infrastructure, and the impact of globalization and trade (Alesina and Perotti, 1996; Calderón and Servén, 2004; Dreher and Gaston, 2008). In addition, other factors such as education, employment structure, and democratization have also been identified as possible factors behind reductions in inequality. Barbados has witnessed a stable democratic system since independence. Yet in the past decade, the country has faced severe macroeconomic challenges which have contributed to weak economic growth and low public spending on infrastructure. Social factors could thus be a key determinant related to the improvement in inequality. Barbados has a comprehensive welfare system, which results in overall good social outcome indicators. According to UNDP (2019), Barbados ranks 56th out of 189 countries in the Human Development Index (with a score of 0.813), above other countries in the region such as Jamaica (96th), The Bahamas (60th) or Trinidad and Tobago (63rd).

Between 2010 and 2016, overall household poverty increased from 15.1% in 2010 to 17.2% in 2016. During the same period, extreme poverty decreased from 6.8% to 3.4%. As seen in Figure 1, poverty levels are highest in the east and center of the country, most notably in the parishes of Saint Joseph, Saint John and Saint George. Poverty is also gendered, as seen in Figure 2. Overall poverty for females in 2016 stood at 21%, compared with 14% for males. In addition, vulnerability reached 12.9% for females in comparison to 9.5% for males.

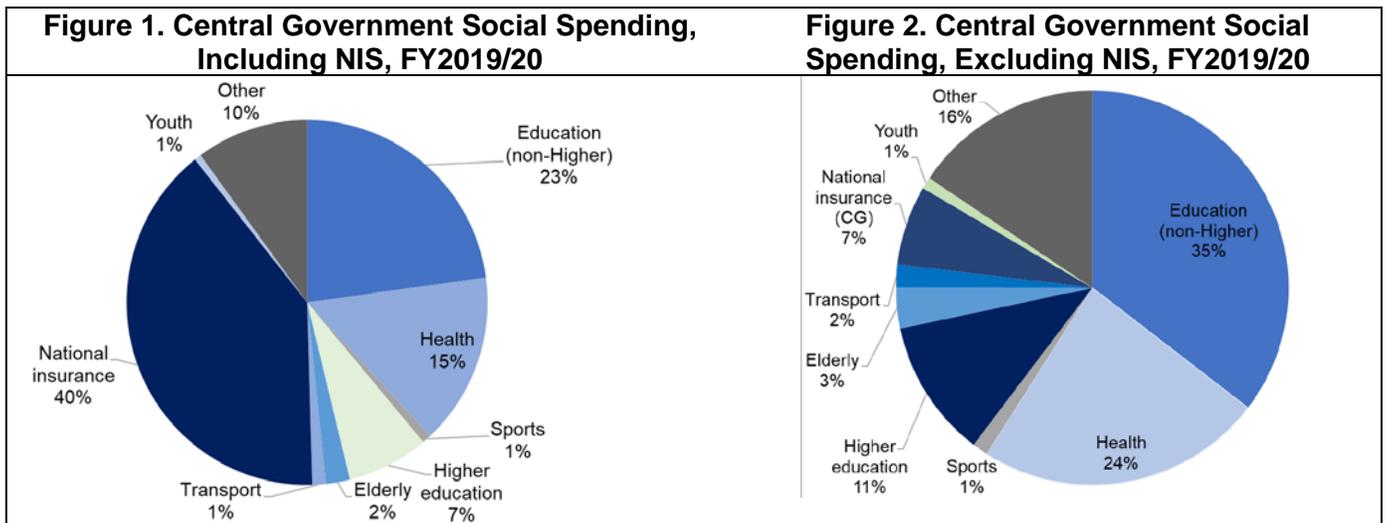
⁶ The Gini coefficient ranges from 0 (complete equality) to 1 (complete inequality).

⁷ This is similar to the average HDI loss for high human development countries (17.9%) and below the loss in the LAC region (22.3%). Inequality-adjusted Human Development Index (IHDI) adjusts the HDI value for inequality within countries in each of its components (health, education and income). The loss in potential human development due to inequality is the difference between the HDI and IHDI, expressed as a percentage.

2. POLICIES TO PROMOTE SOCIAL INCLUSION

Social development is prioritized in government policy and supported by a wide institutional framework. Pillar 3 of the 2013-2020 Medium-term Growth and Development Strategy and Pillar I of the Barbados Labour Party Manifesto, “making people matter,” highlight social development as a government priority. The focus of these policies is on poverty and vulnerability.⁸ The organizational structure that promotes social development in government is also wide but fragmented, including the National Insurance Scheme (NIS), the Ministry of Education, Technological and Vocational Training, the Ministry of Health and Wellness, the Ministry of People Empowerment & Elder Affairs, the Ministry of Labour and Social Partnership Relations and the Prime Minister’s Office. The Social Partnership⁹ has a direct mandate relating to social inclusion, specifically aiming to take into account all segments of society in policy formulation and implementation.¹⁰

Total budget expenditure on social programs reached approximately 34% of total government spending. Programs that foster social inclusion and tackle inequality in Barbados can be broadly divided into: i) social insurance, ii) social safety net programs and iii) public health and education services. The education and health sectors and the National Insurance Scheme comprise the bulk of social spending. Spending in education (higher and non-higher) accounted for around 30% of the approved FY2019/20 budget estimates, while health and the NIS stood at 15% and 40%, respectively (Figure 1).



Source: Barbados Estimates, FY2019/20.

⁸ The Barbados Labour Party Manifesto does mention the positive effect of universal access to education and health on inequality, as well the issue of gender inequality. Overall loss: Percentage difference between the IHDl value and the HDl value.

⁹ The Social Partnership is a tripartite social dialogue mechanism created in the 1990s composed of Government, Employers representatives and Trade Union representatives and has been a key structure for social buy in during fiscal adjustment programs in the past three decades.

