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ANNUAL BUDGET REPORT 2018

Mortgaging Guyanese Future and
the Economy: An In-depth Analysis
of the 2018 Budget

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Mortgaging Guyanese Future and the Economy: An In-Depth Analysis of the 2018 Budget

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Executive Summary

EXECUTIVE SUMMARY

A budget is the government's spending plan for the fiscal year. It is guided by the government's vision for the country and economic policies for development. Budgets are evaluated based on how well they prioritize and fund core services to the level of public needs, create opportunities for economic success, and invest in the future. Against this background, the 2018 budget was evaluated and findings noted.

The 2018 budget of \$267 billion is the largest in Guyana's history and represents an increase of 8% or \$21 billion in 2017. To fund this level of spending, the budget projected general revenues at \$208 billion, grant funds at \$12 billion, and authorized deficit spending of \$47 billion. General revenues of \$208 billion is based on a projected 9% or \$17 billion increase over 2017. The budget deficit of \$47 billion represents an increase of 24% over 2017 and 18% of total spending, up from 16% over 2017.

Overall, budget 2018 is a poor piece of legislation that essentially mortgaged Guyanese's future and the health of the economy. Despite the record level spending, the budget failed to prioritize needed public investments to improve the level and quality of critical public services, lift families out of poverty, improve the quality of life, and grow the economy. The budget proposed no change in economic policy to stimulate the economy even as growth continues to slow, jobs subside, and investors' confidence wanes.

How the government spends taxpayers monies is extremely important, given that Guyana is a poor country and there is not enough to pay for all of society's needs at once. This is especially true in times of economic hardship when families are living on tight funds and society is fraught with many social problems, including a high unemployment rate, chronic and widespread poverty, rising crime, and declining access to quality health care services.

Lawmakers carved out more than \$12 billion of the \$17 billion in new tax revenues to shore up the government bureaucracy instead of better aligning public investments with social and economic needs. The total cost of running the government increased by 29% for a total of \$54 billion, the second largest share (20%) of the total budget.

The unprecedented level of funding for the Ministry of Presidency is a serious concern. The ministry received the single largest percentage increase (64%) and second largest dollar increase (almost \$4 billion) of all statutory agencies. Since 2015, funding for the ministry has increased from \$2 billion to \$9 billion. Moreover, 60% of all funds to the ministry is allocated for "other charges" – a catch all expenditure category. There is no economic or fiscal rationale behind these allocations. The exact purpose for which these funds are used and their intended public benefits remain unclear.

Simultaneously, the budget cuts the investment to improve the country's poor and aged infrastructure by 8%. Likewise, it cuts the investment in the agriculture sector for the third consecutive year by 7%. These cuts will hurt agriculture and infrastructure labourers, most of whom are low-skilled workers from low-income households. Moreover, unemployed and displaced workers from the closure of multiple sugar estates and those subject to private-sector payroll cuts are unlikely to find gainful employment in these sectors. Currently, the unemployment rate is above 11%.

The budget increased funding for education and health and human services by more than \$6 billion for a total of \$97 billion. The budget also increased funding for public safety and security by 6% for a total of \$34 billion. However, with more than 70% of all funds controlled by the central government, regional & local governments are unable to improve access to and high-quality services, although they are responsible for service delivery and better knows the needs of their communities.

Finally, increased funding for ineffective policies and programs is simply counterproductive fiscal policy. Currently, taxpayers foot the bill for successively bigger budgets but get very little in return. For example, schools and hospitals, alike, are suffering from shortages of basic supplies, limited access, and poor delivery and quality of services. Police stations, fire departments, and other public safety agencies are still unable to meet basic service standards to keep communities and families safe.

