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Enabling Environment for Sustainable Enterprises



International
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Enabling Environment for Sustainable Enterprises in Guyana

2017



International
Labour
Office
Geneva

2017

The enabling environment for sustainable enterprises in Guyana

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Foreword

In June 2007, the International Labour Conference (ILC) discussed the Promotion of Sustainable Enterprises. The Conclusions of this discussion reflected an agreement between the ILO's tripartite constituency of governments, employers' and workers' organizations to promote enterprise development that embraces enterprise growth, sustainable development and the creation of productive employment and decent work. The Conclusions called for strong institutions and governance systems which nurture enterprises. Strong and efficient markets need strong and effective institutions. Promoting sustainable enterprises is also about ensuring that human, financial and natural resources are combined equitably and efficiently in order to achieve innovation and enhanced productivity. Seventeen pillars were identified for such a conducive environment. This report analyses how Guyana performs with respect to each pillar, assessing strengths and weaknesses. A national perceptions survey focusing on 9 of the 17 pillars enriched the findings.

The report hopes to stimulate debate and provide an evidence base for policy reforms towards a conducive environment for sustainable enterprises in Guyana. In particular, the report has been used to identify priorities for dialogue, advocacy and public policy work of the social partners. A subsequent action plan will guide the implementation of specific measures. The present report has greatly benefited from inputs from tripartite participants to two national workshops held in April and October 2017, respectively, and from interviews with stakeholders held in April of the same year.

The Consultative Association of Guyanese Industry (CAGI) initiated the request to the ILO for the EESE assessment, and facilitated the process. The assessment was carried out under the technical supervision of Maria Sabrina De Gobbi from the Small and Medium Enterprises Unit of the ILO Head-Quarters in Geneva. In-country technical support and facilitation of the process were provided by Kelvin Sergeant, enterprise specialist, and Vanessa Phala, senior specialist for employers' activities, both from the ILO Port of Spain Office. Special appreciation is due to Ms Saumya Premchander for writing the report and doing the literature review, as well as to Mr Gavin Daley for collecting secondary data and to Project Development Consultancy (PDC) for conducting the perception survey. Mr Farid Hegazy ought to be thanked for his final technical review and Ms Judith van Doorn and Ms Maria Bayter Horta for their comments.



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Contents

Abbreviations and Acronyms	vi
Executive summary	viii
1. Introduction	1
2. Political elements	6
2.1. Peace and political stability	7
2.2. Good governance	9
2.3. Social dialogue	16
2.4. Respect for universal human rights and international labour standards	21
3. Economic elements	24
3.1. Sound and stable macroeconomic policy and good management of the economy	27
3.2. Trade and sustainable economic integration	34
3.3. Enabling legal and regulatory environment	40
3.4. Rule of law and secure property rights	44
3.5. Fair competition	48
3.6. Information and communication technologies	51
3.7. Access to financial services	55
3.8. Physical infrastructure	63
4. Social Elements	65
4.1. Entrepreneurial culture	66
4.2. Education, training and lifelong learning	69
4.3. Social justice and social inclusion	76
4.4. Adequate social protection	80
5. Environmental elements	82
5.1. Responsible stewardship of the environment	83
6. Assessment results and ways forward	92
Bibliography	94

Abbreviations and Acronyms

CAGI	Consultative Association of Guyanese Industry
CARICOM	Caribbean Community
CCAC	Competition and Consumer Affairs Commission
CMFA	Caribbean Microfinance Alliance
DPI	Department of Public Information
EESE	Enabling Environment for Sustainable Enterprises
ERP	Economic Recovery Program
FAO	Food and Agriculture Organization of the United Nations
FITUG	Federation of Independent Trade Unions of Guyana
FDI	Foreign Direct Investment
GC	Global Competitiveness
GDP	Gross Domestic Product
GDS	Green Development Strategy
GNCUL	Guyana National Co-operative Union Limited
GoG	Government of Guyana
GO-Invest	Guyana Office for Investment
GTT	Guyana Telephone and Telegraph Company
GTUC	Guyana Trades Union Congress
GuySuCo	Guyana Sugar Corporation
ICT	Information and Communications Technology
IDB	Inter-American Development Bank
IDI	ICT Development Index
ILC	International Labour Conference
ILO	International Labour Organization
ILS	International Labour Standards
IMF	International Monetary Fund
IPED	Institute of Private Enterprise Development
LCDS	Low Carbon Development Strategy
LFPR	Labour Force Participation Rate
LGBTI	Lesbian, Gay, Bisexual, Transgender and Intersex
MMG	Mobile Money Guyana
MSED	Micro and Small Enterprise Development and Building Alternate Livelihoods for Vulnerable Groups

NDMA	National Data Management Authority
NEW GMC	New Guyana Marketing Corporation
NGO	Non-Governmental Organisation
NIS	National Insurance Scheme
NTC	National Tripartite Committee
OSH	Occupational Safety and Health
PAYE	Pay As Your Earn
PNC	People's National Congress
PPP	People's Progressive Party
PRSP	Poverty Reduction Strategy Paper
PSC	Private Sector Commission
SARU	State Asset Recovery Unit
SBB	Small Business Bureau
SBDFT	Small Business Development Finance Trust
SME	Small and Medium Enterprises
SOCU	Special Organized Crime Unit
SOE	State Owned Enterprises
SWAPS	Single Window Processing System
TVET	Technical Vocational Education and Training
UN	United Nations
UNICEF	United Nations Children's Fund
UNESCO	United Nations Educational, Scientific and Cultural Organization
USAID	United States Agency for International Development
USD	US Dollar
VAT	Value Added Tax
WB	World Bank
WIPO	World Intellectual Property Organization
WTO	World Trade Organization

Executive summary

In June 2007, the International Labour Conference (ILC) discussed the promotion of sustainable enterprises calling for the strengthening of the institutions and governance systems that nurture enterprises. Strong and efficient markets need strong and effective institutions. Promoting sustainable enterprises is about sustainable development where economic, social and environmental outcomes are pursued, and where human, financial and natural resources are combined equitably and efficiently in order to achieve innovation and enhanced productivity.