¹⁰ <https://labour.gov.bb/social-partnership/>

3. SOCIAL INSURANCE SCHEMES

Barbados has two entities providing social insurance. The first is the National Insurance Scheme (NIS). The second is the government, which directly pays public service pensions and some non-contributory pensions. The NIS is a partially funded pay-as-you go defined benefit system that provides benefits for retirement, unemployment, disability, maternity, severance, sickness and funeral grants. The government also offers defined benefit arrangements for its employees. The central government, a selection of statutory bodies (including for example the Queen Elizabeth Hospital), the Defence Force and the Transport Board, all operate their pension arrangements on a pay-as-you-go basis based on wage and years of service. Pension benefits are paid out of the Consolidated Fund as they fall due. Other statutory bodies such as the Central Bank of Barbados, the National Petroleum Corporation, and the Barbados Water Authority have pension assets set aside to meet their pension obligations.¹¹ Finally, the government pays non-contributory pensions for persons who reached the national insurance pension age but do not qualify for benefits from the NIS or from the government.

4. SOCIAL SAFETY NET PROGRAMS

Barbados has a broad range of social safety net programs, mainly administered by the Welfare Department, the Child Care Board, and the National Assistance Board. The Welfare Department provides a monetary assistance grant, food, rental and education assistance, family services, and welfare to work programs. The National Assistance Board includes programs related to bereavement support, assistance to the elderly and people living with disability, shelters for the homeless and fire recovery. The Child Care Board includes adoption and fostering services, residential and day care for minors. Additional social services are provided by the Bureau of Gender Affairs, the Barbados Council for the Disabled and the Agricultural Development Management Corporation (which runs the land for landless program). The Ministry of Social Care also runs a family case management program for the poor and the ISEE Bridge poverty alleviation program,¹² which began with a 30-household pilot and is working to increase coverage to 250 households (IDB, 2018). Finally, throughout the duration of the four-year Extended Fund Facility program with the IMF, signed in October 2018, the government has set a floor on spending on social programs with the aim of limiting the impact of the stabilization program on low-income households. Despite such a broad range of social safety net programs, most of the programs are small in scale, relying on self-reporting for the identification of beneficiaries, and there is a need to improve institutional coordination as well as data and information availability (IDB, 2018).

5. HEALTH AND EDUCATION SERVICES

Barbados has universal access to free health and education services at the point of delivery. All Barbadian citizens are insured through a public health insurance scheme that guarantees access to healthcare. Barbados has a high share of public health spending, which has increased from 39.8% of total health spending in 1995 to 63% in 2014 (IDB, 2018). This trend has been paralleled by an increase in out-of-pocket spending and a reduction of prepaid private

¹¹ In Barbados, public sector employees are covered under the National Insurance Scheme, which offers a range of benefits such as severance, unemployment benefits, employment injury and old age pension. Public sector employees and the government jointly contribute to National Insurance on earnings which are less than a level which is set annually by the National Insurance Board.

¹² The ISEE Bridge Program is concerned with reducing risks in seven critical pillars for social and human development: i) personal identification, ii) education and human resource development, iii) health promotion, iv) family dynamics, v) housing conditions, vi) employment and vii) income/social benefits.

spending.¹³ Education services, from primary to tertiary, are also free at the point of delivery and underpin high education outcome indicators by international standards. Although Barbados has some of the highest enrolment rates in the region, inequities in the education system persist. Among the 31 secondary schools, 10 are considered “good performers” based on the BSSEE. This determines the transfer and placement of students to secondary schools (UNESCO, 2015). As a result, these 10 schools receive the best-performing students coming from primary education, which is likely to be perpetuating performance gaps (IDB, 2018).

References

- Alesina, A., and R. Perotti. 1996. Income distribution, political instability, and investment. *European Economic Review* 40(6): 1203–1228.
- Barbados Labour Party. 2018. Barbados Labour Party Manifesto. Available at: <https://www.blp.org.bb/wp-content/uploads/2018/05/BLP2018-Maxi-Manifesto.pdf>
- Calderón, C., and L. Servén. 2004. The Effects of Infrastructure Development on Growth and Income Distribution. No. 270. Washington DC: World Bank.
- Dreher, A., and N. Gaston. 2008. Has Globalization Increased Inequality? *Review of International Economics* 16: 516–536.
- Government of Barbados. 2013. Barbados Growth and Development Strategy 2013-2020. Available at: <http://caribbean.cepal.org/content/barbados-growth-and-development-strategy-2013-2020>
- Inter-American Development Bank (IDB). 2018. Barbados Country Development Challenges. Available at: <http://idbdocs.iadb.org/wsdocs/getdocument.aspx?docnum=EZSHARE-2124398477-14>
- International Monetary Fund (IMF). 2019. Barbados: 2019 Article IV Consultation, Second Review Under the Extended Arrangement, Request for Completion of the Financing Assurances Review, and Modification of Performance Criteria-Press Releases; Staff Report; and Statement by the Executive Director for Barbados. Country Report No. 19/370. Available at: <https://www.imf.org/en/Publications/CR/Issues/2019/12/18/Barbados-2019-Article-IV-Consultation-Second-Review-Under-the-Extended-Arrangement-Request-48886>
- UNDP (United Nations Development Program). 2019. Human Development Report. Barbados. New York: UNDP. Available at: <http://hdr.undp.org/en/countries/profiles/BRB>
- UNESCO. 2015. Education for All. Report Barbados. Paris: UNESCO. Available at: <http://unesdoc.unesco.org/images/0023/002300/230018E.pdf>

