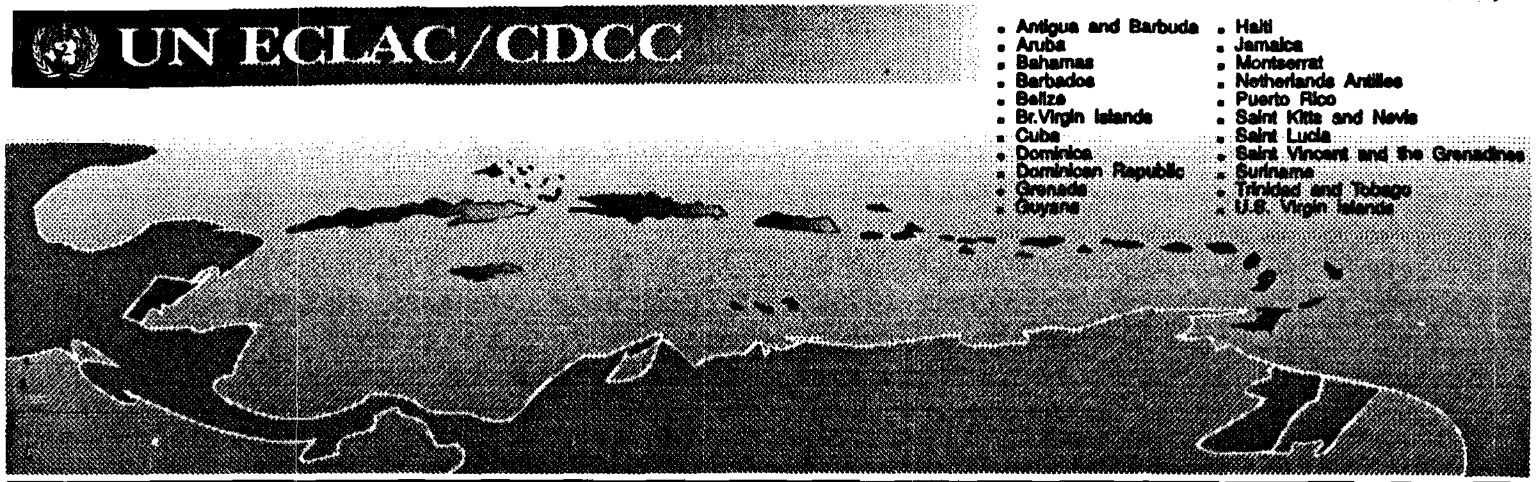

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EVOLUTION OF FISCAL POLICY IN THE CARIBBEAN

(Based on data for the period 1987-1996)

UNITED NATIONS
ECONOMIC COMMISSION FOR LATIN AMERICA AND THE CARIBBEAN
Subregional Headquarters for the Caribbean
CARIBBEAN DEVELOPMENT AND COOPERATION COMMITTEE

ABSTRACT

The purpose of this note is to share findings arising from recently compiled data on public finance in the English and Dutch Caribbean countries. The findings which cover the period 1987 to 1996, are of interest since fiscal consolidation formed one of the main planks in the programme of policy reform initiated over this period. The document looks at changes in revenue, expenditure and the various components thereof, the fiscal balance and the national debt.

Key words are fiscal policy, recurrent revenue, capital revenue, taxes, recurrent expenditure, capital expenditure, foreign debt, domestic debt, tax reform, central banks, privatization.

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PREFACE

The purpose of this note is to share some reflections on fiscal performance arising from recently compiled data relating to public finance in the English and Dutch Caribbean countries. While the data are by no means complete it is, nevertheless, hoped that they will provide raw material for persons interested in the evolution of public accounts over the past 10 years with a view to analysing the subject of fiscal policy in greater detail. This detailed analysis has not been possible here, the text providing a brief description of the data with scant analysis of the underlying reasons for the trends. Nor has any attempt been made to provide international comparators or other benchmarks by which to judge this most important facet of macroeconomic performance. Some of this analysis will, however, be provided in the forthcoming ECLAC publication entitled, "Fiscal Policy and Public Finance in Latin America and the Caribbean - Agenda 2000" for which these data were prepared.

Over the past 10 years macroeconomic policy came under intense scrutiny by all the countries included in this survey. Scrutiny was necessary since global changes in the early 1980s had revealed shortcomings in the countries' capacity to increase their per capita incomes or to maintain balance in the external and fiscal accounts, leading to a growing external debt burden. Focus was placed initially on the fiscal account. Here the policy debate encompassed several elements, which included concerns about the growing role of the State, concerns that it was commandeering the bulk of national savings often to be used for non-productive tasks, the upshot being the growing level of debt accrued in the first five years of the 1980s. As a corollary, some noted the disenchantment of taxpayers, which manifested itself in increasing tax evasion. On the other hand, the new more liberal policies were criticized for providing the State with an excuse to resile from its social and humanitarian obligations with the consequent decline in the quality of social services, such as health and education.

Slowly and after intense debate a type of accord, if not universal agreement, seemed to be reached on several elements which fit together to form a new fiscal model. At its heart was a refocusing of the role of government to the core responsibility for policy management and regulation. It was also considered to be the only social agent able to preserve equity, prevent discrimination and exploitation and promote social cohesion. Similarly, the business sector was considered to be the most effective agent for dealing with economic tasks, investment, profit generation and the promotion of self-sufficiency. This, despite the fact that it had been accustomed to a high level of State protection in the past and was considered by some to be inward-looking and risk averse. Finally, the role of non-governmental organizations was being slowly recognized, as being best able to focus on social tasks, those that required voluntary labour, provided little or no profit, required the promotion of individual responsibility, commitment to community, the welfare of others and so on.

Policies flowing therefrom included the goal of a balanced budget or a modest surplus to contribute to public saving. Where fiscal deficits were incurred, central banks should not accommodate them (see Annex 1). The level of taxation as measured by the proportion of revenues to Product should also be restrained in line with certain international norms so as to provide the minimum disincentive to foreign and domestic enterprises and individuals, on the one hand, yet provide sufficient social and economic services to ensure the required quality of life, on the other. A further consequence of the new paradigm was the divestment of State enterprises. Although the process was not painless, neither was it complete; it was, nevertheless, being steadily pursued (see Annex 2).

Given the intense and sustained nature of the public debate on fiscal policy it was deemed to be desirable to review the data to see which trends became evident over the 10-year survey period.

EXECUTIVE SUMMARY

This survey of fiscal indicators covers the period 1987 to 1996. So as not to make judgements based on evidence from a single year, the average of indicators for the first three years of the period 1987-1989 is used to compare with the average of the last three years, 1994-1996, in an attempt to discern the changes which have taken place over the 10-year period. This methodology is used for comparing performance within a country as well as for making generalizations about the region as a whole.

Over the past decade fiscal performance showed modest improvement in the Caribbean. Fiscal deficits moderated in the period 1994-1996 as compared with the period 1987-1989. The average deficit for the countries surveyed declined by nearly 2 percentage points of GDP over the two periods. The overall trend was, however, distorted by fiscal performance in Guyana and Jamaica. If these countries were excluded a more representative picture emerged with deficits falling on average from 3.6 per cent of Product to 2.5 per cent of Product.

Overall the national debt also declined, but while external debt fell internal debt increased for most of those providing data. The external debt of Caribbean countries as a whole fell from an average of almost 79.5 per cent of GDP in the early part of the survey period to nearly 68 per cent in the last three years. The figure was, however, greatly inflated by Guyanese debt so that if Guyana was excluded from the average, the debt of the remaining Caribbean countries moved from an average of about 49 per cent of GDP in the early part of the survey period to just under 40 per cent of GDP in recent years.

Data relating to internal debt are limited to the four MDCs of CARICOM. Here the overall picture was one of decreasing internal debt simply because of the sizeable decline in Guyanese debt which fell from 179 per cent of Product to 43 per cent. If this impact was removed, internal debt increased for the other countries from 31 per cent of Product to 37 per cent of Product. Of the countries remaining in the sample all showed increases in the three-year average except Jamaica, but this declining trend was reversed for 1996.

Total revenues, including grants, fell on average by 3.5 per cent of Product to rest at 31.6 per cent of Product. All the broad categories of revenue showed declines, however, capital revenue by about 1 percentage point, recurrent revenues by a similar amount and grants by about 1.5 per cent of Product.

Recurrent revenues fell by one percent over the survey period from an average of about 31 per cent of Product to just under 30 per cent. Simultaneously, the composition of recurrent revenues also changed, with decreases being evident in trade related taxes and in corporate taxes while increasing shares were taken by consumption taxes and personal income taxes. Most countries seemed also to be converging on a rate of revenue of between 27-30 per cent of Product, the only significant deviation below this being evident in Antigua and Barbuda and Aruba at just under 25 and 22 per cent, respectively. Barbados and Guyana remained significantly above the average, at over 36 per cent.

Total public expenditures fell by 5.4 percentage points of GDP with reductions being effected via recurrent and capital expenditure, each by 2.8 and 2.7 per cent of Product, respectively. Recurrent spending declined from 30.6 per cent to 27.7 while capital spending declined from 10 per cent of Product to 7.3 per cent of Product.

The structure of expenditure also changed. When analyzed by economic classification, by far the greatest proportion of spending was allocated to wages and salaries being over 46 per cent of recurrent spending, followed by spending on goods and services and transfers and subsidies at around 20 per cent each and interest payments at about 13 per cent. Over the survey period modest declines were evident in all categories, except for transfers and subsidies.

Data relating to expenditure by functional classification were limited, but on average about one quarter of total spending was allocated to the major social sectors, health and education with more than half of that going to education. Increasing shares of total spending were allocated to these sectors over the survey period in all cases, except for those countries having to face severe adjustment programmes, where the proportions were below average and fell over the survey period.

In sum, fiscal performance improved in that deficits contracted and with them the national debt. This was, however, possible only because of reduced spending, since revenues in all forms, recurrent, capital and grants in aid fell. On the expenditure side, governments found it easier to reduce spending on the purchase of goods and services and on gross investment rather than on wages and salaries or on transfers. In the countries which had experienced severe disequilibrium in the past and therefore had accumulated a large debt, the legacy of interest payments and amortization charges remained to drain national resources away from development. Those countries spent less on health and education on average and the proportion that they spent on these sectors declined over the survey period.