The assessment described in this report is based on secondary data, a literature review, and interviews with some private companies and technical inputs provided by representatives of tripartite stakeholders. It also takes into account the results of a perceptions survey conducted in Guyana, in July- September 2017.

To further enhance the readability of the report, summaries have been included at the beginning of each chapter (see page 6 for political elements, page 24 for economic elements, page 65 for social elements, and page 82 for environmental elements) with a graphical presentation of the most relevant indicators for the respective chapter comparing Guyana to the neighbouring countries of Belize, Jamaica and Suriname.

Political elements

Guyana is considered part of the Anglophone Caribbean, and has an estimated population of around 750,000. Disputes over territory currently exist with both Suriname and Venezuela. Long-standing competing claims over boundaries re-emerged after a significant oil find in 2015 in the waters off Essequibo, a territory which borders Venezuela and encompasses a significant section of Guyana.

Geographic exclusion is an important aspect of governance and politics in Guyana- the vast majority of the population and economic activities are concentrated around Georgetown and the coastal plain. Amerindians, and others who inhabit regions further from the coast are often the poorest and most isolated citizens, with the least access to good governance, and modern infrastructure.

Social dialogue, and labour administration are primarily the remit of the Ministry of Labour, Human Services and Social Security. While the institutional framework for social dialogue exists in Guyana, the relations between labour and management are often strained, marked by distrust, and frequent dispute.

The Consultative Association of Guyanese Industries Ltd. (CAGI), established in 1962, is the national employers' organization in Guyana. CAGI is specifically tasked with addressing industrial relations, labour policy, and trade union matters for members from shipping, transport, distributive trade, mining, manufacturing, agriculture, timber, building and civil engineering, insurance, banking, public corporations, and other interests. There are two main trade union centres in Guyana- the Guyana Trades Union Congress (GTUC), and the Federation of Independent Trade Unions of Guyana (FITUG). Approximately 22 percent of workers in Guyana are unionized, and there are 18 trade unions operating as of 2017.

Guyana faces many challenges to securing human rights for all its citizens. Some of the most significant obstacles relate to government corruption including among police officials, discrimination against lesbian, gay, bisexual, transgender and intersex (LGBTI) persons, poor prison conditions, and trafficking of people. The law provides for freedom of speech and of the press, which the GoG tends to respect. Independent media are active, and express criticism of the government without restriction, though the threat of civil action has sometimes been used to limit dissent.

Economic elements

Despite the fluctuations in economic growth, and economic policies recent years have shown an improvement in the macroeconomic situation though increasing the competitiveness of Guyanese exports in international markets, and improvements to productivity will be required for the positive momentum to be sustained. The discovery of oil reserves off-shore, which will be exploited from 2020, has the potential to transform the economy.

Macroeconomic policy in independent Guyana was guided by a strategy of cooperative socialism. The collapse of the economy in the late 1980s resulted in the implementation of an International Monetary Fund sponsored Economic Recovery Program (ERP) to restore growth, and normalise relations with foreign creditors. In the period from 1998-2005 the growth rate declined, foreign investment dropped, related in part to political unrest but in recent years the GDP growth rate has revived to stabilise to between 3 and 4 percent. Guyana's GDP is composed in the following fashion by sector of origin: agriculture comprises 20.6 percent, industry comprises 33.1 percent and services make up the remaining 46.3 percent according to 2016 estimates. Agricultural products include sugarcane, rice, edible oils, beef, pork, poultry, shrimp and fish. Industries include bauxite, sugar, rice, milling, timber, textiles and gold mining. The major exports are sugar, gold, bauxite, alumina, rice, shrimp molasses, rum and timber.

The GoG encourages FDI, and offers potential domestic and foreign investors incentives to invest in traditional industries, as well as non-traditional export sectors. Trade policy in Guyana is overseen by the Ministry of Foreign Affairs, and coordinated with CARICOM. The Guyanese economy is dependent on a few key exports, and greater diversification needs to be achieved for sustainable development. The dependence on sugar, rice, gold and bauxite has left the economy tied to the volatility of commodity and agricultural markets. On the import side Guyana is almost completely dependent on imports of fuel oil for electricity generation.

The Ministry of Business is primarily in charge of ensuring the development of an enabling environment for investment and entrepreneurship in Guyana, and there is the recognition of the need to expand manufacturing to promote sustainable development and economic growth. The private sector is fragile, and companies in agriculture and mining have inadequate investment, resulting in a lack of modern techniques and technologies. In addition to formal regulations and procedures the poor quality of governance is an obstacle to doing business in Guyana.

Procedural issues exist with the Guyanese legal system; there are delays to proceedings caused by the lack of trained personnel, and inadequate resources. The courts are often seen as an unattractive option for settling investment or contractual disputes, especially for foreign investors unfamiliar with Guyana. Guyana has a complex and bureaucratic system of property rights. There are overlapping and competing registrations, with Deeds and Land registries, which operate in separate jurisdictions, but still cause some degree of confusion.

CARICOM works with the GoG to increase the capacity of agencies in Guyana on competition law and policy. Successful CARICOM economic integration requires that competition and consumer protection policies be applied. The legislative framework governing ICT is still being developed, but reforms are being implemented by the Ministry of Public Telecommunications, and other agencies to ensure ICT supports the economy in a variety of ways.