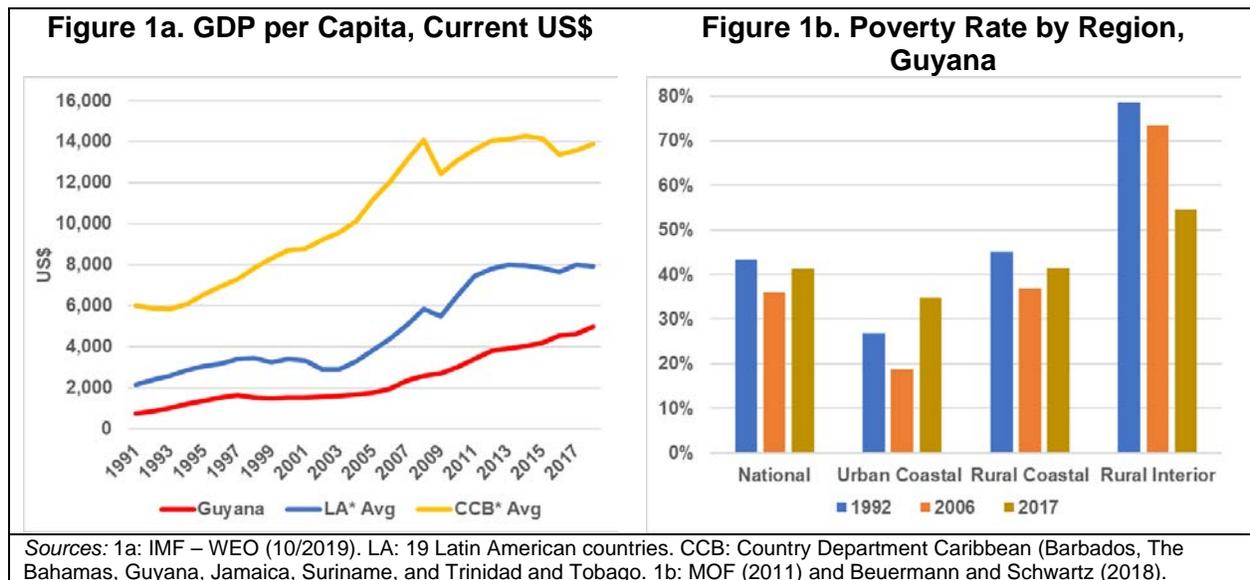
¹³ The share of out-of-pocket spending in Barbados has grown from 24% to 29% (contrastingly, out-of-pocket spending has decreased on average across the LAC region from 37% to 33%).

Guyana

Victor Gauto and Elton Bollers

1. INEQUALITY AND POVERTY

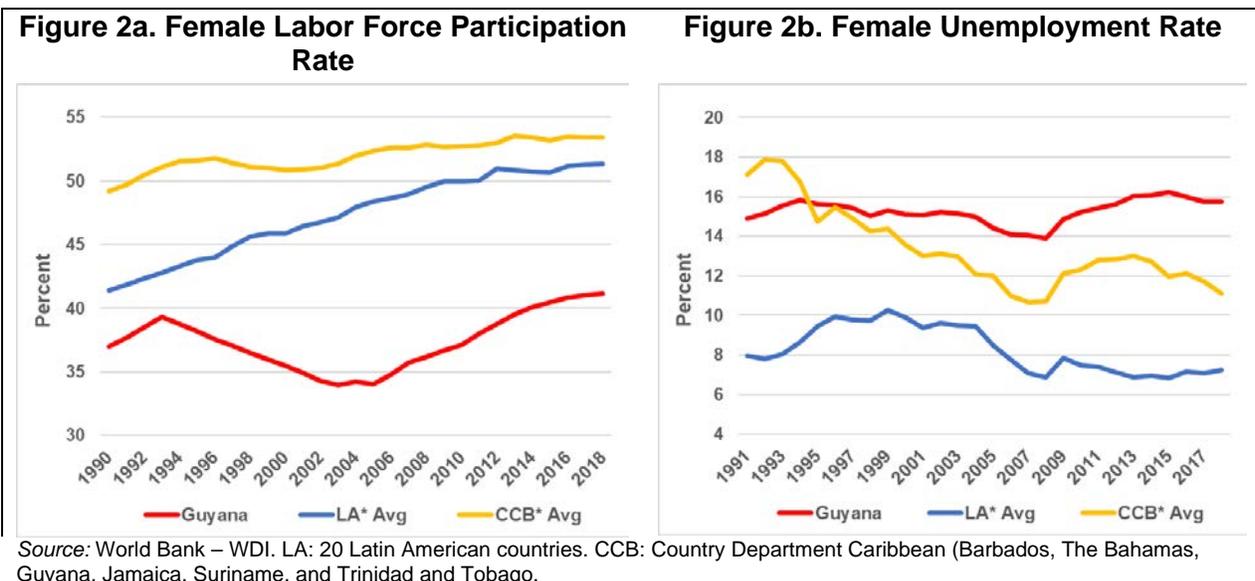
Guyana is a small, open, commodity-dependent country that has been able to sustain positive economic growth in the presence of high levels of income inequality. With a current population of about 780,000, Guyana's GDP per capita has risen from approximately US\$ 750 in 1991 to US\$ 5,000 in 2018, placing 18th out of 26 countries in the region. Over the same period, average levels of GDP per capita in Latin American (LA) and the IDB's Country Department Caribbean (CCB) were markedly higher and grew at higher rates than Guyana's, especially in the early 1990s in CCB and the mid-2000s in LA (Figure 1a). Income inequality, which is measured using the Gini coefficient, has remained relatively high. The Gini coefficient, varying between 0 and 1 (higher values reflecting higher inequality), is available for some years and evolved from 0.44 in 1992 to 0.35 in 2006 (MOF, 2011). It was also estimated in 2017, reaching 0.36 (Beuermann and Schwartz, 2018). However, more recent IDB estimates indicate the measure of inequality almost doubles when other sources of income, such as business profits and remittances, are included.



As GDP per capita is relatively low, poverty rates in Guyana are relatively high and suggest important regional disparities. The poverty rate in Guyana declined from 43.2% in 1992 to 36.1% in 2006, the last year of available data from household surveys. The more recent measure of poverty, 41.2% in 2017, was estimated from the Guyana Labor Force Survey based on a poverty line of US\$ 5.50 a day. Poverty rates in Guyana exceeded the LA and CCB regional averages of 26.54% and 25.23%, respectively (Beuermann and Schwartz, 2018). The poverty data capture large disparities within Guyana. According to the 2012 Census, approximately 89% of the population lives in the administrative regions along the coast, which includes the capital

city, Georgetown, with approximately 26% of the population. The remaining 11% of the population resides in the rural interior, also known as the hinterland. The urban coastal areas have generally had lower levels of poverty, ranging between 27% in 1992 and 35% in 2017, while rural coastal areas have similar levels of poverty to the national levels. The rural interior areas recorded poverty rates greater than 70% in 1992 and 2006 and 55% in 2017 (MOF, 2011; Beuermann and Rei, 2018). This is indicative of regional and ethnic disparities, as about 65% of the population in hinterland areas is indigenous (Bureau of Statistics, 2016).

In terms of disparities related to gender, women have lower labor force participation rates and higher unemployment rates with respect to men and other women in the region. In 2018, female labor force participation was 41.2%, lower than the LA and CCB averages of 51.4% and 53.4%, respectively (Figure 2a). Given that the UNDP reported that in 2018 more women had at least some secondary education compared to men, 70.9% vs. 55.5%, there may be structural impediments to relatively educated women's entry into the labor force. Similarly, while the male unemployment rate was 10.2% in 2018, female unemployment rates in Guyana reached 15.7%, compared to the LA and CCB averages of 7% and 11%, respectively (Figure 2b).