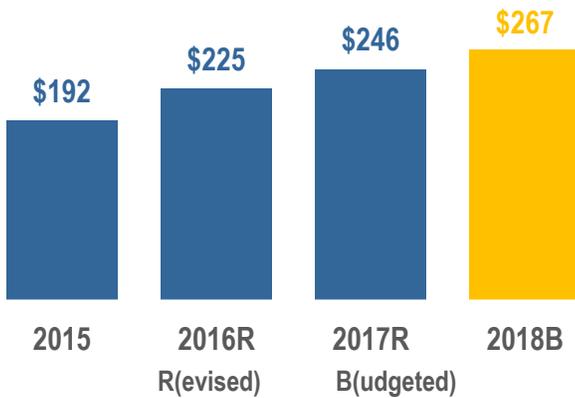
Dhanraj Singh, Executive Director

Budget Overview

Overview

Total Expenditures

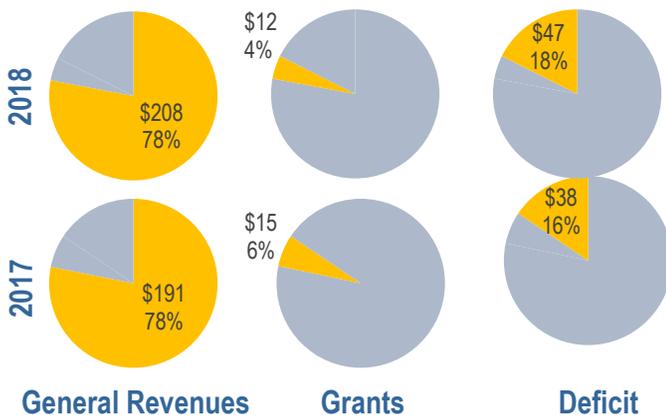
The adopted budget for the fiscal year 2018 funds total expenditures of \$267 billion¹, representing an increase of 8% or \$21 billion over the revised expenditures for the fiscal year 2017. The revised total expenditures for the fiscal year 2017 were \$246 billion – 2% less than the total approved expenditures in the 2017 budget.



Source: GoG, Estimates of the Public Sector 2018. Vol.1.

Source of Funds

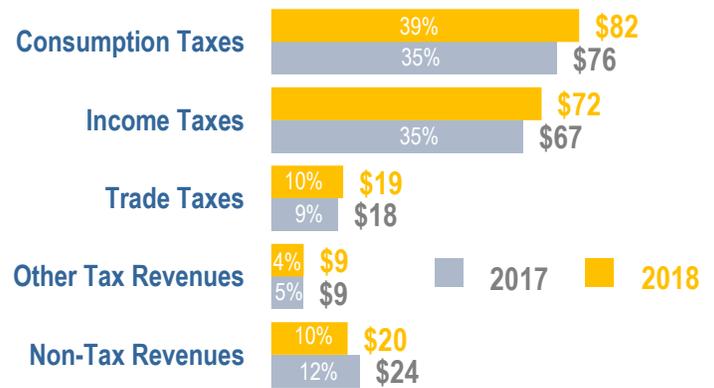
Of the \$267 billion in total expenditures, \$208 billion (78%) is funded from general revenues, \$12 billion (4%) from grants, and the deficit of \$47 billion (18%) from the issuing of new public debts.



Source: GoG, Estimates of the Public Sector 2018. Vol.1.

General Revenues

General revenues for the fiscal year 2018 is expected at \$208 billion, an increase of 9% or \$17 billion over 2017.² Of this amount, \$82 billion (40%) is from consumption taxes (VAT), \$72 billion (35%) is from income taxes and the remaining \$48 billion (24%) is from trade taxes and other revenues. In dollars, both consumption and income taxes are expected to increase by more than \$5 billion. There is also an uptick in expected trade tax revenues over 2017.



Source: GoG, Estimates of the Public Sector 2018. Vol.1.

Key Observations

1. Despite an overall increase, total expenditures for the fiscal year 2018 grew the least (8%) over the previous year compared to the last three budgets. The rate of growth in the fiscal years 2017 was 9% and 2016 was 18%.
2. The share of total expenditures funded from the issuing of new public debts continues to grow reaching 18% or \$47 billion in the fiscal year 2018 from 16% or \$38 billion in 2017. In the fiscal year 2016, these figures were 9% or almost \$21 billion.
3. Consumption taxes remain the largest source of general revenues and increase in real dollars and as a share of general revenues. Consumption taxes are the most unfair taxes as they disproportionately burden low-income and poor families.