The Bank of Guyana, Guyana's central bank which formulates and implements monetary policy, is in the process of formulating a strategy for financial literacy, along with a broad range of stakeholders who will be involved with implementation as well. In 2013 the Micro and Small Enterprise Development and Building Alternative Livelihoods for Vulnerable Groups (MSED) project was launched and under this interest subsidies and credit guarantees are offered to SMEs.

Guyana's most pressing challenges in terms of infrastructure involve power, transport and flood protection. Several road rehabilitation and bridge construction projects have been undertaken in recent years, including efforts to link the hinterland with the coastal area better by expanding the road network. Flood protection infrastructure is crucial, and sea defences need regular maintenance. The advancement of the Green Agenda is closely linked with initiatives in renewable energy from intermittent and non-intermittent sources such as wind, solar, biomass and hydropower.

Social elements

The GoG recognizes the need to provide formal opportunities for capacity building within small businesses, and this has led to the implementation of the Small Business Procurement Programme through the collaboration of the Small Business Bureau and the National Procurement and Tender Administrative Board. The Ministry of Business is largely in charge of the development of an enabling environment for investment and entrepreneurship in Guyana for large scale businesses; it collaborates with the SBB and the NEW GMC to address the needs of small scale entrepreneurs.

Levels of youth unemployment are much higher than adult unemployment. Women are typically more likely to be employed in the informal economy, and while legally they are not denied access to credit, or the other requirements for entrepreneurship, several barriers to participation in the formal economy exist. Overall three factors have had a significant impact on employment and the labour market in Guyana: high emigration rates, sectoral and industrial restructuring, and the mismatch between skills and available jobs. Guyana faces severe human resource challenges, and many individual companies have programs to develop the capacity and skills of the workers specific to their own needs.

Race and ethnic identity are critical issues in Guyana. The indigenous minority remains politically and socially marginalised, though a Ministry of Indigenous Peoples' Affairs exists which is tasked with improving conditions for indigenous communities.

The National Insurance Scheme is the centrepiece of social protection in Guyana. The NIS includes both long-term and short-term benefits, short term benefits include allowances for sickness, maternity benefits, and public assistance for temporary relief due to difficult socio-economic circumstances. Long-term benefits under the NIS include old age benefits as previously mentioned, and invalidity benefits for insured persons permanently rendered incapable of work as the result of an employment injury.

Environmental elements

Guyana is blessed with abundant and unique natural flora and fauna, which require particular care. The government has repeatedly articulated a commitment to maintaining the high forest cover ratio. In 2016 the Green Development Strategy was announced; the plan for greening the economy by transitioning towards renewable and cheaper sources of energy will help lower electricity costs and reduce dependency on imports of hydrocarbons.

About 90 percent of the population of Guyana lives in a small, low-lying coastal area, which also has most of the economic activity, and is vulnerable to natural hazards and climate change. Agricultural production takes place primarily in the coastal regions of Guyana, which are also vulnerable to the impact of climate change and extreme weather patterns. The coastal regions lie below sea-level at high tide, making farming susceptible to floods and salt water intrusion as well as droughts, affecting food security and agricultural livelihoods.

Assessment results and ways forward

The final results of the assessment of the enabling environment for sustainable enterprises in Guyana indicate that there is scope for improving the situation in all of the 17 conditions. However, in order to focus efforts and obtain more tangible impacts, three priority areas were selected:

- Enabling legal and regulatory environment;
- Social Dialogue; and
- Education, training and lifelong learning.

An action plan with measures to improve the situation in those three areas will be finalized and adopted at a dissemination workshop to be held in December 2017, in the presence of high-level policy makers.

1. Introduction

The important role that the private sector plays in social and economic development led the International Labour Conference (ILC) to discuss the concept of sustainable enterprises in June 2007. The promotion of sustainable enterprises ensures that human, financial and natural resources are combined equitably. An environment conducive to the creation and growth of enterprises on a sustainable basis must take into account the three dimensions of sustainable development – economic, social and environmental – as interdependent and mutually reinforcing pillars.

The 2007 ILC adopted conclusions for the promotion of sustainable enterprises and identified 17 conditions for an enabling environment. An environment conducive to the creation and growth of sustainable enterprises combines the legitimate quest for profit with the need for development that respects human dignity, environmental sustainability and decent work. It underscores the principle that sustainable enterprises need sustainable societies and that business tends to thrive where societies thrive and vice versa.

The same conclusions invite the ILO to focus its interventions on practical responses, including tools, methodologies and knowledge sharing, which are relevant to the social partners in their activities. This is why the ILO has developed a methodology to assess the degree to which the 17 conditions for an enabling environment for sustainable enterprises are met in different countries. This report describes the implementation of such an assessment in Guyana and is part of a series of country reports on the same topic. The report covers the political, economic, social, and environmental situation of the enabling business environment in Guyana. The political area comprises four of the 17 conditions, the economic includes eight, the social four, and the environmental dimension consists of one condition.

An assessment of the enabling environment for sustainable enterprises in Guyana meets the existing need in the country to implement policies and strategies for national development. The enabling environment for sustainable enterprises in Guyana was assessed through a careful review of secondary data a literature review, inputs from tripartite stakeholders, and findings from a national perception survey of workers and employers (including owners and managers of companies).

In April 2017 the Consultative Association of Guyanese Industry (CAGI) with the support of the ILO organized a one and a half-day workshop to present the features of an assessment methodology developed by the ILO concerning the enabling environment for sustainable enterprises. Among other things the participants drafted a questionnaire for a perception survey to be carried out in Guyana as part of the assessment. The survey examined the perception of workers and employers with regard to the business environment in Guyana and whether it was enabling or constraining the promotion of sustainable enterprises in the country. A steering committee of tripartite representatives, comprising of the participants of the original workshop, has been formed to work with CAGI to oversee and guide the EESE process in Guyana.