2. SOCIAL PROTECTION AND SOCIAL SECURITY PROGRAMS

In this context, the Government of Guyana has several social protection programs with the objective supporting vulnerable populations. There are both contributory and non-contributory social assistance programs in Guyana. The more far-reaching non-contributory social programs are administered by the Ministry of Health, the Ministry of Education (MOE), the and the Ministry of Social Protection (MOSP). The main contributory programs are the pension programs for both public and private employees and self-employed persons in Guyana.

For the early life stages of pregnancy and infancy, several programs are available. The Ministry of Health administers programs such as preconception care, post-conception care and training for pregnant women, the Immunization Program providing universal vaccination coverage, and the HIV Prevention of Mother-to-Child Transmission Program. For the childhood stage, there are two more universal programs, the National School Feeding Program and the

Uniform Voucher Program (NSFP and UVP) run by the MOE. The NSFP provides varying types of breakfasts in public schools for Nursery, the two years before primary school, 1st, and 2nd grades since 2010. The UVP targets nursery and primary school students and annually distributes approximately 150,000 uniform vouchers in six of Guyana's 10 regions. The MOSP's Child Care and Protection Agency (CPA) provides social safety net functions such as basic services, including shelter, food, and education for vulnerable children suffering abuse, orphans, or those affected by HIV/AIDS. Among others, the CPA specific programs include Adoption Services, Foster Care, and the Mahaica Children's Home where about 80 female children reside (IDB, 2019a).

Programs for youths include social rehabilitation, skills development programs, and legal aid. The MOSP runs the New Opportunity Corps, which is a correction facility for juvenile offenders. Additionally, there are several skills training programs for youths administered by the MOSP, the Board of Industrial Training (BIT), Ministry of the Presidency, and Ministry of Indigenous People's affairs providing training for youths to enter the workforce or cash-transfers for those interested in entering technical vocational institutions. Some examples include the Kuru Kuru Training Center, the Sophia Training Center, and the Hinterland Scholarship Program for Secondary, Vocational or Tertiary Education (IDB, 2019b).

In the case of working-age adults there are programs focusing on supporting entrepreneurial development and vocational training. The Ministry of Education runs the Technical Vocational Skills Program (TVET) which includes seven institutes throughout the country and the MOSP administers the Sustainable Livelihood and Entrepreneurial Development (SLED) Project. The SLED program's main objective is to create income-generating and employment opportunities at the community-level throughout Guyana funded by the MOSP's budget. The projects consist of the construction of facilities and equipment for activities such as rearing animals or producing garments and fruit preserves. Since 2017, 49 projects were funded benefiting 1,200 households, and the program's budget has grown to approximately US\$ 1.2 million in 2019. Finally, the MOSP administers the Central Recruitment and Manpower Agency, which provides job search and placement services.

For retirement-aged adults, the largest programs include the National Insurance Scheme (NIS) and Old Age Pension. The NIS is a contributory program for employees and self-employed workers, and NIS pension benefits vary depending on the amount and duration of contributions made during one's working life. According to the IDB reports, the NIS has approximately 74,000 beneficiaries. On the other hand, the Old Age Pension (OAP) is the largest non-contributory social program established in legislation in 1944. It is a universal pension for all resident Guyanese over the age of 65, targeting poor elderly populations, and provides a monthly payment of approximately US\$ 98. It currently benefits approximately 56,000 people, and expenditures represent about 1.7% of GDP. A study on pension (OECD, WB, IDB, 2014) estimated the OAP's coverage at 151% of the population over 65, indicating the number of beneficiaries exceeds the target population. Although there is no impact evaluation of this program, stakeholders suggest this program has improved the lives of the elderly and their families, without which poverty would be even greater. Finally, the Ministry of Finance provides pensions to public servants who have served at least 10 years in public institutions and reach the age of 55. There are currently approximately 8,000 beneficiaries.

Finally, some vulnerable populations are served by programs run by the MOSP, which include residential services and cash transfer programs. The residential care facilities cover the homeless and elderly with a total capacity of 300 and 240 people, respectively. The main cash transfer program in this category is the Public Assistance Program, the second largest cash social assistance program in Guyana. The program benefits vulnerable families whose application is

approved. The benefit is approximately US\$ 43 per month, and there are currently over 11,000 beneficiaries. The program costs approximately 0.1% of GDP. Overall, Guyana's total expenditure in social protection programs represented 2.32% of GDP in 2017 compared to the LA and CCB averages of 4.26% and 2.83%, respectively.¹⁴

Guyana's Green State Development Strategy promotes the objectives of inclusive economic growth based on sound education and social protection in a context of low-carbon resilient development. Some of the strategy's objectives include diversifying the economic base, producing higher value-added products, and providing better job opportunities and standards of living. As Guyana has recently become an oil producer and is expected to have several years of double-digit economic growth rates, Guyana has the unique opportunity to translate its newfound oil wealth into an agent of economic transformation to achieve its development objectives.

References

- Beuermann and Rei (2018). *Main Findings Guyana LFS*. International Labour Organization and Inter-American Development Bank (IDB) presentation.
- Beuermann and Schwartz (2018). *Nurturing Institutions for a Resilient Caribbean*. Inter-American Development Bank (IDB). Washington, DC.
- Bureau of Statistics - Guyana (2016). *Census 2012: Population Composition – Compendium 2*.
- Inter-American Development Bank, 2019a. *Social Safety Net (SSN) Reform Strategy Consultancy*.
- Inter-American Development Bank, 2019b. *Social Protection Expenditure Review (SPER) – Guyana - Consultancy*.
- International Monetary Fund (IMF), 2018. *Guyana: Staff Report for the 2018 Article IV Consultation*. Country Report No. 18/220.
- International Monetary Fund, October 2019. *World Economic Outlook*.
- Ministry of Finance (MOF), 2011. *Guyana Poverty Reduction Strategy Paper 2011 – 2015*.
- OECD, World Bank, IDB. 2014. *Pensions at a glance: Latin America and the Caribbean (English)*. Pensions at a Glance. Washington, DC: World Bank Group.