EVOLUTION OF THE PUBLIC ACCOUNTS

Table 1
SELECTED AVERAGE FISCAL INDICATORS<1>
(As a percentage of GDP)

	Total revenue	Total expenditure	Fiscal deficit	External debt
Antigua and Barbuda	25.0	27.3	-2.3	52.0
Aruba	22.9	23.4	-0.6	--
Barbados	36.7	39.0	-2.2	22.9
Belize	28.8	34.2	-5.4	39.7
Dominica	33.3	37.4	-4.1	53.1
Grenada	35.6	37.3	-1.7	38.1
Guyana	41.4	44.7	-3.3	340.1
Jamaica	33.7	47.3	-13.6	78.1
Netherlands Antilles	34.1	39.2	-5.1	--
Saint Kitts and Nevis	27.0	32.1	-5.1	27.1
Saint Lucia	30.7	32.2	-1.6	24.9
Saint Vincent and the Grenadines	34.1	34.5	-0.4	39.9
Trinidad and Tobago	27.7	27.2	0.5	32.7

Source: ECLAC, based on national data
<1> Average for period 1994-1996 or most recent years.

Over the past decade fiscal performance showed modest improvement in the Caribbean. Fiscal deficits, moderated in the period 1994-1996 as compared with the period 1987-1989. The average[1] deficit for the countries surveyed declined by nearly 2 percentage points of GDP over the two periods. The overall trend was, however, distorted by fiscal performance in Guyana and Jamaica. In Guyana fiscal deficits were unusually high over the first time period but fell below the average in the second as the adjustment programmes took effect. In Jamaica, the converse was the case moving from a surplus resulting from an earlier round of adjustment to a significant deficit as the effects of amortization payments and a weakening financial sector impacted the budget. If the influence of Guyana and Jamaica was excluded, the average deficit showed a more representative picture falling from -3.6 per cent of Product to -2.5 per cent of Product. Countries having trends going contrary to the norm, that is, those with increasing deficits were Belize, Dominica, Jamaica, the Netherlands Antilles, Saint Lucia and Saint Vincent and the Grenadines while all remaining countries in the sample recorded reduced deficits. Only Trinidad and Tobago managed to record a modest surplus, averaging 0.5 per cent of Product over the period 1994-1996.

The external debt of Caribbean countries also fell over the decade. The selected Caribbean countries, including Guyana, recorded an average external debt equivalent to almost 79.5 per cent of GDP in the early part of the decade but this fell to nearly 68 per cent in the last three years. This average was again greatly inflated by the presence of Guyana in the group. As a consequence of the

[1] Average refers to a simple unweighted average throughout this note.

high fiscal deficits incurred by Guyana it accumulated considerable internal and external debt, the latter averaging 615 per cent of Product over the period 1991-1992. Indicators for this country, accordingly, greatly influenced the average for the Caribbean countries as a whole. If the impact of Guyanese debt indicators was excluded from the average, the debt of the remaining Caribbean countries was seen to be more manageable, being on average about 49 per cent in the early part of the survey period as compared to just under 40 per cent of GDP in the most recent years. All countries conformed to the trend of declining debt, with the exception of three Organization of Eastern Caribbean States (OECS) countries, namely Saint Kitts and Nevis (27 per cent of Product), Saint Lucia (25 per cent of Product) and Saint Vincent and the Grenadines (40 per cent of Product) in the period 1994-1996. Nevertheless, these countries had debt indicators at or below the average for the region as a whole.

Guyana was one of the 41 countries identified by the International Monetary Fund (IMF) as being among the heavily indebted poor countries and one of the 12 deemed to be "possibly stressed". The other country experiencing high debt was Jamaica, which peaked at over 185 per cent of Product in 1987. Efforts to reduce the debt were rewarded by a decline to under 60 per cent of Product in 1996[2]. Both countries benefited from debt relief, although the effort to repay the debt in the case of Jamaica was considerable. Countries falling below the current average[3], that is, of debt being 41 per cent of Product or less were Barbados, Belize, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines and Trinidad and Tobago.

Data relating to <u>internal debt</u> were limited to the four MDCs of CARICOM[4]. Here the overall picture was one of decreasing internal debt simply because of the decline in Guyanese debt which fell from 179 per cent of Product to 43 per cent over the survey period. If this impact was removed, internal debt increased for the other countries from 31 per cent of Product to 37 per cent of Product. Of the countries remaining in the sample, all showed increases in the three-year average, except Jamaica, but this declining trend was reversed for 1996.

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2 Simultaneously, the internal debt has been growing, from a low of 22 per cent of Product in 1991 to 38 per cent of Product in 1996.

3 Excluding Guyana.

4 Four countries, namely Barbados, Guyana, Jamaica and Trinidad and Tobago are designated More Developed Countries (MDCs).

EVOLUTION OF PUBLIC REVENUES

Total revenues, including grants, fell on average by 3.5 per cent of Product between the periods 1987-1989 and 1994-1996 to rest at 31.6 per cent of Product. The proportion of public resources over which the public sector had control varied quite widely over the sample of countries and reflected in part the stances taken by each with respect to the role of the State in development. These ranged from 23 per cent of Product in the case of Aruba to over 41 per cent in Guyana. All the broad categories of revenue showed declines, capital revenue by about 1 percentage point, recurrent revenues by a similar amount and grants by about 1.5 per cent of Product.

Grants traditionally served to bolster revenues for several Caribbean countries, notably the smallest of them, the OECS countries. Other countries experiencing economic distress, such as Guyana and Jamaica, also received such payments. In several instances, grants were also provided to rebuild after natural disasters. Grant funds were gradually being phased out, however, as is illustrated by the fact that grants fell from an average of 2.7 per cent of Product per annum between 1987-1989 to 1.1 per cent of Product between 1994-1996. All countries experienced declining grants in aid, except Grenada, while in Belize they remained the same. Trinidad and Tobago represented an anomaly, as it recorded slight inflows between 1993-1996, not having previously received grants-in-aid.

Overall, grants to the Caribbean declined by about 20 per cent between 1987 and 1996. The trend was evident in all countries, except Grenada, where it increased by 0.4 of GDP, and Trinidad and Tobago where it averaged 0.2 per cent of GDP. In Belize the proportion of grants to Product remained the same. Significant declines in grant funds were evident in Dominica, from 7.4 per cent of GDP in the first part of the survey period to 1.5 per cent just barely above the average in the latter part of it. Guyana, the Netherlands Antilles, Saint Kitts and Nevis and Saint Vincent and the Grenadines also received substantially reduced grants-in-aid funds.

Capital revenues remained substantially unchanged as a proportion of GDP over the survey period, moving from 0.6 per cent to 0.8 per cent of GDP[5]. The notable exception was Jamaica, where proceeds from the bauxite levy, which were included in capital revenues, declined substantially. Here capital revenues declined from an average of 16 per cent to 2.1 per cent, but if the levy was excluded capital revenues in Jamaica would have declined from 4.1 per cent of GDP in 1987 to 0.4 per cent in 1996.

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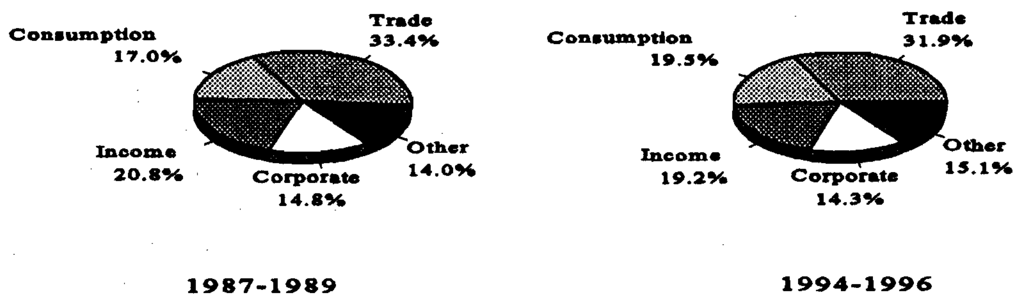
[5] Excluding the impact which Jamaica would have made to the average. If Jamaica was included average capital revenues would have moved from 1.8 per cent to 0.8 per cent of Product.

Figure I

COMPOSITION OF RECURRENT REVENUES

Average revenues for selected Caribbean countries



ECLAC: Derived from national data

Table 2

SELECTED AVERAGE REVENUES<1>

(As a percentage of GDP)

	Income taxes	Corporate taxes	Trade taxes	Consumption taxes
Antigua and Barbuda	--	7.8	56.2	18.6
Aruba	24.4	9.9	15.0	16.1
Barbados	18.3	13.7	14.4	38.0
Belize	22.5	--	44.9	19.1
Dominica	12.6	10.6	47.3	13.2
Grenada	7.5	12.3	51.7	16.4
Guyana	14.3	20.2	14.5	31.9
Jamaica	24.2	12.6	26.9	29.6
Netherlands Antilles	27.4	26.8	12.6	13.9
Saint Kitts and Nevis	14.3	5.2	40.5	12.1
Saint Lucia	9.9	15.8	52.2	11.8
Saint Vincent and the Grenadines	11.0	13.6	41.8	12.8
Trinidad and Tobago	18.7	25.6	6.6	26.6

Source: ECLAC, based on national data

<1> Average for period 1994-1996 or most recent years.

<u>Recurrent revenues</u> slipped by one percent over the decade from about 31 per cent of Product to just under 30 per cent. Most countries seemed to be converging on a rate of revenue of between 27-30 per cent of Product, the only significant deviation below this being evident in Antigua and Barbuda and Aruba at just under 25 and 22 per cent, respectively. Barbados and Guyana remained significantly above the average, at over 36 per cent.

Declines in recurrent revenues were evident in all cases, except Barbados, Grenada and Jamaica. In all three cases revenues increased following fiscal consolidation programmes. In Barbados, revenues increased from 32 to almost 37 per cent of Product, gains being evident in most categories of revenue, with the exception of trade taxes and non-tax revenues which declined slightly. The most significant gains were made in taxes on goods and services which moved from 10 to 14 per cent of Product. In Grenada, gains were made by the gradual reimposition of income taxes, effecting an increase thereby of 2 percentage points of GDP, and increases in corporate taxes which increased revenues from this source by 1.3 per cent of GDP. In Jamaica, the increase in revenues was less dramatic with growth from 28 to 31 per cent of Product between the periods 1987-1989 and 1994-1996. This was explained in part by the fact that tax reforms had commenced earlier with revenues moving from an average of 25 per cent of GDP between 1980-1983[6]. Revenue from goods and services increased from an average of about 8 per cent of Product to over 9 per cent. The main increase was derived from trade taxes, up from 3 to almost 8 per cent.