Survey Methodology

For the purposes of the Guyana EESE Survey, the term ‘formal enterprises’ is limited to those enterprises which are registered with the relevant local and national authorities, and which are covered by existing formal arrangements. ‘Informal Enterprises’ are not registered with local or national authorities, and not covered by any formal arrangements.

Over 700 fully completed face-to-face questionnaires were used for data collection. In total 758 survey responses were collected, but not all respondents responded to all questions, so the response rate for questions varies. The respondents included owners, managers and workers drawn from formal and informal, large and small enterprises. The surveys were conducted in seven of Guyana’s ten regions: 4, 6, 3, 5, 2, 10 and 1. More respondents came from region 4 than any other owing to its larger size. The surveyed enterprises belong to the following sectors: agriculture, forestry, fishing, mining, manufacturing and pharmaceuticals. The bauxite, sugar, rice, gold, timber, rum and oil industries are central to the Guyanese economy, and a large number of respondents were drawn from these.

Access to data on businesses in Guyana was a challenge, as baseline data in a number of critical areas is scarce, which posed a challenge to researchers conducting the Guyana EESE Survey. The target groups for this survey were categorized according to sectors, level of formalization of enterprise, and position in the enterprise. Since there is no master list of enterprises in Guyana various digital lists of enterprises in different sectors were gathered through several sources and compiled to form the sampling frame. A two stage cluster sampling technique was used to select the sample of businesses for interviews.

Description of the Sample

Region 4 is the largest, and most populated region, and contains the capital, so this is where most of the respondents come from. Other populous regions are 3, 5, 6, and 10- approximately 10 percent of the respondents came from each of these. 3.5 percent of the respondents came from region 1 while 4.8 percent came from region 2.

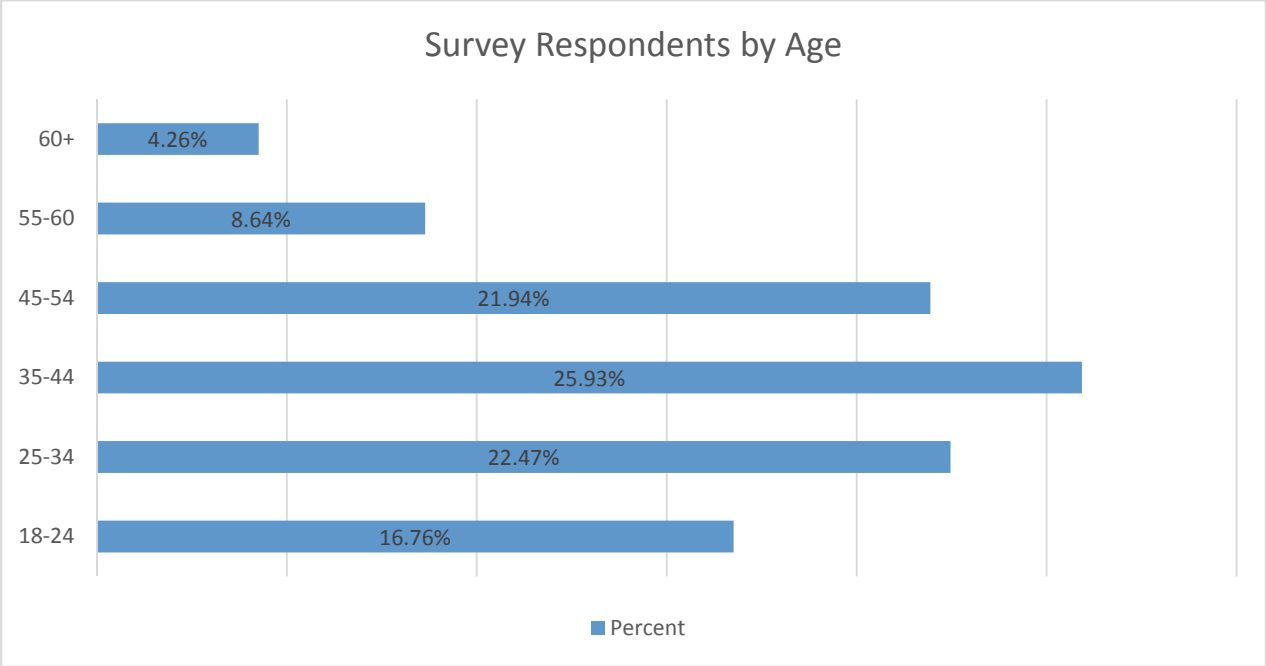
Table 1. Distribution of respondents according to regions

Regions	Numbers	Percentages
1	26	3.43%
2	30	3.95%
3	80	10.55%
4	386	50.92%
5	75	9.89%
6	92	12.13%
10	69	9.10%
Total	758	

Source: Guyana EESE Survey

The age distribution of the respondents is given in Table 2. The age group with the highest frequency and percentage representation in the sample is 35-44 years. Ages 18-24, 25-34, and 45-54 were also adequately represented while those in the 55-60, and the above 60 years of age range had lower percentages. The modal age group of the interviewees is 35-44 years. This age group made up 255 of the sample of 758. Closely behind were the 25-34 age groups and the 45 -54 age groups. Together these three age groups made up 70 percent of the sample. The 18-24 age group had a relatively high representation in the sample. It is important to note is that youths between the ages 18-34 made up a combined 39 percent of the sample. This shows that youth are relatively well represented in the sample.