¹⁴ ECLAC. Social Investment Portal. The LA average is made of 17 countries with available data while CCB does not include Suriname.

Jamaica

Jason Christie and Henry Mooney

1. INEQUALITY AND POVERTY

The concept of inequality can be defined in various ways, based on a wide range of variables and/or characteristics. This, for example, includes indicators related to levels of household or personal income, as well as access to finance, healthcare, educational resources, or other services. The following brief provides an overview of available indicators for Jamaica, focused primarily on income levels and income distribution among various groups.

Evolution of Income Classes: The population living in poverty decreased from 18.7% in 2000 to a recorded low of about 9.9% just prior to the financial crisis in 2007. Poverty then increased rapidly following the onset of the crisis and related shocks to Jamaica's economy to about 21.2% by 2015, before beginning to moderate as reform efforts took root and economic conditions improved, reaching about 19.3% in 2017 (latest available data). Recent research also finds that children account for almost one-half of those living below the poverty line in Jamaica.¹⁵ Data for other income categories (e.g., middle- and high-income groups) were not available. The prevalence of poverty in rural areas is higher than for urban regions, standing at 20.1% and 17.1% in 2017, respectively.¹⁶ This disparity between rural and urban poverty has been contracting over time, which may be attributable to migration from rural to urban areas, as evidenced by increasing population densities in major cities.

Indices of Income and Gender Inequality: The GINI index—where a coefficient of zero implies perfect equality, and 1 implies perfect inequality—has decreased slightly from about 0.39 in 2010 to about 0.37 in 2017 (latest available data). Similarly, there has also been a modest improvement in the Gender Inequality Index (GII) between 2010 and 2017—where a coefficient of zero implies perfect equality, and 1 implies perfect inequality—from 0.46 in 2010 to about 0.41 in 2018. In this context, measures of employment point to gender-based inequities, with female unemployment standing at about 18.2% in 2016, compared to male unemployment of 9.2% the same year. In terms of educational disparities,¹⁷ male and female secondary school enrollment rates differed modestly, standing at about 69.2% and 76.9%, respectively, in 2015. Male and female tertiary school enrollment rates differed more starkly, standing at 20.1% and 34.6%, respectively, in 2015. Health disparities across genders are also apparent, with mortality rates for children under 5 years of 17.6% and 13.7% for males and females, respectively, in 2015.

2. POLICIES AND PROGRAMS LINKED TO INEQUALITY

While causal factors and relationships are difficult to identify, improvements in economic stability and performance in Jamaica since 2013—e.g., stronger growth, lower inflation and interest rates, and record low levels of overall and youth unemployment—are certain to have contributed to improved outcomes with respect to poverty and inequality. This period has also coincided with increases in government social expenditures, as fiscal consolidation and lower debt service

¹⁵ 2017 National Poverty Reduction Program Report (<https://www.pioj.gov.jm/product/national-policy-on-poverty-and-national-poverty-reduction-programme/>)

¹⁶ Statistical Institute of Jamaica (STATIN)

¹⁷ <http://datatopics.worldbank.org/gender/country/jamaica>

payments released resources for other priority outlays. For example, government spending on social security and welfare increased from about JM\$1 billion in 2004, to JM\$16 billion in 2018. These and related outlays are expected to continue increasing. Related programs include the following:

- The ***Programme of Advancement through Health and Education (PATH)*** is a conditional cash transfer program initiated in 2000, aimed at increasing educational attainment and improving health outcomes for poorer citizens. It currently benefits about 380,000 recipients annually.
- The ***National Insurance Scheme (NIS)***, which has been designed to meet International Labour Organization (ILO) social security standards.
- ***Public Assistance Programs***, including those managed by the Public Assistance Department (PAD), focused on the most vulnerable populations, including those who fall below the poverty line, the elderly, persons with disabilities, pregnant women, and victims of disasters. One such program is the Programme of Advancement through Health and Education, mentioned above.
- The ***Social Investment Programme (SIP)***, providing short-term employment, as well as educational and entrepreneurial grants to foster independence and self-reliance, leveraging partners with various private sector organizations, while also targeting “at risk” age groups (16 to 40 years old).
- The ***Jamaica Council for Persons with Disabilities (JCPD)*** is responsible for programs benefiting the disabled, including the protection of rights and facilitating education.
- The ***Early Stimulation Programme (ESP)***, an early intervention program for young children (up to 6 years of age), with various types of developmental disabilities.
- The ***National Council for Senior Citizens*** manages programs and activities to enhance social, cultural, spiritual, educational, mental and physical stimulation in the later stages of development.

Suriname¹⁸

Jeetendra Khadan

1. INEQUALITY AND POVERTY

Inequality in the distribution of per capita income (Gini coefficient) was estimated at 0.48, lower than Guyana (0.63), but marginally higher than Trinidad and Tobago (0.46). The overall poverty rate (percentage of population with income below USD 5 a day) for Suriname was estimated at 21.2 percent in 2017, based on the 2017 Survey of Living Conditions (SLC); see Beuermann and Schwartz (2018). However, poverty in the interior region of Suriname is much higher at 47.9 percent, with almost one in every two households being classified as poor. Extreme poverty (percentage of population with income below USD 1.9 a day) was estimated at 5 percent, and the vulnerable in Suriname (percentage of population with income between USD 5 and 12.4) were estimated at 36.6 percent.

Multidimensional poverty and inequality. Suriname's Human Development Index (HDI) value was 0.72 in 2018, which puts the country in the high human development category. Suriname recorded increases in life expectancy at birth, mean years of schooling, expected years of schooling and GNI per capita during the period 2000 to 2018. However, discounting the HDI value for inequality shows that the HDI falls to 0.557, a loss of 22.7 percent due to inequality in the distribution of the HDI dimension indices, a figure similar to the average loss of 22.3 percent observed for Latin America and the Caribbean (UNDP, 2019).

The wealth inequality index shows wide disparity by regions. Persons living in the rural interior and rural coastal areas are overrepresented within the country's lowest income bracket. Although the rural interior and rural coastal areas account for less than 30 percent of the population, they represent a significant part of the bottom quintile of the income distribution: 31.5 percent (rural coastal) and 84.9 percent (rural interior). Conversely, the population in the urban areas of Paramaribo and Wanica account for 8 percent and 10.5 percent of persons in the poorest quintile, respectively (see Table 1). Geographic inequalities also reflect inequalities among ethnic groups, some of which are concentrated in the rural interior and rural coastal areas.