The slight decline in recurrent revenues was explained in part by the influence of Guyana, where revenues were moderating from the highest rate recorded in the sample of countries. Here revenues fell from over 42 per cent to average just over 36.5 per cent in recent years. Revenues declined in most categories in Guyana, with the exception of property taxes and trade taxes, revenues from the latter benefiting from greatly increased volume of formal trade following the relaxation of strict import controls in the early 1980s. For all other countries tariff revenues declined. Measures to compensate for reduced tariff rates, usually in the form of consumption or value-added taxes, were tardy in taking up the deficit. Overriding all of these reasons was a pervasive belief that revenues should be contained so as not to provide a disincentive to enterprise and a disadvantage to domestic producers. This concern was particularly evident with respect to income taxes, both corporate and personal, but some policy advisers considered high taxes on international trade to confer an anti-export bias to the economy so that pressures also increased to reduce tariffs, especially within CARICOM to reduce its Common External Tariff (CET).

<u>Trade taxes</u> remained the major source of revenue despite these pressures, though declining by 1.4 per cent of Product over the survey period, from 10.9 to 9.5 per cent of Product. Over the same period the average declined from 35 per cent of recurrent revenues to just about one third of it. This decline was less than would have been expected by the progressive reduction in tariffs being applied in CARICOM countries and might be explained by several factors. The first was that trade taxes remained a major, though declining, source of revenues in the OECS countries which inflated

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6 Annex 3 provides an outline of tax reforms being conducted in Jamaica.

the average. In these countries imports were greatly augmented to service the tourism industry and while tariff rates fell, other trade related taxes were put in their place to compensate for the falling tariffs. The second major reason was that trade in the early 1980s was still subject to stiff administrative controls in Jamaica and Guyana, two countries where revenues from international trade actually increased. Despite the reduction in tariff rates, revenues from trade rose steeply in these countries once administrative controls were relaxed, reflecting the increased volume of trade and the reincorporation of black market activity into the formal accounting process.

The proportion of revenue derived from trade varied quite widely. Notable among those obtaining most revenue from this source were the aforementioned OECS countries, averaging over 14 per cent of Product and 48 per cent of recurrent revenues in the three most recent years. Belize also fell into this category, deriving over 12 per cent of Product and 45 per cent of recurrent revenues from trade since it was given a longer period in which to apply the CARICOM CET. At the other end of the scale were Trinidad and Tobago, Aruba and the Netherlands Antilles, deriving between 2 to 4 per cent of Product and 7 to 15 per cent of recurrent revenues from trade taxes on average between 1994-1996. Noteworthy was the fact that while taxes from international trade decreased in Trinidad and Tobago, as would be expected from the decreasing tariff, it actually increased slightly as a proportion of recurrent revenues in two other countries, namely, Aruba and the Netherlands Antilles, which were not subject to the same tariff regime.

Revenues from goods and services remained the second most important source of revenue over the survey period. While these revenues increased from 5.6 to 6.3 per cent of Product and from 18 to 20 per cent of recurrent revenues they remained a significantly lower contributor to revenue for the selected countries, than trade taxes. This situation persisted despite the measures being taken to reduce tariff protection and the implementation of offsetting revenue arrangements to favour consumption taxes. This might be explained by the fact that the imposition of a Value Added Tax (VAT) was relatively recent and applied in only a few cases, while concerns were being expressed about the difficulty in collecting these taxes in the smaller countries, when compared with trade taxes.

In those instances where fiscal reform was being applied, in Barbados, Belize, Jamaica and Trinidad and Tobago, revenues from goods and services increased substantially or remained above the average. Comparisons between the first three years of the survey period with the last three years illustrate the change. In Barbados, revenues from goods and services increased from 7 per cent of Product to almost 14 per cent and from 30 to 38 per cent of recurrent revenues but the application of a VAT, which came into effect in January 1997 was expected to augment revenues further[7]. In Belize, where the VAT was introduced in 1996, revenue increased from under 3 per cent of Product and 12 per cent of recurrent revenues from 1987-1989, to over 9 per cent of Product and 35 per cent of recurrent revenues in 1996. In Jamaica, revenues from goods and services remained above the average but actually declined from 9.8 to 9.1 per cent of GDP and from 35 to 26.9 per cent of recurrent revenues. This might be partially explained by the fact that several scattered consumption

[7] Data for January to June 1997 show goods and services accounting for 47 per cent of recurrent revenues.

taxes were consolidated into a General Consumption Tax (GCT). Difficulties in collection might also help to explain the shortfall. In Trinidad and Tobago revenues from goods and services moved from an average of under 2 per cent of Product and 17 per cent of recurrent revenues to just over 6 per cent of Product and 27 per cent of recurrent revenues on average for the period 1993-1996. The other country where taxes from goods and services represented a high portion of revenues, Guyana, at about 13 per cent, recorded no significant changes over the survey period. In all these instances goods and services contributed significantly more than trade to revenues, although in Jamaica the trend was for trade revenues to catch up with revenues from goods and services.

For the OECS countries, trade taxes exceeded those derived from the sale of goods and services. Over the period 1993-1996 revenue from goods and services averaged 4 per cent of Product and 14 per cent of recurrent revenues, while trade taxes amounted to 14 per cent of Product and 48 per cent of recurrent revenues. Nevertheless, in most instances, the exceptions being Grenada and Saint Vincent and the Grenadines, the proportion of revenue from goods and services grew modestly. Revenues derived from goods and services in Aruba and the Netherlands Antilles fell into a range of 3.5 - 4.5 per cent of Product and 14-16 per cent of recurrent revenues, the proportion being similar to that which prevailed in the OECS countries. In Aruba, revenues deriving from goods and services declined over the survey period, whereas in the Netherlands Antilles they increased.

Concerns arose about the regressive nature of consumption taxes when decisions were being made about their application. In several instances, items, especially food items, were exempt from consumption taxes in an effort to redress this regressive tendency. Such exemptions served to complicate the tax schedule and reduce the potential tax contribution. It was argued, moreover, that even those exemptions were regressive, since the non-poor spent more on those items than the poor. Accordingly, it was suggested that exemptions should be limited to non-processed foods and water since these were the main consumption items of the poor.

More generally the issue of using the tax system to meet equity considerations arose. Several means were used in an attempt to meet these objectives. Steeply progressive income taxes were one common means of doing so, yet in some cases the costs of evaluation and collection were beyond the means of the respective national revenue departments. Where flat rates of income tax were consequently adopted, as in Jamaica, it was deemed to be important that the basic exemption threshold be set sufficiently high to relieve the poor from paying taxes and that the threshold be indexed to inflation. Ultimately, it was considered by some that the most lasting contribution which the tax system could provide to the poor was through good services, good education for the children of the poor, good health services and good infrastructure - safe water, good rural roads, and so on. These services could only be provided if sufficient revenue was obtained from an efficient tax system in which evasion by those who could pay was minimized.

Personal income taxes ranked third in importance in revenue sources and increased slightly over the survey period from an average of 5 per cent of Product and 16 per cent of recurrent revenues to about 5.2 per cent of Product and 17 per cent of recurrent revenues. The lowest income tax returns came from the OECS countries, ranging from Antigua and Barbuda, receiving no revenue from this source, to Grenada and Dominica at 2.2 and 3.9 per cent of Product and 7.5 to 12.6 per cent of recurrent revenues over the most recent years. At the upper end of the group lay the Netherlands Antilles, Jamaica and Barbados ranging between 6-8 per cent of Product and between 22 to 27 per cent of recurrent revenues. Modest increases from income taxes were evident in all countries, with the exception of Dominica where they fell by almost 1 per cent of Product, Saint Lucia by 0.1 per cent and Saint Vincent and the Grenadines where the decline was of the order of 0.4 per cent of Product[8]. The proportion remained substantially unchanged in Aruba.

Corporate taxes ranked fourth in importance as a revenue source, also experiencing a decline over the survey period from an average of 5.1 per cent of Product and 15.7 per cent of recurrent revenues from 1987 to 1989 to 4.3 per cent of Product and 14.6 per cent of recurrent revenues over the last three years. Going contrary to the trend were Aruba, Barbados, Dominica, Grenada and Saint Vincent and the Grenadines recording slight increases in corporation tax revenues and in all cases, with the exception of Aruba, received proportions of corporate revenue which were close to the average. In Aruba taxes from corporations increased but remained low, at 2.2 per cent of Product. Over the survey period the highest returns from corporation taxes were obtained in the Netherlands Antilles and Trinidad and Tobago. While returns from these countries fell considerably in the most recent years they remained above average for the region as a whole.

In the case of the Netherlands Antilles, corporation taxes which peaked at over 28 per cent of Product in 1983 were greatly augmented by offshore financial activities in Curacao. These activities subsequently declined after a change in the treaty arrangements, following the repeal of the Withholding Tax Treaty by the United States in 1984. Revenues from offshore financial services peaked in 1986, at US$273 million, the equivalent to 59 per cent of total receipts of the Island Government for that year. After a few years grace period, in which taxes were paid in advance they tapered off steadily. In Trinidad and Tobago, buoyant corporate revenues came from the booming petroleum sector and domestic manufacturing activities made possible by the availability of large foreign surpluses. As the oil boom moderated, domestic manufacturing activities were curtailed consequent on reduced domestic demand. Thereafter, the reduction of tariff protection further weakened inefficient manufacturing activities causing the contraction of the sector.

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8 Data for Jamaica suggest that personal and corporate income taxes combined, increased only slightly over the two periods, from an average of 11 per cent of Product between 1987-1987 to 11.3 per cent of Product between 1994-1996. This compares with Barbados and Guyana at 11.1 and Trinidad and Tobago at 12.1 per cent of Product, respectively.

EVOLUTION OF PUBLIC EXPENDITURES

Total public expenditures fell by 5.4 percentage points of GDP on average between 1994-1996 as compared to the period 1987-1989 from 40.4 to 35 per cent of Product. This was consistent with the twin objectives of reducing the role of the State, on one hand, and of securing a more sustainable fiscal policy, on the other. The reduction was effected by contracting recurrent and capital expenditure, each by 2.8 and 2.7 per cent of Product, respectively. Recurrent spending declined from 30.6 per cent to 27.7 while capital spending declined from 10 per cent of Product to 7.3 per cent of Product. Proportionately, however, this meant that while recurrent spending declined on average by 9.5 per cent, capital spending declined by 27 per cent. The disproportionate impact on capital spending derived from the fact that whereas several of the components of recurrent spending tended to develop a constituency of vested interests this was less true of capital spending.

All countries recorded declining capital spending, with the exception of Jamaica, which also allocated by far the highest proportion of Product for that purpose. The anomaly could be explained by the fact that Jamaica also needed to allocate the greatest portion of Product to repay debt, so that amortization consumed on average 57 per cent of capital expenditures in Jamaica over the survey period, peaking at 75 per cent in 1994. If amortization costs and other unforeseen expenses[9] were excluded, then Jamaican gross investment averaged under 5 per cent. Countries having rates of capital expenditure in excess of 10 per cent were Belize, Grenada and Guyana while countries having rates of expenditure averaging below 3 per cent were Aruba, the Netherlands Antilles and Trinidad and Tobago.