Chart 1: Distribution of respondents according to age



Source: Guyana EESE Survey

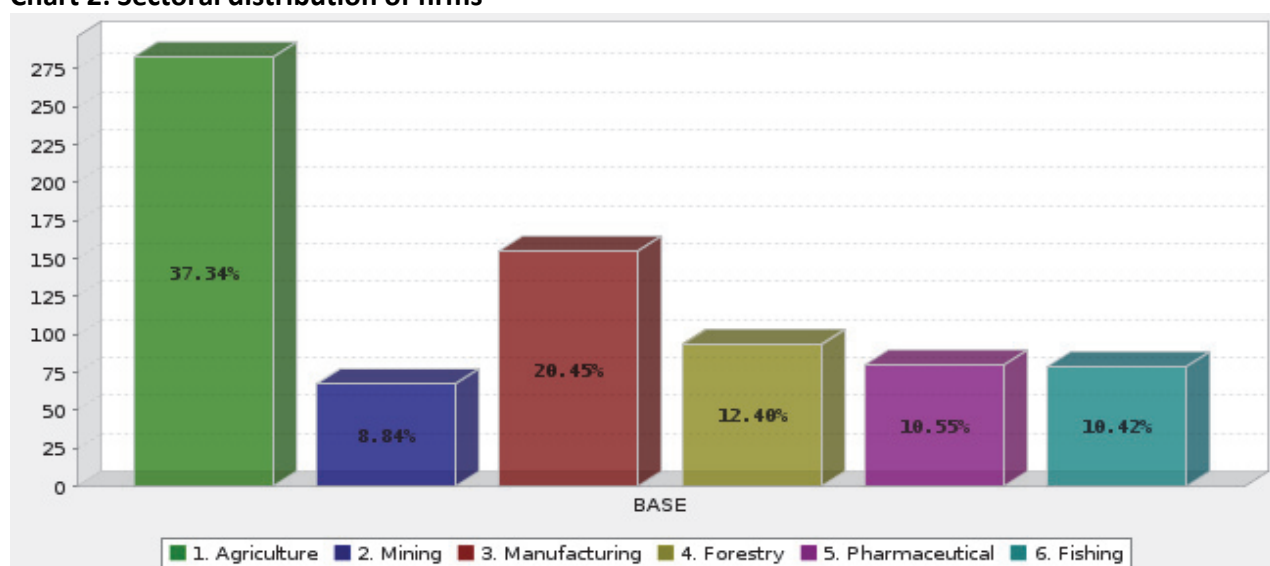
With regard to gender 52.36 percent of the sample were female while 47.64 percent were male. As to the relationship of the respondents to the businesses 43.01 percent were owners, 36.54 percent were workers, and 20.32 percent were managers.

Table 2: Relationship of respondents to the firms

	Relationship to firm	Count	Percent
1.	Owner	326	43.01%
2.	Manager	154	20.32%
3.	Worker	277	36.54%
4.	Other	1	0.13%
	Total	758	100%

Source: Guyana EESE Survey

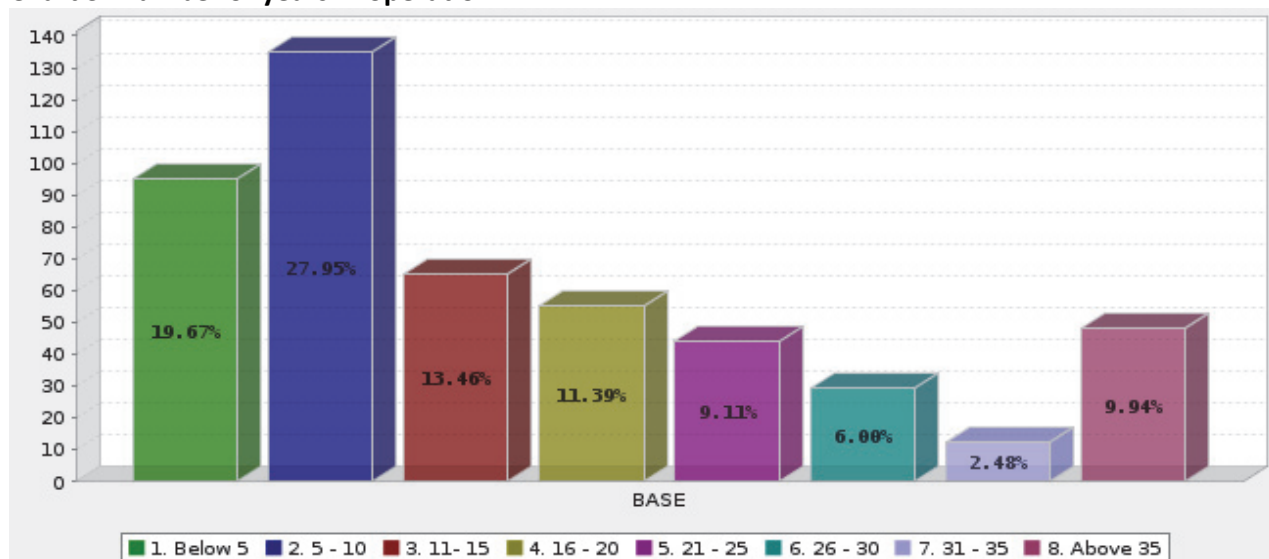
The businesses interviewed were involved in activities under the following six sectors: agriculture, fishing, forestry, manufacturing, mining and pharmaceuticals. The majority of respondents came from businesses in the agriculture sector. This sector represents 37.34 percent of the sample. This is followed by the manufacturing sector with 20.45 percent and the forestry sector with 12.40 percent. The pharmaceutical, fishing and mining sectors are 10.55 percent, 10.42 percent and 8.84 percent respectively.

Chart 2: Sectoral distribution of firms

Source: Guyana EESE Survey

The majority of businesses were in operation from under 5 years up to 20 years. Cumulatively, over 70 percent of the businesses were in operation within that range of years, while a cumulative 27.53 percent were in operation for over 20 years.