¹⁸ This document describes the challenges that the country faces in the development of infrastructure in four specific sectors: i) energy, ii) telecommunications, iii) transportation and iv) water and sanitation. The identification of the challenges is based on the Borensztein et al. (2014) development gap methodology.

Table 1. Percent Distribution of Household Population by Wealth Index Quintile, According to Area of Residence and Regions

Wealth index quintile ¹⁹							
	Poorest	Second	Middle	Fourth	Richest	Total	Number of household members
Total	20	20	20	20	20	100	30,512
Area							
Urban	9.4	19.7	22.6	23.6	24.7	100	22,383
Rural Coastal	31.5	24.4	18.8	14.8	10.6	100	5,408
Rural Interior	84.9	13.3	1.5	0.2	0.1	100	2,722
Region							
Paramaribo	8	16.5	22.7	23.2	29.7	100	11,483
Wanica	10.5	24.2	20.7	24.7	19.9	100	8,679
Nickerie	10.6	21.2	26	21.6	20.7	100	1,785
Coronie	5.7	28.2	32.5	18.5	15	100	215
Saramacca	21.6	24.3	20.8	15.5	17.7	100	1,143
Commewijne	14.2	22.5	26	24.5	12.8	100	2,014
Marowijne	52.6	24.9	14.5	5.8	2.1	100	1,017
Para	48	21.9	15.3	9.2	5.7	100	1,454
Brokopondo	73.8	23	2.6	0.5	0.1	100	1,364
Sipaliwini	96.1	3.4	0.3	0	0.2	100	1,358

Source: Ministry of Social Affairs and Public Housing (2019).

Inequalities in access to basic utilities. According to data from the World Health Organization (WHO, 2019), there are disparities in access to “at least basic sanitation” in urban and rural areas: the national average is 84 percent of the population, but with 89 percent in urban areas and 75 percent in rural areas. There is wide disparity in access to sanitation services between the richest and the poorest populations, with only 50 percent of the poorest population having access to “at least basic sanitation,” compared to 97 percent of the richest inhabitants (WHO, 2019). Also, for water supply services, 98 percent of the population in urban areas have access to “at least basic water supply” compared to 90 percent for rural areas. There are also differences in terms of access to electricity between the urban and rural areas: the national electricity access rate is 90.34 percent, with 99 percent access in urban areas and 90 percent access in rural areas.

Disparities exists in education and labor market outcomes. At 16.1 percent, youth unemployment at 16.1 percent is higher than the national unemployment rate of 7.1 percent. Also, according to data from the SLC the NEET problem (i.e., youth not in employment, education or training) is acute at 17 percent, a level similar to that of employment (20 percent). Further, the NEET rate for women is 22 percent, almost twice the rate for males (13 percent). In terms of labor outcomes, there is gender disparity in labor force participation: the ratio of female to male labor force participation in 2019 was 61 percent. There are gender gaps in educational enrollment rates, with a gender parity index (GPI) in primary education enrolment slightly below 1 and favoring boys. However, at higher education levels boys’ enrollment rates decrease faster than those of

¹⁹ The wealth index is a composite indicator of wealth. To construct the wealth index, principal components analysis is performed by using information on the ownership of consumer goods, dwelling characteristics, water and sanitation, and other characteristics related to the household’s wealth, to generate weights (factor scores) for each of the items used (Ministry of Social Affairs and Public Housing, 2019).

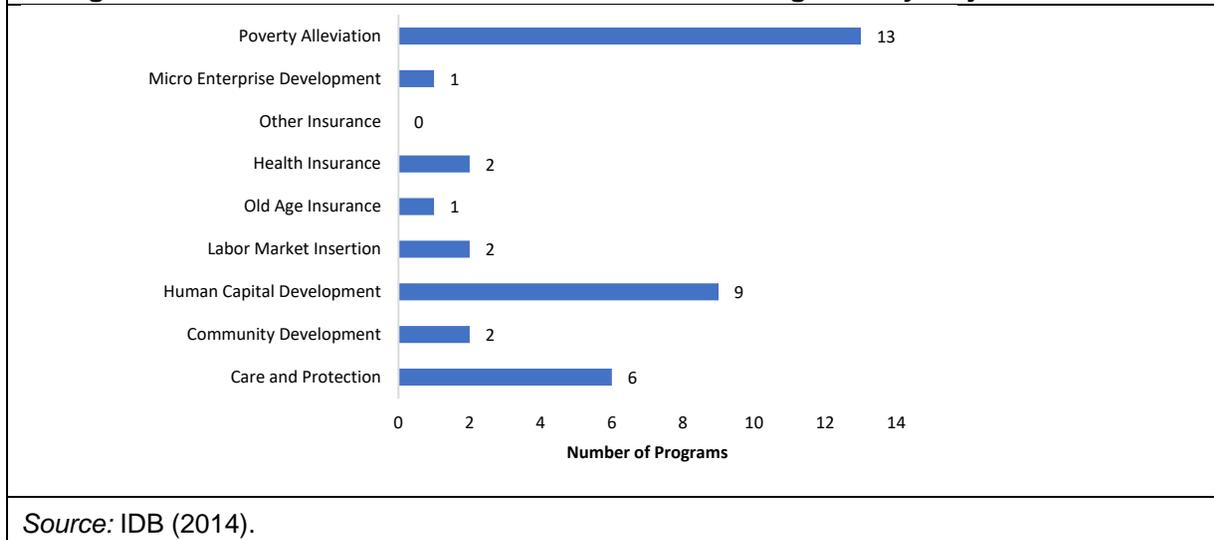
girls. Further, primary and secondary school dropout rates are higher for males (34.6 percent) than females (15.5 percent).

Nevertheless, the majority of Surinamese are satisfied with their life. In the 2014 Latin American Public Opinion Project (LAPOP) survey for Suriname, more than 90 percent of respondents indicated that they were either very satisfied or somewhat satisfied with their life. In particular, 46.2 percent indicated that they were very satisfied, 44.9 percent were somewhat satisfied, 7.2 percent were somewhat unsatisfied and only 1.7 percent were very dissatisfied. The country also scored relatively well on the World Happiness Index, ranking 40th of 158 countries. The main factors explaining the country's happiness score, according to the 2015 World Happiness Report, are GDP per capita and social support (Helliwell et al., 2015).