Capital spending fell most notably in Dominica, down by 8 per cent of Product and Saint Kitts and Nevis, down by almost 14 per cent. In the case of Dominica capital spending was unusually high in the period 1987-1990, in part because of the need to repair damage caused by Hurricane Hugo in 1989 but also because of the bunching of investments in a small economy, as illustrated by the need to extend the port and construct a cruiseship berth. In Saint Kitts and Nevis the early period saw considerable capital investment applied to opening up the south east section of the island for development while the effects of Hurricane Hugo were also felt there in 1989.

<u>Recurrent expenditures</u> declined on average by 2.8 percentage points of GDP between the periods 1987-1989 and 1994-1996 from 30.6 to 27.8 per cent of Product. Guyana greatly influenced the overall picture, for if Guyana was excluded, the decline in current expenditure was a more moderate 0.6 per cent of Product. While there was convergence toward the mean by the end of the survey period there were still notable deviations from it. At one extreme was Aruba, Belize and SaintLucia with recurrent spending averaging below 24 per cent of Product while at the other extreme was Barbados, Dominica and the Netherlands Antilles which allocated in excess of 30 per cent of Product for recurrent spending, on average.

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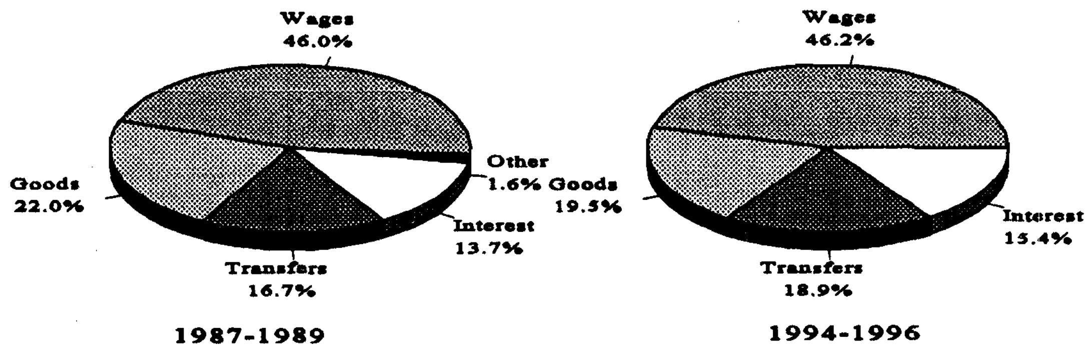
9 For example the need to provide for emergency funding in FY 1996/97 for financial sector restructuring.

Figure II

COMPOSITION OF RECURRENT SPENDING

Average spending for selected Caribbean countries



ECLAC: Derived from national data

Table 3

SELECTED AVERAGE EXPENDITURES<1>

(As a percentage of recurrent expenditure)

	Wages	Interest	Education<2>	Health<2>
Antigua and Barbuda	58.6	9.8	-	-
Aruba	-	-	-	-
Barbados	40.9	16.4	20.9	14.2
Belize	54.3	10.1	-	
Dominica	57.1	10.1	14.9	11.9
Grenada	52.7	10.4	15.5	11.9
Guyana	24.4	43.0	-	-
Jamaica	32.2	42.2	11.0	5.6
Netherlands Antilles	50.4	7.8	-	-
Saint Kitts and Nevis	42.7	10.0	-	-
Saint Lucia	52.5	4.7	-	-
Saint Vincent and the Grenadines	53.8	6.1	-	-
Trinidad and Tobago	35.4	20.0	9.7	6.9

Source: ECLAC, based on national data

<1> Average for period 1994-1996 or most recent years.

<2> Relates to total expenditure

The most significant change in recurrent spending between the periods 1987-1989 and 1994-1996 was, of course, evident in Guyana, where reduced spending equivalent to over 30 per cent of

Product was achieved. Accordingly, by 1996 Guyana's allocation was only slightly above the average. Most other countries managed to reduce recurrent spending, Aruba, Grenada and Trinidad and Tobago by more than 4 per cent of Product. Nevertheless, several countries went against the trend and increased spending, notably Barbados, up 4.3 per cent, Belize, up 1 per cent, Dominica up by 2.2 per cent and Jamaica up by 3.4 per cent. In Barbados and Jamaica the difference represented strong adjustment efforts in the first period, 1987-1989, with subsequent resumption of spending in the second. Only in Jamaica was spending slightly above the mean for the group as a whole.

The structure of expenditure revealed some notable characteristics. When analyzed by economic classification by far the greatest proportion of spending was allocated to wages and salaries being over 46 per cent of recurrent spending, followed by spending on goods and services and transfers and subsidies at around 20 per cent each and interest payments at about 13 per cent. Over the survey period modest declines were evident in all categories, except transfers and subsidies (see Figure II).

The major area of recurrent spending for all countries, with the exception of Jamaica, was directed to the payment of wages and salaries for public officials. Accordingly, any programme of fiscal consolidation targeted this budget line as a first priority for reduction but invariably it was the most controversial and intractable aspect of revenue consolidation. Even where significant redundancies were effected, large initial costs in the form of severance and other forms of compensation, were likely to postpone the appearance of savings in current spending. For these reasons, and despite the focus on reducing spending for wages and salaries the proportion of recurrent spending allocated for that purpose actually increased slightly from 46 per cent to 46.2 per cent.

For the smaller countries, specifically the OECS and the Netherlands Antilles[10], expenditure for wages and salaries exceeded 50 per cent of recurrent expenditures and increased by 2 per cent between 1987-1989 and 1994-1996. By comparison, the larger countries managed to reduce the proportion of spending on wages and salaries by 3.3 per cent so that the proportion allocated for that purpose contracted to just over 33 per cent of recurrent spending. Among the larger countries, Guyana allocated a stable 24 per cent of recurrent revenues for wages and salaries, while at the upper end of the sample Barbados and Belize allocated 41 and 54 per cent, respectively.

The rigidity inherent in public spending on wages and salaries was demonstrated by the relative stability in such spending over the survey period. Exceptions were to be found in Antigua and Barbuda, the Netherlands Antilles and Saint Vincent and the Grenadines where spending grew by between 5 and 10 per cent. Conversely, spending declined by about 5 per cent in Dominica and by over 8 per cent in Trinidad and Tobago, rare instances of success in containing wages and salaries.

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[10] Limited data for Aruba confirms its similarity with the other smaller countries, with spending on wages and salaries in excess of 50 per cent of recurrent spending.

The second most important component of recurrent spending related to the purchase of goods and services by the Central Government. Here the lack of vested interests made it relatively easy to reduce expenditure on this item so that several countries ran the risk of over-manning at the same time that institutions were short of supplies and equipment. The data show that overall 2.5 per cent of recurrent spending was diverted away from the purchase of goods and services, the average falling from 22 per cent to 19.5 per cent of recurrent spending. Once again, the smaller countries allocated a greater proportion of recurrent spending for goods and services, 22.4 per cent as compared to 13 per cent for the larger countries, but managed to reduce the proportion more significantly than the larger ones, they managed a 3.2 per cent reduction as compared to a minimal 0.4 per cent reduction. Reductions in excess of 5 per cent were made by Antigua and Barbuda and Saint Vincent and the Grenadines.

Transfers and subsidies to public entities or to households comprised the third main element of recurrent spending. Several countries, notably Guyana, Jamaica and Trinidad and Tobago had been making substantial funding available to loss making public sector entities. Adjustment programmes identified the cessation of such transfers as a major priority, to be achieved by putting such entities on a commercial basis prior to divestment. Despite individual cases of success the item dedicated to transfers and subsidies increased over the survey period by 2.2 per cent. In only two instances of the countries for which data are available was a decline identified, in the Netherlands Antilles, down 10 per cent and Trinidad and Tobago, down by 3.4 per cent. In the latter instance, the proportion showed an upward trend again from 1994 to rest at over 34 per cent in 1996, in part because of a transfer of some health personnel costs to local authorities.

For most countries interest payments were a relatively small proportion of recurrent spending. For all the countries in the survey the proportion of recurrent spending allocated for paying interest increased by 1.7 per cent, from 13.7 per cent on average to 15.4 per cent. This overall average was greatly inflated by the requirements of Guyana and Jamaica which allocated the greatest portion of spending to meet interest payments. In Jamaica, an average of 42 per cent of current spending had to be made available for interest payments with the annual payments growing steadily over the survey period. In Guyana, the average was even higher at 43 per cent for the period 1993-1995, but this represented a decline from the peak reached in 1990 which was 55 per cent.

The picture for the OECS countries and the Netherlands Antilles was somewhat different with interest payments increasing by under 1 per cent from 7.7 to 8.4 per cent of recurrent spending while for Barbados it increased steadily from just over 13 per cent to 16.4 per cent in 1996. The proportion of spending earmarked for interest payments also increased in Trinidad and Tobago over the survey period from 13 per cent to 20 per cent.

Some categories of spending, such as personnel spending and interest payments, were less amenable to discretionary control by governments so that they became locked into a growing portion of recurrent spending over which they had little or no control. This lack of discretionary control described the phenomenon known as fiscal rigidity, which tended to increase over the survey period. While, in general, the countries allocating high amounts to cover wages were exempt from high expenditures to cover interest payments, and vice versa, fiscal rigidity affected most countries in varying degrees, with all of the countries surveyed having combined expenditures on interest and wages exceeding 50 per cent of recurrent spending. The average for the group moved from 59.7 per cent to 61.6 by the end of the survey period. Antigua and Barbuda, Belize, Dominica, Grenada, Guyana and Saint Vincent and the Grenadines all averaged in excess of 60 per cent, while in Jamaica interest and personnel costs combined accounted for more than 74 per cent of recurrent expenses on average by the end of the survey period.

Data for expenditure by functional classification are relatively scarce. Nevertheless for the countries making such data available the major social sectors, education and health, received on average about 25 per cent of total spending. Three countries in the sample exceeded the average, Barbados at over 35 per cent, Dominica at 26.8 and Grenada at 27.4 per cent. Jamaica and Trinidad and Tobago were below average at 16.6 and 17.1 per cent, respectively.