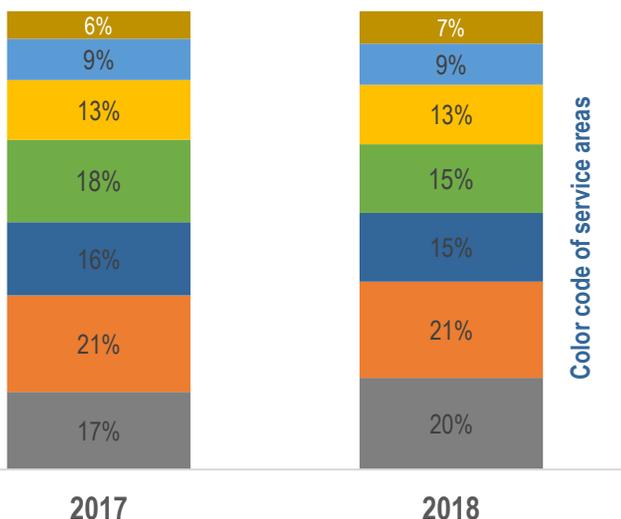
Budget Priorities

Total Expenditures By Policy Priorities (Service areas) Fiscal Year 2018

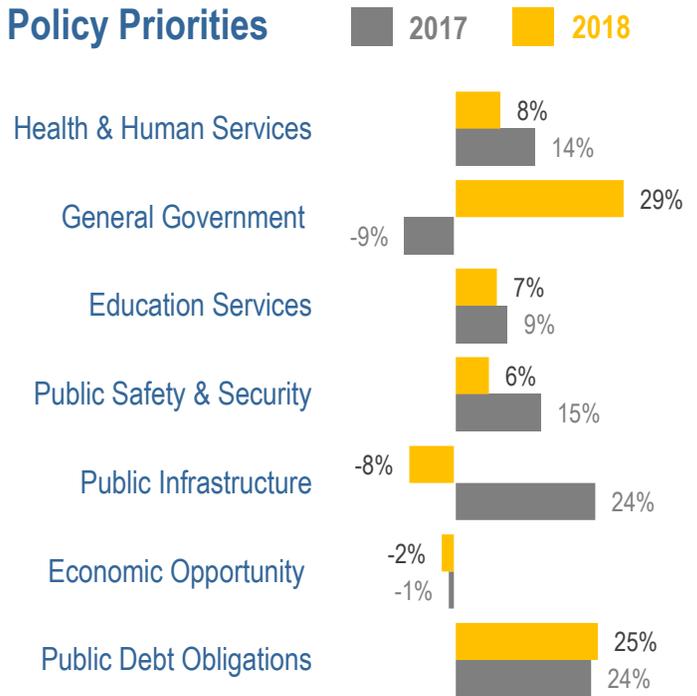


Year over Year Comparison

Services as % of total expenditures



Annual Change in Total Expenditures By Policy Priorities



Source: GoG, Estimates of the Public Sector 2018. Vol.1.

Key Observations

1. The cost of operating the machinery of government increased by 29% over 2017, significantly outpacing all other priorities for a total of \$54 billion. Overall, the share of the total budget allocated to keep the government running rose to 20% from 17% in 2017, i.e. \$1 in every \$5 dollars of expenditure.
2. Funding for public infrastructure fell by 8% compared to 2017 for a total of \$40 billion. Overall, the share of the budget allocated to public infrastructure fell to 15% from 18% in the previous year.
3. The share of the budget allocated to health & human services and public safety remained constant despite funding increases of 8% and 6%, respectively.
4. Funding for the economic opportunity sectors (agriculture, businesses, & environment) declined for the third consecutive year by 2% for a total of \$23 billion.

Source: GoG, Estimates of the Public Sector 2018. Vol.1.

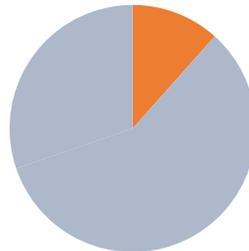
Health & Human Services



\$56 billion

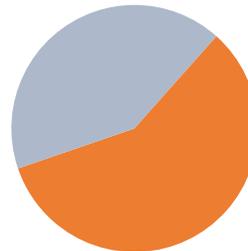
Sum total differs due to rounding

\$6.5 billion
12%



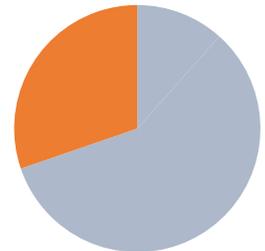
Communities

\$32.6 billion
58%



Public Health

\$17.0 billion
30%



Social Protection

Clean and Safe Communities

Investing in clean and safe communities is necessary to attract and retain residents, businesses, private investments, and to grow local economies. The majority of communities across the country lack basic infrastructure for drainage and irrigation, pedestrian walkways for road safety, public security, solid waste management, access to potable water, and basic access roads for easy commutes.

While total funding for communities increased by almost 8 percent (almost \$0.5 billion) for a total of \$6.5 billion, it is insufficient to have any notable impact on any single community. Of the \$6.5 billion, only \$4.8 billion is available for pay for capital investments. Moreover, these resources are spread across communities instead of investing in transformative projects in selected communities on some basis of priority until each receive needed investments.

Public Health

The goal of public health is to improve the health and well-being of the population through the provision of quality and affordable health care services, disease and other environmental disaster control and prevention, immunization services, public health education, etc. Funding for public health services increased by 12% or \$3.4 billion for a total of \$32.6 billion. This amount includes \$9.2 billion (28%) allocated to the 10 administrative regions. While total funding increased by 12%, funding for the regions grew by less than 6% or \$0.5 billion.

Increased funding for public health is necessary to improve access high-quality services. However, with more than 70% of all funds controlled by the central government, regional & local governments are hamstrung in their ability

to address to address access or quality needs. Currently, Guyana has one of the highest maternal and child death rates in the Caribbean and Latin America, largely due to the lack of access to basic services and to deaths from preventable causes.³ The death rates are higher in rural and hinterland communities. Likewise, [data](#) by WHO and UNICEF shows that recent immunization coverage have dropped for common diseases, from 2014 levels.⁴ Claims of widespread shortage of basic medications such as panadol and aspirin at hospital and dispensaries have grown exponentially over the last two years. These facts raise serious questions about how the ministry spends tax dollars and whether current programs are delivering real public health benefits.