Chart 3: Number of years in operation

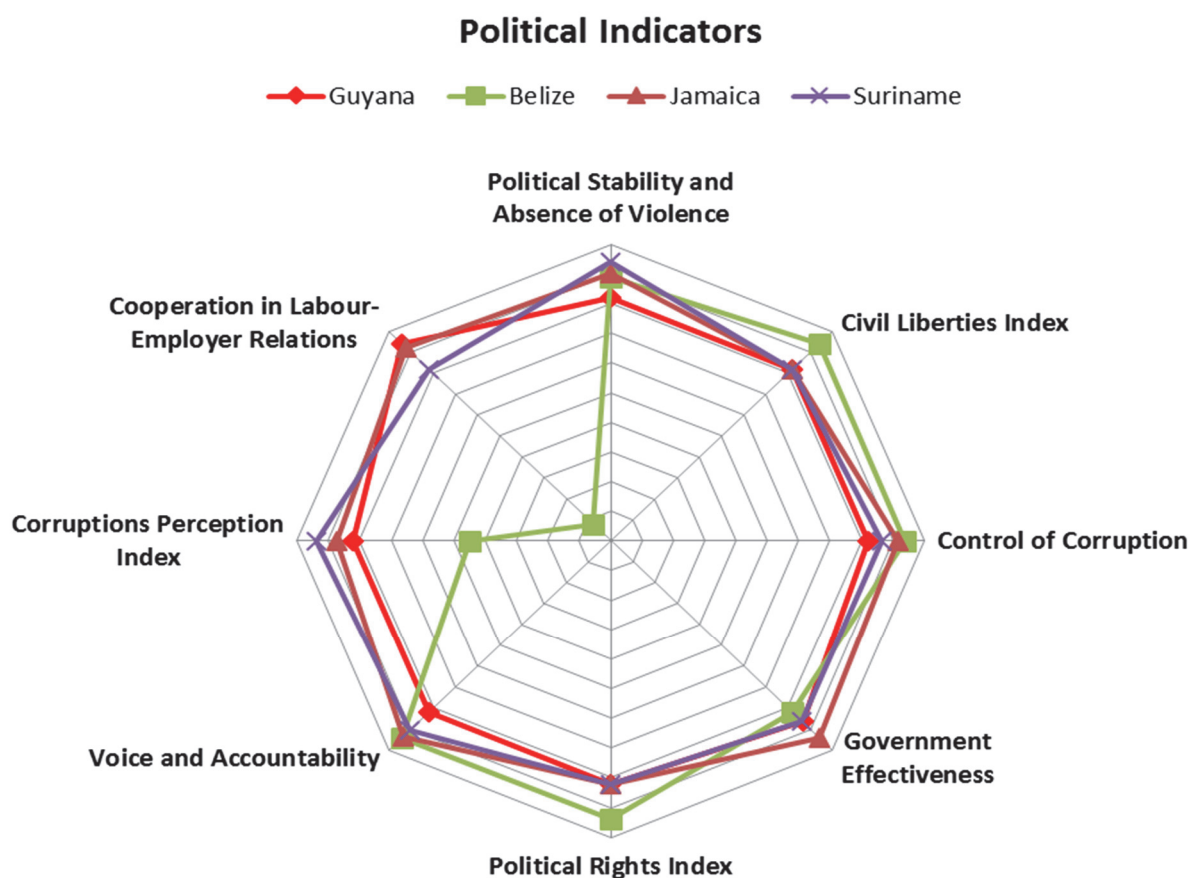


Source: Guyana EESE Survey

The assessment described in the present report has certain shortcomings, which should be kept in mind. Secondary data is not available for some indicators, or if available only for a few years. For instance there is no recent data available on new business density, which indicates the number of newly registered, and limited liability companies per 1000 working age people (15 to 64 years old) in a given year.

Primary data also presents some limitations. As with any perception survey, caution is needed in drawing general conclusions, since some questions may have been interpreted in different ways, and key notions used in questions may have been given alternative meanings by respondents. Questions that required participants to state their opinion on the political environment may not have been answered completely; in some cases, respondents displayed a reluctance to fully share their beliefs.

2. Political elements



Note: the values for the individual indicators have been harmonized for better presentation and formatted so that the further from the centre a data point is, the better the country's performance in that regard. The original indicator values are included in the chapters.

- Guyana gained independence from Britain in 1966, is considered part of the Anglophone Caribbean, and has an estimated population of around 750,000.
- In 2015 a coalition government was elected, with a multi-ethnic composition, and mandate for reform, to move away from single-party domination and towards greater accountability of government institutions.
- Geographic exclusion is an important aspect of governance and politics in Guyana.
- Despite committing to fighting corruption, both petty and grand forms continue to be endemic to political and administrative systems.
- The institutional framework for social dialogue exists in Guyana but the relations between labour and management are often strained.
- The law provides for freedom of speech and of the press, which the GoG tends to respect.

2.1. Peace and political stability

Peace and political stability are key conditions for the creation and development of sustainable enterprises. Officially titled the Co-operative Republic of Guyana, and henceforth referred to as Guyana, the country gained independence from Britain in 1966. The area was inhabited by semi-nomadic Amerindian tribes, colonised by the Dutch in the 17th century, and came under British control in 1814. Over time the country came to have significant African, Indian, Portuguese, Chinese and Javanese peoples in addition to the dwindling indigenous population, and the small governing European interests.

Guyana is considered part of the Anglophone Caribbean, and has an estimated population of around 750,000¹. It borders Venezuela, Suriname and Brazil, and has a total area of 214,969 square kilometres, of which 196,849 square kilometres are land². Disputes over territory currently exist with both Suriname and Venezuela. Long-standing competing claims over boundaries re-emerged after a significant oil find in 2015 in the waters off Essequibo, a territory which borders Venezuela and encompasses a significant section of Guyana³. Mediation efforts involving the governments of Guyana, Venezuela, and the United Nations, are underway⁴.