Similar patterns were evident for health and education spending respectively, with Barbados spending the greatest proportion on both sectors, over 14 and 20 per cent, respectively. Barbados was followed by Dominica and Grenada having similar spending patterns with about 12 per cent for health and 15 per cent for education. These were followed by Jamaica and Trinidad and Tobago having between 6-7 per cent spending on health and between 10-11 per cent spending on education. All countries in the sample increased spending on these social services, except Jamaica and Trinidad and Tobago. For these countries spending on health contracted by about 1 per cent and 3 per cent, respectively, while spending on education contracted by almost 2 per cent in both cases.

Annex 1

THE CENTRAL BANKS

Central Banks in the English-speaking Caribbean are all modeled after the (old) Bank of England system. In fact early governors of the Jamaican Central Bank were seconded from the Bank of England. The salient factor here is that the Bank has limited independence and is subject to the control of the Minister of Finance, who also appoints the Governor. In Barbados, the Governor serves at the discretion of the Minister and not necessarily on the basis of good conduct. In Belize, Jamaica and the Bahamas, appointments of all senior officers require the approval of the Minister of Finance. In Barbados, interest rate and credit policy decisions require, by law, the concurrence of the Minister of Finance. In Jamaica, the Minister of Finance has access to significant leeway in creating credit, since in any financial year it must not exceed 40 per cent of projected revenue ***or such percentage as the house of Representatives may from time to time by resolution approve***[11]. Changes in exchange rate parities fall outside the powers of any regional central bank(1). While the Governor might advise the Minister to act contrary to current or intended policy, ultimately he is expected to carry out the Minister's directives whether he agrees to them or not. Bank independence is not in the Caribbean tradition.

Within the broad outlines set out above divergences in Central Bank policy are, however, to be found from country to country. One distinction which has been drawn is between "the activist Central Banks, such a those in Guyana, Jamaica and Trinidad and Tobago and those of the remaining CARICOM countries whose monetary policies were less ambitious" (2). Here the difference is not simply between liberalized and interventionist policies, since the former activist banks are currently the liberalizers, but between, "policies which are sensitive to signals not only from the financial markets, but from government and the economy on the whole, on one side, and on the other, policies to manipulate credit, deposits and interest rates so as to force private agents to take decisions they would rather not"(2). This view argues that the only difference between the old interventionist and new liberalizing approach is whether to ration finance directly, or via the interest rate. Both approaches are deemed to be futile in small Caribbean economies, the former because of lack of sufficient information, the latter because market intervention is seldom able to provoke a large enough increase in interest rates to be effective, but where it does the effect is perverse, since it encourages large capital inflows to increase the money supply. Moreover, it is likely to destabilize financial markets, encourage financial disintermediation and weaken prudential standards in the financial sector (2).

Rather, the argument states that the Central Bank should accommodate to private sector expenditure plans while macroeconomic stability and adjustment should be left to fiscal policy. The Bank's role is to achieve orderly financial markets, avoid interest rate wars, provide guidance on fundamentals, deter speculative foreign exchange movements via capital controls and adjust for seasonalities. A fixed exchange rate is also a given. These precepts are followed by the Central Banks of Aruba, the Bahamas, Barbados, Belize, the Eastern Caribbean Central Bank and the Bank of the Netherlands Antilles. Monetary policy cannot make up for weak fiscal adjustment which must be appropriate and sufficient (2). This position is also supported by others in the region(3).

These policies not only represent the majority of Caribbean Central Banks, but the economies under their jurisdiction have so far significantly outperformed those of Guyana, Jamaica and Trinidad and Tobago. Accommodation to fiscal deficits in Guyana and Jamaica in the mid-1970s remain to bedevil fiscal performance in these countries. The pernicious effects of high interest rates are currently also being experienced in Jamaica in various ways, notably the high fiscal cost of open market operations and the severe fiscal impact of measures to rescue the financial sector. Finally, this thinking informs the current move toward Caribbean Monetary Integration and probably represents the current mainstream of Caribbean thinking on the subject.

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[11] This has recently been modified to 30 per cent of *projected* revenue.

Annex 2

A BRIEF NOTE ON PRIVATIZATION

The main privatization activities took place in the larger Caribbean countries, namely in Guyana, Jamaica and Trinidad and Tobago, although some activity was also evident elsewhere, notably in Grenada. These countries had proceeded the furthest in developing State Owned Enterprises (SOEs) in the 1970s, the 1980s in Grenada, and subsequently experienced most difficulty in maintaining them as viable entities. Fiscal considerations provided the main motivation for privatization, although in Jamaica normative considerations were initially predominant.

The move to privatization commenced in Jamaica in 1981, driven by the desire to reverse previous policies which had used nationalization as a means to control the commanding heights of the economy. Initially, the process was haphazard and slow but renewed impetus was given to it by 1985 when fiscal considerations predominated. This rationale was accepted by both political parties, a fact which removed the issue from partisan political debate. It was estimated that 400 SOEs existed in 1980 and by the end of the decade this had contracted to 200, consequent on closures and divestment (4). By 1996 only a core of 15 selected public sector entities remained which were budgeted to provide a surplus equivalent to 3 per cent of Product (5). So far the accumulated value of privatizations in Jamaica is estimated to be equivalent to just under 12 per cent of Product. The process of privatization continues, although most major entities have now been privatized with the exception of water and sewerage services which are currently being prepared for divestment. In general the proceeds of privatization were incorporated into general budget revenue, including external debt repayment.

The growth of SOE became evident in Trinidad and Tobago after the Government received windfalls from petroleum price increases in 1973. Prior to that the Government had share holdings in 32 companies. By 1986 when the privatization policy commenced, the State holding had increased to 166 enterprises employing 47 per cent of all salaried employees and the Government had obtained a major stake in the petroleum/petrochemical sector. While these enterprises could be carried on the budget while bolstered by rents obtained from high oil prices, upon their collapse the SOE became a major fiscal burden. In 1986, 20 per cent of recurrent expenditure was earmarked to cover operating costs and contingent liabilities of the SOE. They were also major contributors to the high external debt, accounting for 65 per cent of it in 1987 (4).

The privatization process was relatively slow in Trinidad and Tobago, initially because of the nature of SOE which dwarfed the absorptive capacity of the local private sector, the weakness of that local sector consequent on Dutch disease and the macroeconomic contraction following the oil price decline and sensitivities concerning foreign ownership of major enterprises (6). Lack of public consensus on the extent and the means of privatization together with the massive adjustment programme which was required in the latter part of the 1980s, therefore, inhibited the process which did not accelerate until after 1993, by which time a change of Government had occurred. Nevertheless, by the end of 1996 the proceeds from privatization were estimated to be equivalent to about 10 per cent of Product.

In Guyana the public sector dominated the economy since 1971, accounting for just over one half of national investment. Thereafter, its primacy was to grow further until 1988, when public policy changed. In that year the public sector employed 60 per cent of the work force, contributed 70 per cent of GDP and provided 85 per cent of exports (4). Several preferences were accorded to the State sector, including preferential access to foreign exchange, credit including preferential interest rates and to scarce agricultural inputs. Despite this pre-eminence, production and export earnings were declining and SOEs required massive transfers from the budget. In 1987 the fiscal deficit amounted to 50 per cent of Product.

The privatization programme got underway with the first objective being to regain the viability for the SOE. This was forthcoming for many once macroeconomic stabilization policies, notably devaluation, got underway but viability was also improved for others when management contracts were applied to the sugar and bauxite sectors. Subsequently, several enterprises which could not be made viable were closed or liquidated, while others were sold to foreign investors. Most divestments were made to local or expatriate Guyanese, 31 per cent of total privatization going to CARICOM companies (7). Subsequently, the programme lost some of its momentum, as the SOE regained viability and as a new Government reviewed previous policies. The privatization programme continues, though with less sense of urgency. This might in part be explained by the fact that the current primary surplus of the public enterprises in 1996 was equivalent to 23 per cent of recurrent revenues. Proceeds from privatization are estimated so far to be about 11 per cent of Product.

Annex 3

TAX REFORM IN JAMAICA

Jamaica provides an example of the difficulties faced by several other Caribbean countries in the area of tax reform. Persistent efforts were made in Jamaica over the past 10 years to reform the tax system and improve collection procedures. These efforts went somewhat further than was the norm in the region, because of the acute fiscal constraints experienced by that country over the last three decades. Initiatives included a comprehensive reform of individual and corporate income taxes in 1986-1987 and the application of a General Consumption Tax (GCT) in 1991. Individual income taxes were changed from a complex graduated schedule, with a maximum marginal rate of 57.5 per cent, to a flat rate of 33 per cent and subsequently reduced further in 1993 to rest at 25 per cent. Corporate taxes were reformed at the same time to reduce rates from 45 per cent to 33 per cent. The reforms continued in 1991 with the adoption of a consumption tax, known as the GCT, to replace various consumption duties, excise duties and retail sales taxes, with a rate of 12.5 per cent. This was subsequently raised to 15 per cent. A Special Consumption Tax (SCT) was also levied on prescribed imports such as alcohol, tobacco and petroleum products. Together the GCT and the SCT recorded rapid growth to almost equal taxes from income. Despite these efforts, further reform of the taxation system was deemed to be necessary and was being implemented by a project covering the period 1995-2001. One reason was falling revenues consequent on the reduction in tariffs with the reform of the CARICOM Common External Tariff (CET). The tax system suffered other major structural defects, however, notably a narrow tax base, low capacity of tax departments to assess and collect taxes and low levels of voluntary compliance.

The narrow tax base derived from the fact that only about 50 per cent of potential individual income taxes were collected. While the GCT widened the base it still remained narrow. This was currently being addressed by the adoption of a Tax Registration Number (TRN) system for all taxpayers. Several specified transactions such as filing tax returns, selling property, and registering contracts require the use of the TRN. It would in turn integrate an individual's separate identification numbers in other tax departments and help the administration to identify, cross check and track all its taxable activities thereafter. But the tax base was also being eroded by widespread exemptions, deductions and concessions granted by the tax laws.

Organizationally there was fragmentation, with six separate departments being entrusted to collect Inland Revenue, Income Tax, the General Consumption Tax, Stamp Duties and Transfer Taxes, Customs duties and Land Taxes. Since each department had to perform several common functions such as registration, auditing, investigation of tax fraud, collection and public relations, there was pervasive duplication of efforts. There was also fragmentation of enforcement efforts and fragmentation of information, both hampering the adoption of an integrated view of taxable transactions and the ability to detect tax evasion.

The dispersion of information hampered the development of adequate performance monitoring in the tax administration itself and the development of coherent strategies for institutional development. Dispersion of tax departments also increased the compliance costs faced by taxpayers and created opportunities for misconduct within the tax administration. Finally the diffuse structure did not provide for an independent cohesive unit to prevent corruption in the tax departments.