Social Protection

Social protection are policies and programs designed to reduce poverty and vulnerability by providing critical support to families that reduce their exposure to risk, loss of income, and enhance their ability to find and keep good-paying jobs. Thus, social protection is an integral part of poverty reduction and social development.

Funding for social protection increased by 4% (almost \$700 million) for a total of almost \$17 billion (30% of all funds for health and human services). However, funding for 'old age pension and social assistance' remain relatively unchanged at \$13.7 billion. With inflation around 2.5%, the real income support for the most vulnerable families actually declined, forcing families to make even harder choices. For the working poor, (workers aged 18-64 living in poverty), there are no poverty reduction programs that provide support to help make ends meet and encourage a path to self-sufficiency.

Education Services



\$41 billion

Why Public Education

Public education plays a critical role in national development. A good public education creates a path out of poverty and promotes economic growth through research, innovation and workforce preparation. It also provides the civic education and participation important for nation building and a strong democracy. Finally, a good public education provides people with the knowledge and skills to live enriched and fulfilled lives.

The government must prioritize public investment to create a modern education system at all levels that provides every child with access to the most up-to-date knowledge and skills for the jobs of the future. Likewise, adequate public investment in research and innovation is needed to develop new technologies to improve services, create new products and markets, increase productivity, and promote sustainable growth.

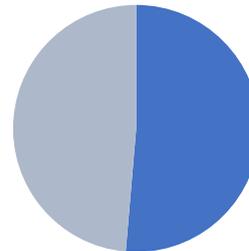
Total Funds for Public Education

Total funds for education services increased by 7% or \$2.8 billion for a total of \$41 billion. However, the level of per student funding and whether or not it has changed remained unknown, due to the unavailability of enrollment data. Further, the country's education system remains extremely dated. Textbooks, learning materials, and curriculums are decades old. The majority of schools lack easy access to computers and the internet to connect students to information to enrich their learning experience. Without meaningful education reforms, these funds are unlikely to improve access to and the quality of public education services.

Delivery of Education Services

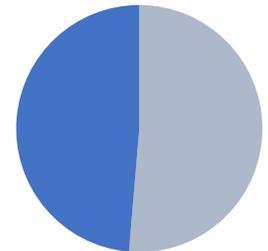
The regional education departments oversee and manage the delivery of nursery, primary and secondary

\$21 billion
51%



Regions

\$20 billion
49%



Ministry of Health

education in each region. Total funds to the regions increased by 12% or \$2.3 billion for a total of \$21 billion. These funds are used to pay teachers' salaries, rental expenses, utilities, school supplies, maintenance expenses, and other operating expenses.

Ministry of Education

Funds allocated to the ministry is for the following purposes (see chart below). With across-the-board increases, half of all education funds were allocated for secondary and postsecondary education.



Included in the ministry's budget is a total of more than \$4.4 billion in subventions and grants to various education institutions and organizations. Among these are \$75.3 million for the Cyril Potter College of Education, almost \$2.5 billion for both campuses of the University of Guyana, and \$255 million for nursery and primary school uniform assistance programs. Funding for these assistance programs have not increased since 2015.

Public Infrastructure



\$40 billion

What is Public Infrastructure?

Public infrastructure is the facilities, structures, equipment, services and institutions that are essential to the economy and the quality of life in a country, region, city, or neighbourhood. Public infrastructure includes:

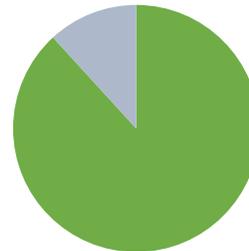
- Transport – roads, bridges, airports, sidewalks etc.
- Energy – power grids & stations, hydro & solar, etc.
- Information – communication and network services

Concrete, steel, waterways, and fiber optic cables are basically the building blocks of an economy. Infrastructure powers businesses, enables trade, connects workers to jobs, creates opportunities for struggling communities and protects the nation from an increasingly unpredictable natural environment.⁵ It supports workers in sectors that are directly related to infrastructure such as construction, electricity & water, transportation, and communication, which accounts for a third of Guyana's economy. Many jobs in these sectors have low barriers to entry, benefiting low-skilled workers and their families.