2. SOCIAL PROTECTION

Suriname has a large number of social programs to support vulnerable groups. As of 2014, there were 27 programs under six categories: cash (near cash) programs, in-kind transfer, social care, community-based programs, active labor market programs and social insurance. Children and the youth are provided with financial assistance, general child benefits, school clothes and footwear, social assistance, daycare, training, free medical provision and nutrition. Persons with disability have access to free medical assistance and vocational training. Homeless persons are provided with financial assistance and free medical provision. Senior citizens are provided with general old-age provision (AOV) and free medical provision. Individuals and families with low incomes are provided with financial assistance and free medical supply. Those looking for homes receive support for buying or renting homes, and homeowners can receive financial support for renovating their own houses.

Social protection and social safety net programs are mostly targeted towards poverty alleviation and human capital development at: 36 percent and 25 percent, respectively. In terms of the target group, 24 percent are targeted to the poor and 18 percent equally to students and the employed. The targeting mechanism for the programs are mostly self-targeting (29 percent), categorical targeting (21 percent), means tested (17 percent) and mixed targeting methods (17 percent). There is no limit on the duration of assistance for most programs (48 percent), and these were mainly for in-kind transfers and social care services (Figure 1). Citizens also benefit from generous subsidies for water and electricity: for example, the average water tariff was approximately US\$0.57 per cubic meter of water, the lowest of all utilities in the Caribbean region and at least four times lower than the regional average of US\$2.37 for Caribbean utilities in 2014 and 2015.

Figure 1. Number of Social Protection and Labor Programs by Objectives

3. CONCLUSION

Suriname, like many other small countries, faces challenges with poverty and inequality. The overall poverty rate was estimated at 21.2 percent in 2018. While the country has made much progress in increasing life expectancy and education outcomes, inequalities still exist in access to quality education, labor market outcomes, access to basic utilities and overall wealth, which in geographic terms favors primarily urban areas and in terms of gender largely favors males. Nevertheless, most of Suriname's population are either very satisfied or somewhat satisfied with their life, and the country ranks well in the World Happiness Index. To protect vulnerable groups, the country has generous social protection programs that are mostly targeted towards poverty alleviation and human capital development.

References

- Beuermann, D. and M. Schwartz, 2018. *Nurturing Institutions for a Resilient Caribbean*. Washington D.C.: Inter-American Development Bank,
- Helliwell, J. F., Layard, R., Sachs, J., 2015. *World Happiness Report*. New York: Earth Institute, Columbia University.
- IDB, 2014. *Caribbean Region Quarterly Bulletin: Labor and Social Programs*. D.C.: Inter-American Development Bank,
- Ministry of Social Affairs and Public Housing, 2019. *Suriname Multiple Indicator Cluster Survey 2018, Survey Findings Report*. Paramaribo, Suriname: Ministry of Social Affairs and Public Housing.
- UNDP (United Nations Development Programme), 2019. *Inequalities in Human Development in the 21st Century—Suriname*. New York: United Nations.
- WHO, 2019. *Progress on household drinking water, sanitation and hygiene 2000-2017. Special focus on inequalities*. New York: United Nations Children's Fund and World Health Organization.

Trinidad and Tobago

Lodewijk Smets

1. INTRODUCTION

Trinidad and Tobago is a resource-based economy dependent on the performance of the energy sector. Over the period 2000-2014 poverty decreased in the country, while the vulnerable population—the non-poor at risk of falling into poverty—remained fairly stable. Compared to two other high-income countries in the region, Barbados and The Bahamas, Trinidad and Tobago exhibits higher poverty levels, and poverty is likely on the rise following the recent economic downturn. It should nonetheless be noted that income inequality, like poverty, decreased over the period 2000-2014.

Since the early 2000s, Trinidad and Tobago has built a generous welfare state with the purpose of distributing its natural-resource wealth among the citizenry. In 2019, no less than 150 social programs and initiatives were ongoing, ranging from food support for vulnerable households to therapeutic services for persons with disabilities. Following concerns about the efficiency of several social programs, the government is in the process of identifying cost savings in health, education and social services.

2. THE EVOLUTION OF POVERTY AND INEQUALITY

While Trinidad and Tobago enjoys high-income status, with GDP per capita of US\$ 32,015 in PPP terms, an estimated 11 percent of the population were still considered poor in 2014,²⁰ as measured by the percentage of the population living on less than 5 USD per day). This is substantially higher than Barbados (4.8 percent) or The Bahamas (4.4 percent), two other high-income countries in the Caribbean.

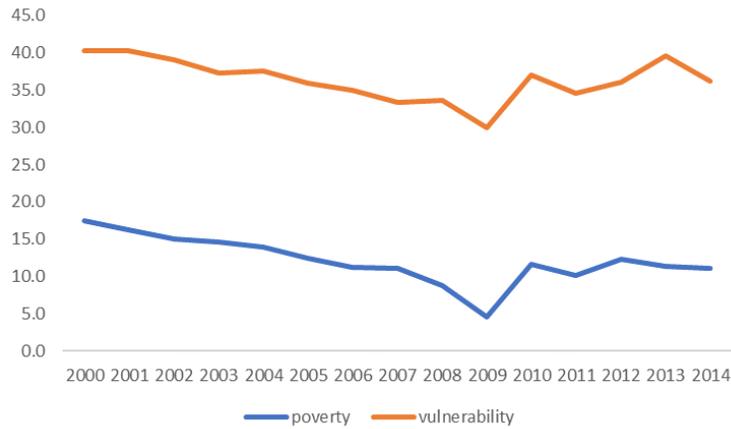
Typically, however, high-income countries express poverty in relative terms using poverty lines based on the median income (e.g., 40, 50 or 60 percent of median income). With a poverty line at 40 percent of median income, more than a third of the population (35 percent) would be considered poor in Trinidad and Tobago.

Furthermore, in 2014 an estimated 36 percent of the country's population was considered vulnerable,²¹ as defined by having a daily income between USD 5 and USD 12.4, again much higher than Barbados (23.1 percent) or The Bahamas (16.7 percent).