Guyana has a “parliamentary-style democracy with a constitution, National Assembly, multiparty system, elections, a president chosen by the majority party, a minority leader and a judicial system based on common law”⁵. The president exercises executive authority and control of the government through the cabinet, which is made up of government ministers that are presidential appointees and members of the National Assembly. There is a need for constitutional reform to provide for a more inclusionary democracy, equal rights for all Guyanese, and the protection of the most vulnerable in society⁶. The lack of bipartisan cooperation at the level of Parliament inhibits the passing of vital legislation and will affect the implementation of the core values of a sustained micro and macro environment⁷.

Elections which were generally recognized as free and fair were first held in 1992, resulting in a victory for the People’s Progressive Party (PPP), primarily supported by the Indo-Guyanese section of the electorate. In 2015 a coalition government was elected after 23 years of rule by the PPP, with a multi-ethnic composition, and mandate for reform, to move away from single-party domination and towards greater accountability of government institutions⁸. David Granger, the President since 2015, is a retired army general, who has promised to mend racial rifts in the country⁹.

Despite the implementation of economic reforms, and stabilisation of the economy, Guyana passed through a period of extremely high inflation in the 1990s, and has seen a slowing GDP growth rate¹⁰. The prolonged period of economic difficulties, and the requirements of structural adjustments

¹ BBC, 23 May 2017; and CIA World Factbook September 2017.

² CIA World Factbook, September 2017.

³ Jamaica Observer, 27 February 2017.

⁴ United Nations, 16 December 2016.

⁵ U.S. Department of the Army, 1992. « Government and Politics ».

⁶ Tripartite technical workshop, October 2017.

⁷ Tripartite technical workshop, October 2017.

⁸ USAID, March 2016.

⁹ BBC, 23 May 2017.

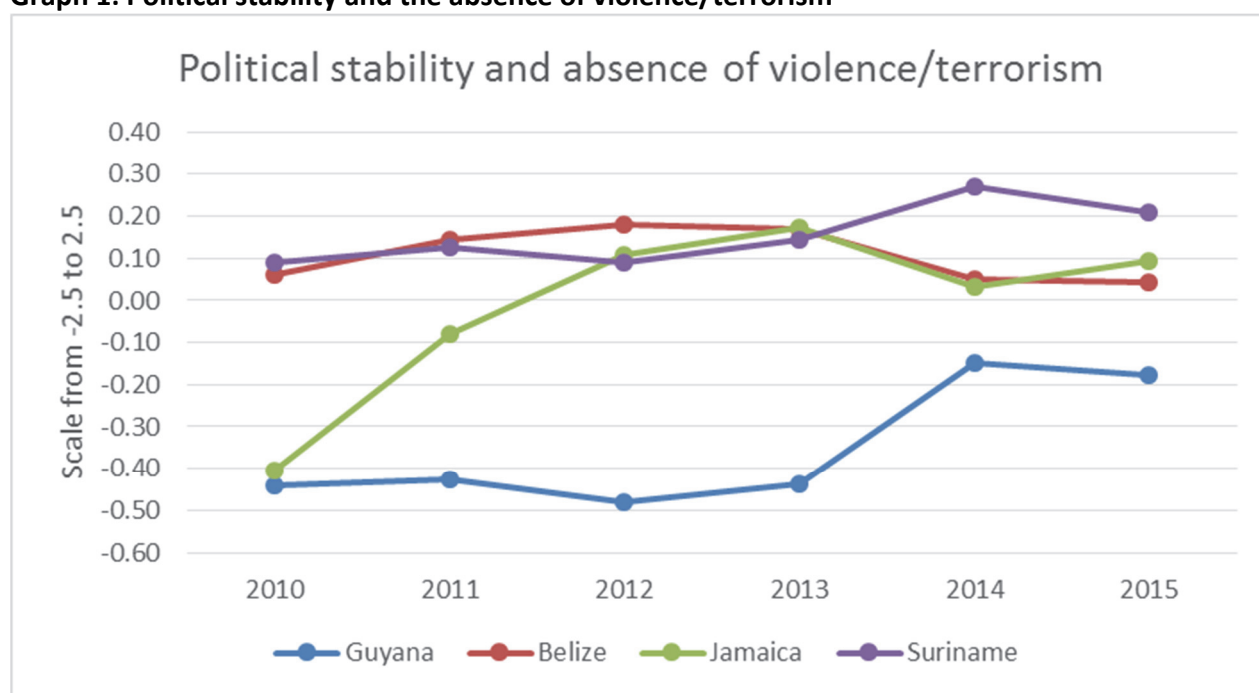
¹⁰ The Commonwealth, 2017. « Guyana: Economy ».

to the economy, have resulted in a deterioration of public services, infrastructure deficits, and challenges to the growth of the formal economy. Guyana's economy is largely based on agriculture: sugar and rice, and the mining of bauxite and gold. Discoveries of oil off the coast of Guyana in 2015-2016 mean that the country is likely to generate significant revenues from petroleum generation starting in 2020.

The Minister of Natural Resources has stated that the Government of Guyana (GoG) will table new legislation to regulate the emerging oil and gas industry, with a new state-owned Sovereign Wealth Fund to reinvest oil and gas revenues, and a new regulatory Petroleum Commission, as the centrepieces of the proposal legal and institutional framework¹¹. These are meant to ensure that oil revenues will lead to job creation across Guyana, and investments in public services and infrastructure.

The index on "Political Stability and Absence of Violence" assesses countries' political stability on a scale from -2.5 to 2.5 where higher values correspond to higher levels of political stability. Among the four countries used in this report for comparison, Guyana has shown the lowest levels of political stability and absence of violence over the years, though in 2010 Guyana and Jamaica were at similar levels. Over time Suriname recorded the most stability with an indicator of 0.21 in 2015; in the same year Guyana was at -0.18, Belize at 0.04 and Jamaica at 0.09.