Public Infrastructure Funding Cut

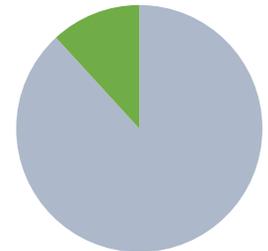
Total funding for public infrastructure was cut by 8% (\$3.4 billion) for a total of almost \$40 billion. Eighty-eight percent (\$35 billion) of these funds is allocated to the Ministry of Public Infrastructure and the remaining 12% (\$5 billion) is allocated to the Ministry of Public Telecommunication. Cutting public investments in infrastructure is poor fiscal policy, especially in this period of economic slowdown, widespread job loss from the closing of multiple sugar factories, and increased economic and

\$35 billion
88%



Infrastructure

\$5 billion
12%



Telecommunication

political uncertainties. The reduced investment makes it more difficult for displaced workers, most of whom are low-skilled, and newcomers to find meaningful employment. It also reduces productivity and output in all other sectors of the economy.

Ministry of Public Infrastructure

The overall reduction (roughly \$5 billion) in funding for the infrastructure sector came solely out of the budget for roads, bridges, walkways, sea defense, airports and other structures. Further, the entire amount was cut from funding for capital expenditures, corresponding to a reduction of 20% from 2017. Funding for current expenditures increased by 10 percent. The shifting of resources away from capital investment to consumption could have a chilling effect on short-term growth and undermine long-term prosperity. Beyond funding cuts, financial misspending, waste and mismanagement of funds at the ministry also diverts billions of dollars from productive use resulting in even lower level of real investment in infrastructure.⁶

Ministry of Telecommunication

Funding for communication and network services increased by more than 100% or \$2.5 billion for a total of almost \$5 billion. This increase helped offset some of the funding cuts to the Ministry of Public Infrastructure. Increased funding for telecommunication could bring much needed improvement to the country's ICT infrastructure allowing for faster, cheaper, and better quality, as well as easier access to the internet and the growing global digital economy.

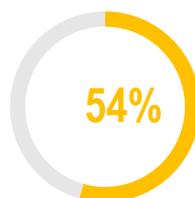
Public Safety & Security



\$34 billion

Sum total differs due to rounding

Public
Security



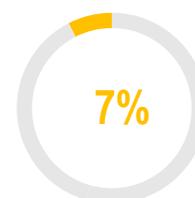
\$19 billion

Defense
Force



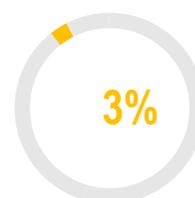
\$12 billion

Supreme
Court +



\$3 billion

Legal
Affairs



\$1 billion

Public Safety & Security (PSS)

Public safety and economic development are two sides of the same coin. In fact, safety, security and justice are moral and human rights that are intrinsic to the development process. Beyond rights, research shows that shortfalls in safety, security, and justice contribute to both poverty and underdevelopment.⁷ Safety and security represent many things, including stable income, consistent housing, clothing, and food supplies as part of the predictability of daily life, protection from crime and psychological security. The lack of safety, security and justice undermine economic growth and can lead to social deterioration.

Funding for public safety, security and justice for fiscal year 2018 increased by 6% (\$2 billion) for a total of \$34 billion.

Of note, compared to 2017, funding for 2018:

- Increased to the Ministry of Public Security increased by 8% (\$1.3 billion) for a total of \$19 billion,
- Remained the same for the Guyana Defense Force,
- Increased for the Supreme Court plus 7 other entities, mostly commissions, by 7% (\$173 million) for a total of almost \$3 billion,
- Increased for the Ministry of Legal affairs by 54% (\$376 million) for a total of more than \$1 billion.

Compared to 2015, funding for PSS increased by 45% or almost \$11 billion.

Are Families and Communities Safer?

To answer this question, one needs access to data that are not readily available to the public. While the ministry claims that it supports evidence-based decision making and understands the importance of data and research, it has largely restricted access to public safety data. For example, the data request form available for submission to the ministry can be denied at will. Similarly, the Statistical Unit within the ministry produces regular reports but these reports are not readily available to the public. Such restrictive access to data for research and analysis is contrary to the intent and spirit of the [Access to Information Act of 2011](#).

Nevertheless, primary observation and citizens' feedback suggest that the public is more fearful of its safety and security than at any time in recent years.⁸ The local media, including social media, are inundated daily with stories of robbery, murder, accidents, domestic abuse etc. The level of crime has amplified the current economic uncertainty which reduced consumer confidence and slowed business activities, according to many local business owners. As a result, many businesses have cut payroll, laid off workers and either cancelled or hold off on planned investments.

Beyond the issue of crime, some basic emergency services, such as emergency medical services and disaster preparedness services simply do not exist. And while there are basic fire and policing services, their quality is extremely poor. The unfortunate occurrence of a fire or a robbery is certain to result in maximum damage, often including the loss of life. Similarly, the justice system is antiquated and void of any technological improvement resulting in excessive system backlogs and the inefficient delivery of judicial services.