Low levels of voluntary compliance were also identified as a significant defect in the system, it being estimated that only 20 per cent of companies, 30 per cent of self-employed individuals, 47 per cent of employers and 76 per cent of those eligible were filing GCT returns. Three factors were said to contribute to low voluntary compliance: lack of public education; the high cost of compliance, due to fragmented tax administrations; and, finally, the need to raise rates (in an atmosphere of low voluntary compliance and administrative inefficiency) which, in turn, further increased the incentive for evasion. It was expected that tax rates would fall once compliance increased.

The tax reform programme, therefore, included the following elements: i) the institution of a unique TRN to monitor taxpayer activity and compliance; ii) organization of the tax administration based on functions instead of individual tax laws; iii) delegation of authority and responsibility to middle management, in conjunction with training and better management systems; iv) prioritization of assessment, investigation and collection; v) development of a single current account for each taxpayer; vi) strengthening the legal framework to facilitate the enforcement of tax laws and to streamline procedures; and vii) an effective public relations campaign to educate taxpayers about their legal obligations.

Annex 4

STATISTICAL ANNEX

NOTE

... Not available
- Nil or less than half final digit shown

Table 1
FISCAL DEFICIT<1>
(As a percent of GDP)

	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Antigua and Barbuda	...	-4.0	-4.1	1.2	-1.9	-0.5	-1.4	-2.8	-2.9	-1.1
Aruba	-7.5	-5.5	-3.7	-2.6	-0.4	-1.8	0.5	0.2	-0.4	-1.5
Barbados	-8.8	-4.6	-2.3	-8.4	-1.8	-1.9	-2.5	-1.2	-0.9	-3.8
Belize	-0.4	10.1	0.3	0.3	-5.0	-7.5	-9.1	-7.6	-4.3	-3.4
Dominica	-1.2	1.2	-0.1	-10.0	-3.3	-5.7	-0.3	-4.8	-5.7	-1.9
Grenada	-10.2	-10.6	-11.2	-14.6	-4.8	-0.6	-0.9	-1.9	0.1	-3.3
Guyana	-50.0	-36.4	-7.9	-24.6	-27.3	-19.8	-8.1	-1.8	-2.3	-3.3
Jamaica	7.1	3.4	-1.7	4.8	-5.6	-6.6	-2.7	-10.7	-5.4	-24.6
Netherlands Antilles	-0.3	-1.1	-2.9	-3.8	-3.4	-6.7	-2.5	-6.2	-5.1	-4.8
Saint Kitts and Nevis	-25.9	-8.7	-4.5	-0.3	-2.3	-1.2	-1.4	-3.0	-6.6	-5.7
Saint Lucia	-0.6	3.1	2.0	1.0	0.7	-1.8	-0.7	-0.8	-1.2	-2.2
Saint Vincent and the Grenadines	3.6	1.1	-2.6	-0.8	-0.2	-4.3	-4.8	-0.3	-2.4	1.6
Trinidad and Tobago	-5.9	-5.7	-4.2	-1.2	-0.2	-2.7	-0.2	-0.0	0.2	1.5

Source: ECLAC, based on national data
<1>Comprises total revenues and grants minus total expenditures.

Table 2
EXTERNAL DEBT
(As a percentage of GDP)

	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Antigua and Barbuda	101.9	85.2	80.5	79.0	70.5	67.7	60.6	54.2	54.3	47.5
Barbados	28.3	29.6	26.4	28.2	26.9	25.3	25.2	24.5	22.9	21.5
Belize	48.0	46.7	41.7	39.2	39.3	34.3	37.2	39.6	37.3	42.3
Dominica	62.0	55.6	57.6	62.1	43.2	58.3	53.3	53.9	53.8	51.7
Grenada	49.4	46.3	40.5	54.8	43.7	39.2	39.0	40.0	37.9	36.3
Guyana	382.4	342.7	417.2	520.4	617.0	613.7	512.7	451.2	353.8	215.3
Jamaica	137.7	112.9	111.8	109.4	185.5	111.4	122.7	93.8	84.6	56.0
Saint Kitts and Nevis	23.6	24.9	26.6	27.2	26.4	28.5	28.0	27.8	27.3	26.2
Saint Lucia	11.6	15.1	17.2	21.1	22.5	24.0	24.3	24.6	24.1	26.1
Saint Vincent and the Grenadines	32.1	33.8	35.1	34.4	36.8	35.6	38.1	42.8	39.5	37.4
Trinidad and Tobago	30.6	36.8	33.7	30.5	29.6	28.4	38.5	34.8	32.2	31.1

Source: ECLAC, based on national data

Table 3
TOTAL REVENUE AND GRANTS<1>
(As a percent of GDP)

	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Antigua and Barbuda	...	27.6	25.7	25.9	25.7	26.9	24.6	24.6	24.6	25.8
Aruba	27.5	24.7	23.4	21.7	24.1	23.2	23.5	22.3	23.2	23.1
Barbados	29.1	33.1	33.9	32.0	34.2	37.2	36.1	36.5	37.2	36.5
Belize	30.5	38.3	32.2	33.4	34.7	34.2	29.4	30.2	27.4	28.9
Dominica	39.8	42.6	43.2	40.7	38.4	36.2	37.3	33.3	33.2	33.3
Grenada	32.8	32.1	33.4	38.4	34.9	33.7	33.7	37.2	35.1	34.4
Guyana	45.3	49.7	46.7	54.6	40.3	48.2	48.3	46.1	39.1	38.5
Jamaica	44.6	48.3	39.1	37.3	32.5	32.1	34.4	34.5	35.4	31.2
Netherlands Antilles	42.9	39.9	33.6	30.8	30.5	30.0	35.8	33.0	34.4	34.9
Saint Kitts and Nevis	33.1	34.7	31.0	29.8	27.0	26.2	27.7	26.6	27.5	27.0
Saint Lucia	32.0	33.2	32.1	30.0	31.2	30.4	36.5	31.8	30.0	30.1
Saint Vincent and the Grenadines	42.9	43.9	33.7	35.6	39.9	33.7	32.4	34.6	33.0	34.6
Trinidad and Tobago	30.7	28.6	26.6	26.1	30.0	26.4	27.5	26.1	27.9	29.3

Source: ECLAC, based on national data
<1>Includes recurrent and capital revenues plus grants.

Table 4
GRANTS
(As a percent of GDP)

	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Antigua and Barbuda	...	0.8	0.4	0.4	0.8	0.9	0.1	-	-	-
Aruba	2.5	1.5	1.4	1.1	1.1	0.9	0.7	0.9	1.0	0.9
Barbados	-	-	-	-	-	-	-	-	-	-
Belize	1.3	0.4	0.2	0.7	0.2	0.1	0.8	1.4	0.1	0.4
Dominica	6.2	8.7	7.3	6.6	5.8	3.2	3.3	2.1	1.1	1.4
Grenada	4.8	2.1	5.3	3.5	4.3	3.1	3.2	5.4	3.4	4.5
Guyana	2.4	1.6	10.9	13.7	0.5	1.4	1.4	1.6	1.8	0.5
Jamaica	...	...	...	1.2	1.6	1.3	0.5	1.0	0.7	0.5
Netherlands Antilles	4.7	4.7	2.5	0.7	0.7	0.6	1.8	1.1	1.2	1.5
Saint Kitts and Nevis	3.2	4.0	1.9	0.4	2.1	0.3	0.2	0.1	0.5	0.3
Saint Lucia	2.0	2.3	1.4	0.5	0.5	0.0	5.1	1.6	1.7	1.2
Saint Vincent and the Grenadines	3.9	6.4	0.7	1.1	6.7	2.8	0.2	0.4	0.2	0.2
Trinidad and Tobago	-	-	0.1	-	-	-	0.1	0.1	0.2	0.2

Source: ECLAC, based on national data

Table 5
CAPITAL REVENUE
(As a percent of GDP)

	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Antigua and Barbuda	...	0.6	1.7	0.9	1.3	1.4	0.2	0.2	0.4	0.3
Aruba	-	-	-	-	-	-	-	-	-	-
Barbados	-	-	-	-	-	-	-	-	-	-
Belize	0.8	7.9	2.0	1.5	4.5	4.2	0.9	0.5	1.0	2.3
Dominica	0.7	0.6	0.1	0.8	0.6	0.8	1.4	0.3	1.3	0.3
Grenada	-	0.1	0.1	0.2	-	2.0	-	3.0	2.6	-
Guyana	-	0.2	0.4	2.2	4.7	2.8	2.9	7.1	1.7	1.6
Jamaica<1>	16.7	22.3	9.1	9.0	4.7	3.2	2.7	2.5	2.1	1.7
Netherlands Antilles	0.1	-	-	-	0.2	0.1	-	-	-	-
Saint Kitts and Nevis	0.7	3.3	0.6	2.0	0.4	0.1	0.5	0.1	0.2	0.2
Saint Lucia	-	-	0.1	-	0.2	-	-	0.1	-	-
Saint Vincent and the Grenadines	-	-	-	-	-	-	0.1	0.7	0.7	0.3
Trinidad and Tobago	-	0.1	0.1	0.4	0.1	0.1	0.0	0.1	-	0.1

Source: ECLAC, based on national data
<1> Includes revenue from the bauxite levy

Table 6
RECURRENT REVENUES<1>
(As a percent of GDP)

	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Antigua and Barbuda	29.6	26.1	23.6	24.6	23.6	24.6	24.3	24.4	24.2	25.4
Aruba	25.0	23.2	22.1	20.6	22.9	22.3	22.8	21.5	22.2	22.1
Barbados	29.1	33.1	33.9	32.0	34.2	37.2	36.1	36.5	37.2	36.5
Belize	28.4	30.0	30.0	31.1	30.0	29.8	27.7	28.3	26.2	26.2
Dominica	32.9	33.4	35.8	33.2	31.9	32.2	32.6	31.0	30.9	31.6
Grenada	28.0	30.1	28.1	34.7	30.7	28.5	30.4	28.8	29.1	29.9
Guyana	42.8	47.9	35.4	38.7	35.2	44.0	44.0	37.5	35.6	36.4
Jamaica	27.9	26.0	30.0	27.0	26.3	27.6	31.2	30.9	32.6	28.9
Netherlands Antilles	38.1	35.1	31.1	30.0	29.6	29.3	34.0	31.9	33.1	33.4
Saint Kitts and Nevis	29.2	27.4	28.5	27.3	24.6	25.7	27.1	26.4	26.8	26.6
Saint Lucia	30.0	30.9	30.7	29.5	30.5	30.3	31.4	30.2	28.4	29.0
Saint Vincent and the Grenadines	38.9	37.5	33.0	34.5	33.2	31.0	32.1	33.5	32.0	34.1
Trinidad and Tobago	30.7	28.6	26.3	25.7	29.9	26.3	27.4	25.9	27.7	29.0