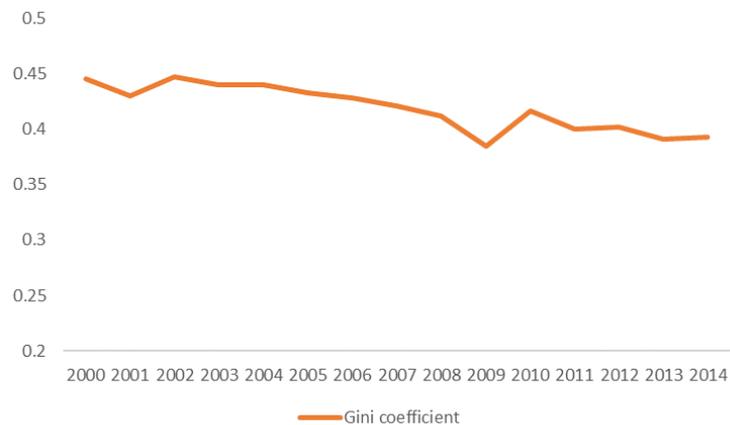
As Figure 1 indicates, poverty has decreased in Trinidad and Tobago, from 17.5 percent in 2000 to 11.1 percent in 2014, while the share of vulnerable population remained relatively stable. In light of the recent downturn, in which the country's economy contracted by 8 percent from 2015 to 2019, it is likely that poverty is on the rise again.

²⁰ 2014 is the latest year for which representative data are available.

²¹ Vulnerable people are the non-poor who are at risk of falling into poverty when faced with an adverse (economic) shock.

Figure 1. Poverty and Vulnerability in Trinidad and Tobago

Turning to income inequality, Trinidad and Tobago's Gini coefficient was 0.393 in 2014,²² which is between those of The Bahamas (0.488) and Barbados (0.359). Compared to the average of high-income countries (0.322), Trinidad and Tobago's society is characterized by more inequality. Nonetheless, as Figure 2 shows, the country's income inequality has decreased from a Gini coefficient of 0.45 in 2000 to 0.39 in 2014.

Figure 2. Income Inequality in Trinidad and Tobago

²² The Gini coefficient is a statistical measure to gauge inequality, with a range between 0 and 1. A Gini coefficient of 1 represents perfect inequality while a Gini coefficient of 0 represents perfect equality.

3. DETERMINANTS OF POVERTY AND INEQUALITY

Figures 1 and 2 indicate that both inequality and poverty declined during the period 2000-2014. Arguably, this is due to a positive growth performance, fueled by a booming energy sector, and large social welfare programs (see below). The sharp increase in both inequality and poverty in 2010 was caused by a deep economic recession following a drop in oil and gas prices from historic highs.

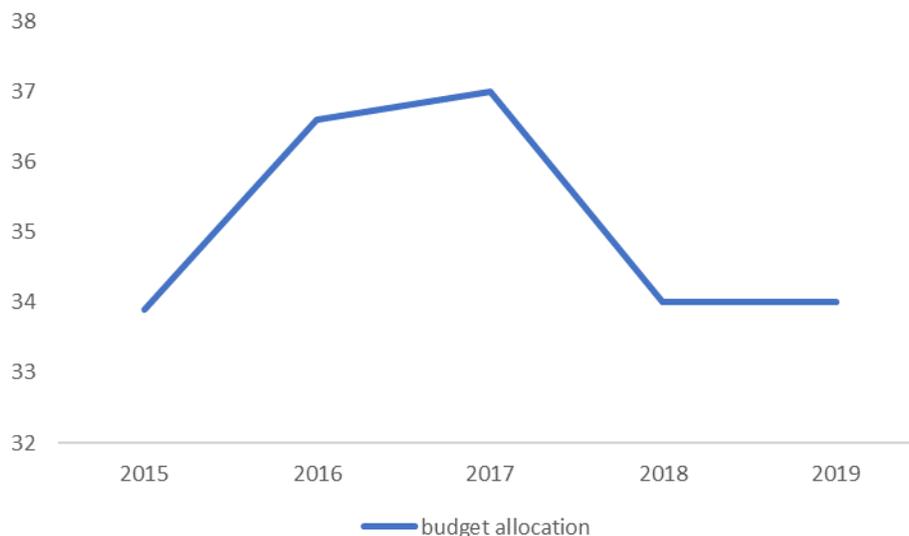
4. POLICIES TO ADDRESS INEQUALITY AND FOSTER SOCIAL INCLUSION

Trinidad and Tobago's National Development Strategy, Vision 2030, outlines the key objectives the country aims to achieve by the year 2030. One of its goals is to put people first, ensuring an "equitable distribution of resources and opportunities for upward mobility" by "targeting the citizens who are most in need" (Ministry of Planning and Development, n.d.). The National Development Strategy notes:

"We must ensure that our society evolves into one in which no one is left behind, where all citizens are afforded equal opportunity to access social services, and all our citizens, including the most vulnerable such as our children and youth, are cared for and treated with dignity and respect" (Ministry of Planning and Development, n.d., p.45)

The Social Sector Investment Program provides an overview of the programs and activities made by key ministries to achieve those goals. On the aggregate level, over the period 2015-2019 an average of 35 percent of the central government budget was allocated to the social sector (see Figure 3).

Figure 3. Percent of Budget Allocated to Key Social Sector Ministries



In 2019, no fewer than 150 social programs and initiatives were ongoing, ranging from food support for vulnerable households to therapeutic services for persons with disabilities. The largest programs include public pensions (SCP - TTD 3.8 billion), a disability grant (DAG - TTD 566 million), assistance for tertiary education (GATE - TTD 435 million), a community-based public

works program (CEPEP - TTD 369 million), a grant for vulnerable households (PAG - TTD 361 million) and unemployment relief (URP - TTD 289 million).

For the current fiscal year (FY2019/2020), new measures were announced to further social inclusion, including an increase in minimum wages, a reform of the public pension system to favor daily-paid workers and grant increases for key social programs (CEPEP and URP).

Following concerns about the efficiency of several social programs, a comprehensive review of the social sector was undertaken as part of a World Bank public expenditure review. Several important recommendations were put forward to improve the effectiveness and efficiency of social spending. According to the 2019 Budget Statement, the government is in the process of identifying cost savings in education, health and social services, including the food assistance program.

References

Ministry of Planning and Development. No date. "Vision 2030 – Many Hearts, Many Voices, One Vision."