Economic Opportunity



\$23 billion

Sum total differs due to rounding

Agriculture



\$19 billion

Natural
Resources



\$1 billion

Business



\$2 billion

Economic Opportunity

There is no fixed definition of economic opportunity, but most would agree that it corresponds to the realization of personal potential. In this regard, economic opportunity includes access to a good paying job, capital, affordable housing, intellectual property rights, research and innovation, business support services, good infrastructure, product markets, among others. Access to these resources and services enables individuals to pursue their full potential. The role of budget and economic policies is to reduce the barriers between people and the realization of their economic potential. This requires adequate public investment in economic opportunity sectors and policies to expand access and help families succeed.

Reduced Funds for Economic Opportunity

The government continued to cut overall funding for economic opportunity sectors (agriculture, natural resources, and commerce) for the third consecutive year by 2% or more than \$500 million for a total of almost \$23 billion. This is clearly a misguided policy that continues to undermine job creation and economic growth. With the unemployment rate above 11%, and more than 4 in 10 adults living in poverty, such reductions cannot possibly help families achieve success and stimulate the economy. Instead, these cuts are certain to increase household financial hardship, push more people below the poverty line and further deteriorate the economy.

Devastating Cuts to Agriculture Continue

Funding for the agriculture sector was cut by more than 5%, or more than \$1 billion, for a total of more than \$19 billion (this amount includes the total of \$2.5 billion

allocated directly to the regions). Since 2015, the government has cut funds for agriculture each year by a total of more than \$3 billion or more than 14%. Additionally, the government has closed three sugar estates and cut more than 5,000 jobs, mostly low-skilled. These facts merit the question of whether the government is serious about ending poverty, growing the economy and putting families on a path to long-term prosperity.

Investing in agriculture is a poverty reduction policy. The agriculture sector employs 21 percent of the country's workforce.⁹ The majority of workers are low-skilled and are unable to find and keep higher paying jobs in the commercial, services and manufacturing sectors. Thus, the agriculture sector provides a critical safety net and is an employer of last resort for many workers to earn at least a subsistence living, avoid hunger, homelessness, and abject poverty. The macroeconomic consequences of cutting investment to this sector is likely to devastate families, businesses and the economy in the short- and long-term.

Shortage of Public Investment in Business, Commerce and Natural Resources.

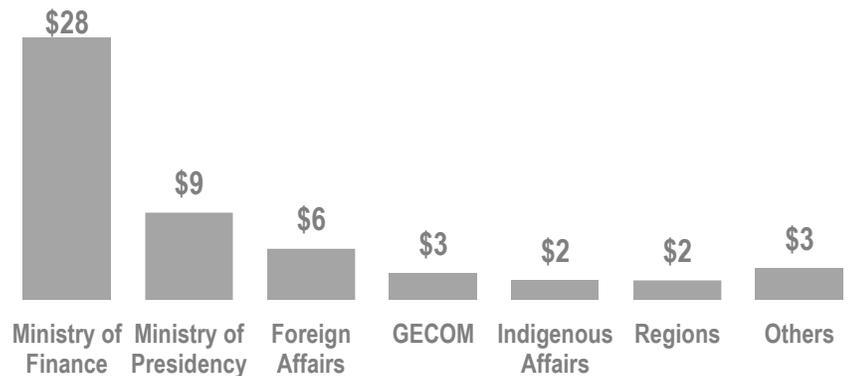
The private sector faces a myriad of challenges that limit growth, investment, job creation, access to markets, creation of new products and services, competitiveness, and high returns. These challenges include costly and unreliable energy, poor and inefficient transport infrastructures, high cost of investment capital, burdensome regulations, and workforce limitations.¹⁰ Despite these constraints, funding for the business, commerce and natural resources sectors remained insignificant at 1% of the national budget even with an average increase of 40% each for the fiscal year 2018. This is a clear policy failure that continues to prove consequential jobs and growth.

General Government



\$54 billion

Sum total differs due to rounding



General Government Services

General government services refer to the collective services of all government agencies, bodies, commissions, and institutions at all levels of government that keep the government and the economy running. Services include business registration processing, tax collections, permitting, foreign relations, and governance. General government services are paid for by taxpayers as part of the total annual budget.

Like other public services such as education and healthcare, the quantity, quality, and efficiency of general government services are important for creating an attractive investment climate and promote economic growth. The gold standard for government services is to provide efficient, high-quality services that full address state needs, at the lowest possible cost. This focus saves taxpayers money that can be reinvested in critical services such as education and healthcare.

Total Cost of Government Balloons

The total cost of keeping the machinery government machinery running ballooned to \$54 billion, representing an increase of more than \$12 billion or 29% over 2017. This is the single largest increase among all service areas and is more than twice the combined increase for all other services – education, health, infrastructure, economic opportunity and public safety. For added perspective, general government services consumed \$12 billion (80%) of the \$15 billion in new revenues.¹¹

Cutting funding for key services to support an oversized and inefficient government bureaucracy is not an economic policy, but an abuse and waste of taxpayers monies. This kind of fiscal policy that led to the economic collapse of the 1980's and the prolonged economic stagnation that accompanied it.¹²

Ministry of Finance

The Ministry of Finance is responsible for preparing the national budget, managing all public finances, monitoring all expenditures by statutory bodies, and more importantly, developing and enforcing fiscal management and accountability standards in the public sector. Properly executed, these functions should promote growth through increased efficiency, productivity, and investments.