Source: ECLAC, based on national data
<1>Includes tax and non-tax receipts raised by government but excludes sale of assets

Table 7
TAXES ON INTERNATIONAL TRADE
(As a percentage of recurrent revenues)

	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Antigua and Barbuda	15.0	14.5	13.4	13.6	13.1	13.3	13.4	13.8	13.9	14.3
Aruba	3.1	3.2	3.2	3.1	3.2	3.2	3.7	3.8	3.0	3.1
Barbados	8.6	7.3	7.6	7.1	5.8	5.6	5.3	5.8	5.6	4.5
Belize	15.3	17.0	16.3	16.1	15.5	14.3	13.7	14.1	13.9	8.4
Dominica	19.1	17.8	20.1	17.6	16.2	15.4	15.7	14.8	14.5	14.8
Grenada	17.5	17.9	16.4	23.7	17.5	15.2	15.8	14.8	14.1	16.5
Guyana	5.2	4.4	4.6	5.2	4.6	5.1	6.6	5.5	5.0	5.0
Jamaica	5.1	5.0	5.7	4.7	6.0	6.4	8.4	7.7	9.3	7.9
Netherlands Antilles	2.7	2.9	2.7	3.4	3.4	3.5	4.5	4.3	4.3	3.8
Saint Kitts and Nevis	13.7	13.3	13.5	11.5	10.2	9.9	11.0	10.6	10.8	10.8
Saint Lucia	16.9	17.5	17.4	16.5	16.5	16.5	16.9	15.9	14.9	14.9
Saint Vincent and the Grenadines	18.1	18.9	15.8	15.2	14.2	12.9	13.9	13.9	14.0	13.7
Trinidad and Tobago	2.3	2.1	2.0	2.2	2.5	2.5	2.6	2.1	1.7	1.5

Source: ECLAC, based on national data

Table 8
TAXES ON GOODS AND SERVICES
(As a percentage of recurrent revenues)

	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Antigua and Barbuda	17.9	17.9	19.6	18.3	17.3	17.2	17.6	18.5	18.9	18.6
Aruba	17.9	18.1	17.1	15.6	16.3	16.2	15.9	17.0	16.4	15.0
Barbados	30.4	30.1	30.8	30.1	32.5	33.4	37.0	37.3	37.6	39.1
Belize	10.6	13.1	13.3	13.3	10.7	11.2	11.8	11.1	11.0	35.1
Dominica	7.7	10.7	10.0	14.0	14.5	14.1	12.7	13.1	13.8	12.7
Grenada	17.5	18.9	20.9	12.6	14.5	14.0	15.5	16.5	16.5	16.2
Guyana	31.0	24.5	26.4	26.2	28.8	26.0	29.0	33.0	33.6	...
Jamaica	37.2	35.0	32.7	31.4	29.8	31.5	31.3	30.8	28.7	29.3
Netherlands Antilles	11.3	12.6	13.5	14.1	14.5	15.0	12.3	12.7	12.3	16.7
Saint Kitts and Nevis	12.0	10.1	10.4	8.7	10.8	12.0	12.9	12.4	11.9	12.0
Saint Lucia	10.9	10.3	10.6	10.4	11.5	10.8	11.0	11.4	12.5	11.6
Saint Vincent and the Grenadines	12.1	13.9	16.5	13.7	11.9	12.7	12.2	11.3	12.7	14.2
Trinidad and Tobago	13.4	17.3	19.6	28.6	23.8	29.1	31.2	28.4	26.2	25.3

Source: ECLAC, based on national data

Table 9
PERSONAL INCOME TAXES
(As a percentage of recurrent revenues)

	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Antigua and Barbuda	NA	...	...	...	...	...	...	...	...	...
Aruba	22.3	22.2	24.7	26.5	22.4	22.7	24.1	24.3	24.6	24.4
Barbados	7.3	13.0	12.3	14.7	16.9	16.2	18.3	17.8	18.3	18.7
Belize	20.8	20.8	19.4	19.5	21.1	24.4	24.1	22.5	22.8	22.2
Dominica	17.1	14.4	12.8	11.3	10.9	10.5	10.7	12.8	13.5	11.6
Grenada	0.6	0.5	0.9	0.1	3.3	6.5	6.5	8.0	10.1	4.4
Guyana	14.1	11.7	6.9	7.0	5.1	8.6	11.6	15.3	16.0	...
Jamaica<4>	39.3	41.4	37.9	44.1	27.2	25.6	22.2	24.0	22.3	26.3
Netherlands Antilles	25.4	25.6	21.1	23.8	24.0	24.8	24.5	25.8	27.7	28.8
Saint Kitts and Nevis	9.4	9.9	11.8	11.8	13.1	12.0	11.6	13.8	14.1	15.0
Saint Lucia	11.6	9.8	7.9	7.8	7.4	8.0	8.9	8.8	10.3	10.5
Saint Vincent and the Grenadines	11.4	12.3	10.3	10.5	9.9	10.9	11.2	9.9	11.2	12.0
Trinidad and Tobago	19.7	19.1	15.0	10.3	13.4	20.2	20.0	19.1	18.1	18.8

Source: ECLAC, based on national data
<4> Data relate to personal and corporate income for period 1987-1990.

Table 10
CORPORATE TAXES
(As a percentage of recurrent revenues)

	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Antigua and Barbuda	11.0	10.1	10.1	12.2	10.4	9.5	9.4	9.0	6.9	7.5
Aruba	8.5	7.6	8.0	5.2	10.9	7.8	9.1	10.2	9.5	10.0
Barbados	11.4	12.8	12.7	11.5	12.7	12.0	10.9	13.4	14.0	13.6
Belize	...	...	...	...	...	...	...	...	...	...
Dominica	8.3	8.5	7.5	11.3	9.8	12.4	11.4	9.2	9.0	13.6
Grenada	7.5	7.8	8.4	7.6	13.6	14.5	13.8	12.3	12.5	12.1
Guyana	20.7	24.0	26.5	25.7	24.5	24.5	20.8	19.0	20.8	NA
Jamaica<5>	...	...	...	...	13.0	13.4	13.6	14.4	12.8	10.7
Netherlands Antilles	44.7	41.5	44.5	34.4	33.4	30.3	29.9	28.3	27.1	24.8
Saint Kitts and Nevis	5.6	4.8	4.7	8.4	7.0	6.5	6.5	5.1	5.1	5.4
Saint Lucia	13.5	14.9	17.5	18.0	18.8	18.4	14.8	17.1	15.3	14.9
Saint Vincent and the Grenadines	7.6	7.8	9.5	16.2	15.3	13.5	12.0	15.8	12.6	12.4
Trinidad and Tobago	32.7	26.1	32.5	32.9	33.6	22.7	18.2	21.4	26.2	29.2

Source: ECLAC, based on national data
<5> Data relate to personal and corporate income for period 1987-1990.

Table 11
TOTAL EXPENDITURES<1>
(As a percent of GDP)

	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Antigua and Barbuda	29.5	31.6	31.9	24.7	27.7	27.4	26.1	27.4	27.5	26.9
Aruba	35.0	30.2	27.1	24.2	24.5	25.0	23.0	22.1	23.6	24.6
Barbados	37.6	36.5	36.2	40.4	35.8	38.7	38.1	37.5	38.1	40.1
Belize	30.2	28.2	31.9	33.0	39.8	41.7	38.5	37.8	31.6	33.3
Dominica	41.0	42.7	45.6	50.3	41.7	41.9	37.5	38.2	39.0	35.1
Grenada	43.0	42.7	44.7	53.1	39.8	34.3	34.5	39.0	35.0	37.8
Guyana	95.2	86.1	54.7	79.2	67.5	68.0	56.3	48.0	41.4	42.9
Jamaica	37.5	44.9	40.8	32.4	38.1	38.7	37.1	45.1	40.8	55.8
Netherlands Antilles	43.2	41.3	36.4	34.5	33.9	36.7	38.3	39.2	39.4	39.0
Saint Kitts and Nevis	59.0	40.8	35.5	30.1	29.3	27.3	29.1	29.6	34.1	32.8
Saint Lucia	32.5	30.4	31.3	29.0	30.5	32.2	37.2	32.7	31.8	32.3
Saint Vincent and the Grenadines	38.2	42.8	36.3	36.4	40.2	38.0	37.2	34.9	35.4	33.0
Trinidad and Tobago	36.5	34.3	30.7	27.4	30.2	29.1	27.7	26.1	27.7	27.8

Source: ECLAC, based on national data
<1> Includes recurrent and capital spending, financial investment and net lending and amortization payments.

Table 12
CAPITAL EXPENDITURES<1>
(As a percent of GDP)

	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Antigua and Barbuda	...	7.8	8.2	2.0	2.2	1.6	2.5	3.5	3.5	2.8
Aruba	6.9	5.4	4.3	3.6	3.5	2.6	2.5	2.4	2.2	2.1
Barbados	7.7	7.2	7.0	8.1	3.9	3.9	3.9	3.6	4.3	6.5
Belize	3.7	6.5	11.2	12.7	18.4	18.6	14.2	12.0	8.0	11.0
Dominica	11.0	13.6	16.4	21.8	12.2	11.6	5.9	5.5	7.3	4.4
Grenada	10.3	14.6	7.5	16.7	8.7	4.5	5.7	11.6	8.2	10.3
Guyana	20.4	26.4	13.8	24.0	12.9	10.9	14.6	16.9	14.7	16.5
Jamaica	13.8	18.8	15.6	13.4	14.4	16.4	11.1	18.5	13.9	24.1
Netherlands Antilles	3.9	2.6	2.5	3.2	2.2	2.2	2.6	2.5	2.7	2.2
Saint Kitts and Nevis	31.6	14.8	9.7	3.4	3.6	2.8	4.1	3.6	6.1	4.6
Saint Lucia	7.9	8.3	7.5	6.4	7.6	9.8	14.7	9.7	7.9	8.4
Saint Vincent and the Grenadines	5.8	10.9	5.8	7.8	12.4	10.5	9.8	6.1	7.2	3.5
Trinidad and Tobago	7.2	3.4	2.4	1.6	3.4	1.9	1.2	1.6	2.0	1.6

Source: ECLAC, based on national data
<1> Includes amortization payments for external and domestic debt.