Funding for the Ministry accounts for \$28 billion or more than half of the total funding for general government services, representing an increase of 33% or more than \$7 billion over 2017. The public benefits of the specific programs or initiatives receiving new monies are unclear as in previous budgets. There is an ominous need for better enforcement of fiscal management and transparency laws and guidelines. Recent reports by the Auditor General reveal widespread misspending, waste, abuse and mismanagement of public funds across ministries, costing taxpayers billions of dollars.

Ministry of Presidency – The Growing Cost of Governance

Funding for the Ministry of Presidency grew by 64% or almost \$4 billion, for a total of more than \$9 billion in 2018. This is the largest percentage increase and second largest dollar increase of all statutory agencies. From 2015, almost \$7 billion have been diverted to the Ministry from investments targeted for core services such as healthcare.

Of greater concern is that 60% of all funds to the Ministry is allocated for “other charges” – a catch all expenditure. The exact purpose for which these funds are used and their intended public benefits remain unclear. However, such ambiguous accounting often signals corruption and widespread abuse of public resources, including the use of funds for political pet projects and for personal gains.

Public Debt Obligations



\$19 billion

Deficits and Public Debt

A budget deficit occurs whenever the government spends more than it collects in revenues. Deficits add to the total public debt of a country. A deficit is financed by public borrowing either from domestic lenders (domestic debts) or from external lenders (external debts). Alternatively, it can be financed by printing money; however, this can cause high levels of inflation and destabilize the economy.

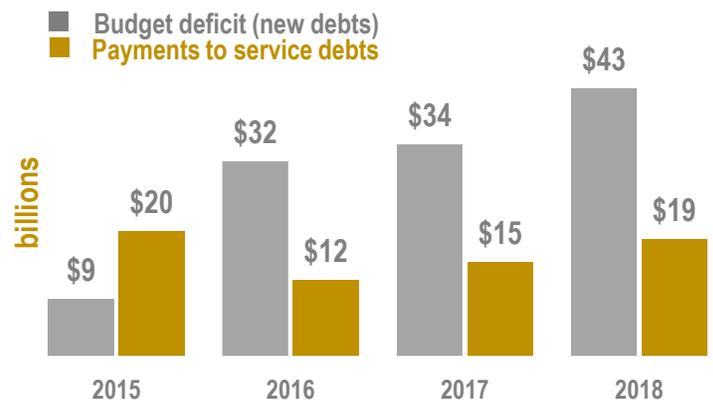
A deficit can be good when the loan is used to pay for capital investments that deliver broad public benefits and pay for themselves in the long-run by spurring higher levels of economic growth, e.g. build roads, seaports, water treatment plants, schools, health centers, and investing in clean energy.¹³

A deficit is bad when the government borrows to pay for recurring expenditures such as salaries, administration overhead, utilities, etc. It is also bad when it borrows to pay for capital expenditures that do not deliver broad public benefits or promote economic growth.

Too much public debt can also hurt the economy by reducing revenues available for public investment in critical services after debt service payments. Thus, the objective is to balance fiscal, monetary and debt policy that delivers high and sustained growth and prosperity.¹⁴

Budget Deficit Exploded After 2015

The budget deficit (share of the budget financed by borrowing) exploded after 2015. In 2015, the deficit totaled \$9 billion, representing 5% of total expenditures. In 2018, the deficit rose to \$43 billion, an increase of almost 400%, and representing 16% of total expenditures. Overall, the



deficit increased by \$34 billion from 2015 to 2018.

Despite increased levels of borrowing and spending, the economy continued to downslide. From 3.3% in 2015, growth fell short of projections for almost every quarter reaching 2.2% in 2017. Taxpayers saddled with increasing national debt, have realized less national economic growth, jobs, and incomes.

Delaying Debt Burden

When an individual or a business borrows money, it must repay the money loaned plus interest. The same is true for the government. In part, the interest is contingent on the length of the repayment period. Early repayment frees up funds that can be leveraged to access new capital for other transformative projects critical to growth and development. It enables the government to respond to unexpected and external shocks to the economy.

Until 2015, the government sought to pay down the public debt; total debt stock fell by \$53 billion from \$371 billion in 2012 to \$318 billion in 2015.¹⁵ Over this period, annual debt repayments exceeded the annual budget deficit. For example, in 2015, the government paid \$20 billion towards public debt and borrowed only \$9 billion.

After 2015, the government borrowed an average of \$21 billion more than it repaid each fiscal year. At the end of 2016, total public debt increased by \$13 billion over 2015 for a total of \$331 billion - roughly 50% of GDP. While delaying repayments would earn some short-term freedom, accumulated interest, higher interest rates and adverse exchange rates increase the total debt burden by potentially-significant proportions.

¹ Government of Guyana. Estimates of the Public Sector 2018. Volume 1.

² Supra note 1.

³ Singh, D and Sekhani, R (2018). [Guyana has one of the Highest Maternal and Child Death Rates in Latin America and the Caribbean, Mostly from Preventable Causes](#). Guyana Budget & Policy Institute. Policy Report.

⁴ Ramphul, Ryan (2018). [Guyana Flirts With a Public Health Crisis: Immunization Rates Fell Despite Record Funding for Health](#). Guyana Budget & Policy Institute. Policy Blog.

⁵ Puentes, Robert (2015). [Why Infrastructure Matters: Rotten Road, Bum Economy](#). The Brookings Institute.

⁶ Singh, D.; Mohan, D. & Agarwal A. (2018). [Guyana: Taxpayers Lost Almost \\$1 billion to Financial Waste and Abuse at the Ministry of Public Infrastructure Over Two Years](#). Policy Report.

⁷ Bakrania, S. with H. Haider (2016). [Safety, Security and Justice](#): Topic Guide. Birmingham, UK: GSDRC, University of Birmingham.

⁸ Based on interviews GBPI conducted with residents and business owners in Regions number 2, 3, 4, 5, and 6 between January 1, 2018 and March 31, 2018 to collect data on the state of the communities, social issues and the outlook of the economy.

⁹ GBPI (2017). [Unbalanced Growth: Guyana's Manufacturing and Agriculture Sectors Declined by 10 Percent Each, Despite Economic Growth of 3.3 Percent in 2016](#). Policy Brief.

¹⁰ Private Sector Commission of Guyana LTD. Private Sector Commission "Action Plan for the Sustainable Development of Guyana". March 2018.

¹¹ Supra note 1.

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¹³ Fred Dews (2016). [Budget Deficits Can Sometimes Be Good, But There Are Dangers](#). The Brookings Institute. Policy Blog.

¹⁴ U.S. House of Representatives, Financial Services Committee. [Why Debt Matters. Jared Bernstein, Center on Budget and Policy Priorities Congressional Testimony](#). March 2014.

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Guyana Budget & Policy Institute

“One of the many ways in which democracies are suffering from weakened legitimacy is how governments raise and spend public resources”

IBP 2018

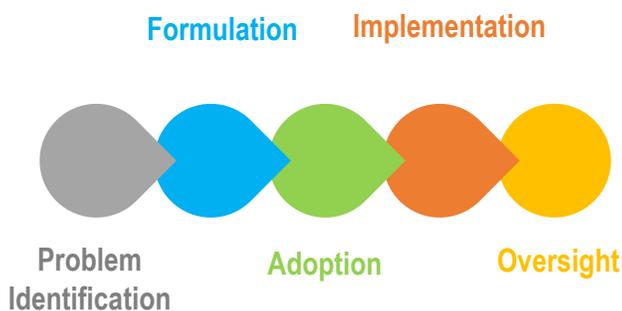
WHO WE ARE

An independent, non-partisan, and not-for-profit research institute that promotes evidence-based budget, tax and economic policies through accurate, timely and easy-to-read policy research and analysis for building a strong and vibrant economy that provides opportunities for all Guyanese. We communicate our findings strategically, making use of messaging that meets people where they are and that non-experts can digest.

OUR VISION

The Institute’s vision is founded on the ideal that Guyana is a country with strong democratic institutions and limitless freedom where people who work hard can build a future, raise a family, run a business, where the state provides adequate social protection for seniors and families struggling to make ends meet, and creates opportunities for everyone to succeed. Further, Guyana must be a model of democratic governance in the Caribbean and Latin American.

The Budget and Policymaking Process



OUR MISSION

Our mission is to

- Promote evidenced-based public policies through rigorous scientific research and analysis to inform policymakers of policies that works;
- Open the budget and policymaking process to greater public participation for increased governmental accountability and stronger democratic institutions; and
- Promote strategic public investment to create modern primary and secondary education systems, bring employment and affordable housing opportunities within the reach of individuals and families, and to create safe, clean and vibrant communities, that sustain a thriving economy.

OUR WORK

We provide timely research and analysis on:

Government budgets to inform policymakers and the general public on the impact of budget and tax decisions on families and the economy.

Economic policies at the national, local and community levels, paying close attention to impacts on economic growth, job creation, household incomes, inflation, public debt, and the environment.

Social policies to determine whether they are meeting the needs of Guyanese in a sustainable, economically sound way and to articulate government action that can improve these policies for better outcomes.

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