Table 13
RECURRENT EXPENDITURES
(As a percent of GDP)

	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Antigua and Barbuda	29.5	23.8	23.7	22.7	25.5	25.8	23.6	23.9	24.1	24.1
Aruba	28.1	24.8	22.8	20.6	21.0	22.4	20.4	19.8	21.4	22.5
Barbados	29.9	29.3	29.3	32.3	31.8	34.8	34.2	33.9	33.7	33.6
Belize	26.5	21.6	20.7	20.3	21.3	23.1	24.3	25.8	23.6	22.3
Dominica	30.0	29.1	29.2	28.4	29.5	30.3	31.6	32.6	31.6	30.7
Grenada	32.6	28.1	37.2	36.4	31.1	29.8	28.8	27.4	26.8	27.4
Guyana	74.8	59.7	40.9	55.2	54.7	57.1	41.7	31.0	26.8	26.4
Jamaica	23.7	26.1	25.2	19.0	23.7	22.3	26.0	26.6	26.9	31.8
Netherlands Antilles	39.3	38.7	34.0	31.4	31.6	34.6	35.7	36.7	36.7	36.8
Saint Kitts and Nevis	27.4	26.0	25.8	26.7	25.7	24.5	25.0	25.9	27.9	28.1
Saint Lucia	24.6	22.2	23.8	22.6	22.9	22.4	22.5	23.0	23.8	23.8
Saint Vincent and the Grenadines	32.4	31.9	30.5	28.6	27.8	27.5	27.4	28.9	28.2	29.6
Trinidad and Tobago	29.3	30.9	28.3	25.8	26.8	27.2	26.5	24.5	25.7	26.2

Source: ECLAC, based on national data

Table 14
WAGES AND SALARIES
(As a percent of current expenditures)

	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Antigua and Barbuda	...	47.8	50.0	50.4	54.1	55.6	61.3	60.0	59.0	56.8
Aruba	...	...	...	52.1	46.4	54.6	50.4	53.4	55.6	...
Barbados	38.8	45.5	43.9	44.2	43.5	38.3	41.0	43.6	43.4	35.7
Belize	...	54.5	56.0	56.7	58.1	54.9	55.0	55.0	54.5	53.5
Dominica	62.0	62.9	61.0	72.6	57.3	56.9	56.6	58.1	57.0	56.1
Grenada	55.5	55.6	54.1	53.9	50.6	53.6	53.8	52.0	52.4	53.7
Guyana	25.9	26.6	20.2	14.1	12.2	14.3	17.3	23.6	25.2	...
Jamaica	35.2	29.6	30.5	36.2	36.5	24.5	40.6	32.3	35.6	28.7
Netherlands Antilles	44.7	45.4	45.0	48.2	48.2	50.1	54.8	49.6	51.1	51.0
Saint Kitts and Nevis	NA	41.7	42.7	41.6	39.1	42.1	44.0	42.8	41.1	44.0
Saint Lucia	52.4	50.5	56.3	52.3	50.7	50.5	52.5	53.1	52.3	52.3
Saint Vincent and the Grenadines	48.5	47.8	47.4	45.0	54.6	54.2	54.4	54.5	53.8	53.0
Trinidad and Tobago	48.4	43.8	38.7	35.7	36.8	39.8	39.7	36.5	36.8	33.0

Source: ECLAC, based on national data

Table 15
GOODS AND SERVICES
(As a percent of current expenditures)

	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Antigua and Barbuda	...	33.6	31.4	31.0	22.6	21.9	23.3	21.8	20.4	21.5
Aruba	...	...	...	31.2	27.5	28.7	24.4	24.2	24.2	...
Barbados	13.1	12.0	13.0	13.8	11.5	16.7	11.0	11.1	11.2	10.1
Belize	...	28.3	27.7	30.6	31.5	23.1	20.5	19.2	18.1	16.8
Dominica	20.1	18.4	22.5	0.0	20.5	19.8	17.6	16.4	16.1	17.4
Grenada	14.2	17.6	18.7	24.8	16.9	15.9	14.5	17.4	17.1	17.3
Jamaica	...	...	...	...	24.6	33.4	20.5	24.1	24.0	20.1
Netherlands Antilles	23.0	21.8	26.4	27.4	30.2	25.1	23.4	25.8	24.1	22.2
Saint Kitts and Nevis	44.6	36.8	35.8	38.4	32.0	40.1	38.6	35.0	37.7	28.3
Saint Lucia	18.1	17.9	17.0	18.9	20.3	22.0	20.9	20.5	19.7	20.5
Saint Vincent and the Grenadines	24.5	31.7	34.3	28.7	23.2	25.0	26.1	23.6	23.2	23.4
Trinidad and Tobago	8.5	8.5	8.6	10.6	10.6	7.4	8.0	10.4	10.2	9.1

Source: ECLAC, based on national data

Table 16
TRANSFERS AND SUBSIDIES
(As a percent of current expenditures)

	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Antigua and Barbuda	...	6.6	6.4	6.2	4.9	5.9	6.3	8.3	9.5	11.0
Aruba	...	...	...	17.9	17.6	17.3	16.4	17.1	17.3	...
Barbados	26.2	27.9	27.7	25.7	25.6	24.6	29.9	28.6	27.5	25.7
Belize	NA	7.4	7.2	7.0	11.0	10.2	9.2	10.6	10.7	11.6
Dominica	11.2	9.4	10.0	11.2	15.5	15.1	15.6	16.2	16.6	15.8
Grenada	...	17.5	14.7	19.8	18.4	20.1	20.9	20.5	19.7	19.0
Netherlands Antilles	27.9	27.8	24.2	19.0	16.2	18.8	16.3	17.0	16.1	17.0
Saint Kitts and Nevis	...	...	...	...	...	6.9	6.0	8.2	12.8	13.3
Saint Lucia	12.5	14.3	13.0	16.8	16.7	23.3	22.3	22.6	20.5	21.3
Saint Vincent and the Grenadines	16.5	9.4	14.8	17.6	18.3	16.4	14.6	16.7	16.0	17.2
Trinidad and Tobago	33.9	35.2	35.4	36.0	0.0	33.1	30.0	28.3	31.7	34.2

Source: ECLAC, based on national data

Table 17
INTEREST PAYMENTS
(As a percent of current expenditures)

	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Antigua and Barbuda	0.0	12.0	12.2	12.4	18.4	16.7	9.1	9.9	9.0	10.6
Barbados	11.6	13.9	14.0	13.7	17.7	17.4	15.1	16.4	17.7	15.0
Belize	...	11.7	10.5	7.4	7.6	5.8	9.5	9.1	10.0	11.2
Dominica	7.9	8.0	6.8	7.1	6.7	8.3	10.3	9.3	10.3	10.6
Grenada	...	9.3	12.5	9.1	12.1	10.4	10.8	10.2	11.0	10.0
Guyana	45.4	39.2	31.1	55.0	53.9	49.4	45.0	42.1	41.8	...
Jamaica	34.2	34.4	36.4	45.0	38.9	42.1	38.9	43.6	40.4	42.5
Netherlands Antilles	4.5	5.0	4.4	5.4	5.6	5.9	5.5	7.6	7.7	8.1
Saint Kitts and Nevis	...	12.3	11.9	13.2	13.9	10.8	11.4	10.1	8.5	11.6
Saint Lucia	7.6	6.3	5.0	6.0	5.2	4.2	4.3	3.9	5.3	5.0
Saint Vincent and the Grenadines	4.5	4.0	4.2	4.0	3.9	4.4	4.9	5.1	6.9	6.4
Trinidad and Tobago	9.2	12.6	17.4	17.8	17.9	19.7	22.3	22.2	20.1	17.7

Source: ECLAC, based on national data

Table 18
FISCAL RIGIDITY<1>
(As a percent of current expenditures)

	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Antigua and Barbuda	...	59.8	62.2	62.8	72.5	72.3	70.4	69.9	70.1	67.5
Barbados	50.4	59.4	58.0	57.9	61.2	55.7	56.0	60.0	61.1	53.0
Belize	...	66.1	66.5	64.1	65.7	60.7	64.5	64.1	64.5	64.7
Dominica	69.9	70.9	67.8	79.8	64.0	65.2	66.9	67.4	67.3	66.8
Grenada	55.5	64.9	66.6	63.0	62.7	64.0	64.6	62.1	63.4	63.7
Guyana	71.3	65.8	51.3	69.0	66.2	63.7	64.8	65.7	67.0	...
Jamaica	69.4	64.1	66.8	81.2	75.4	66.6	79.5	75.9	76.0	71.1
Netherlands Antilles	49.2	50.4	49.4	53.7	53.8	56.1	60.3	57.2	59.3	59.6
Saint Kitts and Nevis	...	54.0	54.6	54.8	53.1	53.0	55.3	52.9	49.6	58.5
Saint Lucia	60.0	56.8	61.3	58.3	55.9	54.6	56.8	56.9	57.6	57.3
Saint Vincent and the Grenadines	53.0	51.8	51.6	48.9	58.5	58.6	59.3	66.0	60.7	59.4
Trinidad and Tobago	57.6	56.3	56.0	53.5	54.7	59.5	62.0	61.1	56.9	57.5

Source: ECLAC, based on national data
<1> Refers to the sum of wages and salaries and interest payments.

Table 19
HEALTH EXPENDITURE
(As a percent of total expenditures)

	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Barbados	13.4	14.5	14.5	14.7	15.1	13.8	14.6	14.5	14.3	13.9
Dominica	11.1	9.6	9.9	9.4	11.4	11.0	12.5	12.3	...	...
Grenada	10.6	9.5	8.8	11.1	12.6	12.0	...	...	...	...
Guyana	...	...	...	...	2.9	5.3	6.9	7.4	8.3	6.3
Jamaica	7.0	5.3	6.7	8.7	5.7	6.2	8.5	7.1	5.7	4.1
Trinidad and Tobago	10.0	10.0	9.3	9.1	9.1	9.9	9.6	8.8	4.3	7.4

Source: ECLAC, based on national data

Table 20
EDUCATION EXPENDITURE
(As a percent of total expenditures)

	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Antigua and Barbuda	...	...	...	...	...	15.7	8.2	8.6	7.9	9.5
Barbados	17.1	19.1	21.6	23.8	21.2	20.5	24.9	22.6	20.0	20.2
Dominica	14.9	12.9	12.8	11.9	14.1	13.9	15.6	15.0	...	...
Grenada	13.7	9.5	8.8	13.6	16.1	16.9	...	...	...	...
Jamaica	14.1	10.9	13.8	15.9	10.4	9.4	15.3	10.8	12.6	9.7
Trinidad and Tobago	11.5	11.7	11.2	11.2	10.8	11.5	11.9	11.8	5.9	11.3

Source: ECLAC, based on national data

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