Graph 1: Political stability and the absence of violence/terrorism



Source: The World Bank Databank, Worldwide Governance Indicators

¹¹ The Commonwealth, 2 May 2017.

Table 1 Key indicators for Political Stability and Absence of Violence, selected countries, 2010-2015

Key Indicators							
Political Stability and Absence of Violence/Terrorism Capturing perceptions of the likelihood of political instability and/or politically-motivated violence including terrorism <u>Source:</u> The World Bank Databank, Worldwide Governance Indicators ¹²	2010	2011	2012	2013	2014	2015	
	Guyana	-0.44	-0.43	-0.48	-0.44	-0.15	-0.18
	Belize	0.06	0.15	0.18	0.17	0.05	0.04
	Jamaica	-0.41	-0.08	0.11	0.17	0.03	0.09
	Suriname	0.09	0.13	0.09	0.14	0.27	0.21
Estimate of governance measured on a scale from approximately -2.5 to 2.5. Higher values correspond to better governance.							

2.2. Good governance

Good governance, the absence of corruption, and efficient institutions foster entrepreneurship and promote private sector growth and development. In general, Guyana does not perform well when it comes to indicators of good governance. Economic challenges, as well as the lack of a well-functioning polity have threatened long-term growth. Despite committing to fighting corruption, both petty and grand forms continue to be endemic to political and administrative systems in the country, their continuing existence driven by “economic hardship, institutional weaknesses, criminal justice inefficiencies, and racial fractures in society”¹³. Legal institutions are lacking, and the judiciary struggles to function as an effective check on the executive and legislative branches¹⁴.

Guyana faces security challenges to the geographical location- being a transit point for cocaine being produced in South America, bound for Europe and the USA. Allegedly corruption linked to the drug trade affects high-level state officials¹⁵. Homicide rates are high, and gang violence persists¹⁶. The complications in the security situation are compounded by the divides between Indo-Guyanese and Afro-Guyanese, leading to allegations about unfair victimisation by the police, and tampering with the judiciary. Gangs in major cities have ties to political parties, and can be paramilitary in nature, organised along the strong ethnic divisions in the country¹⁷. These have been used for political intimidation. Police violence, abuse of detainees, and overcrowded poorly managed prisons remain concerns¹⁸.

¹² <http://info.worldbank.org/governance/wgi/index.aspx#home>

¹³ Transparency International, 26 February 2010.

¹⁴ ISSAT, 2015.

¹⁵ Freedom House, 2016.

¹⁶ ISSAT, 2015.

¹⁷ ISSAT, 2015.

¹⁸ Freedom House, 2016.

In addition to the security services the civil services were politicised in the early years of independence¹⁹, which is an impediment to good governance, and adds to the problem of corruption. The PPP government, which lost elections in 2015, was widely criticised for having failed to address pervasive corruption, and the unity coalition which replaced them undertook a number of actions to expose and control corruption at various levels in the country. A law to combat money laundering was passed, and an agency, the Special Organized Crime Unit (SOCU) was established to investigate graft, particularly by members of the previous government²⁰. In 2015 a State Asset Recovery Unit (SARU) was established, to audit state-owned enterprises (SOEs)²¹.

Guyana has legislation in place to counter corruption, including the Integrity Commission Act of 1997, and the 2001 Access to Information Act which enables citizens to hold public officials accountable²². Though a 1997 Act requires public officials to disclose their assets to the Integrity Commission prior to assuming office the Commission has not been constituted, and is inoperative²³. The Procurement Act of 2003 addresses transparency and accountability throughout government procurement processes, and addresses the establishment of an oversight body²⁴. A State Asset Recovery Bill is under debate in the National Assembly, which if passed would lead to the establishment of the State Assets Recovery Authority²⁵.

Prosecutors are appointed to work in collaboration with the Director of Public Prosecutor's Office to help the government secure convictions in high profile cases²⁶. The constitution provides for an ombudsman who is meant to investigate and recommend his findings to the Parliament, which may act upon those recommendations; the official is appointed by the President, bringing into question the independence of the post²⁷. In 2012 Transparency International expressed their concern at the appointment of the audit director within the office of the auditor general indicating serious conflicts of interest that would adversely impact the credibility of the office²⁸. In 2016 Guyana ranked 108 out of 176 countries on Transparency International's Corruption Perceptions Index²⁹. The 2015-2016 Global Competitiveness Report of the World Economic Forum identified inefficient government bureaucracy as the largest impediment to doing business in Guyana, followed by corruption³⁰.

Geographic exclusion is an important aspect of governance and politics in Guyana- the vast majority of the population and economic activities are concentrated around Georgetown and the coastal plain. Amerindians, and others who inhabit regions further from the coast are often the poorest and most isolated citizens, with the least access to good governance, and modern infrastructure³¹. The high degree of centralisation of the state has resulted in a low percentage of resources being directed at public good, while institutions promoting service delivery an accountability are extremely weak³². Political dynamics at the local and regional levels tend to show less polarisation, with officials working

¹⁹ U.S. Department of the Army, 1992 « Civil Service ».

²⁰ Freedom House, 2016.

²¹ Freedom House, 2016.

²² DPI, 8 February 2017.

²³ U.S. Department of State, June 2017.

²⁴ U.S. Department of State, June 2017.

²⁵ DPI, 8 February 2017.

²⁶ DPI, 8 February 2017.

²⁷ ISSAT, 2015.

²⁸ Transparency International, 27 June 2012.

²⁹ Transparency International, 25 September 2017.

³⁰ U.S. Department of State, June 2017.

³¹ USAID, 20 May 2002.

³² USAID, March 2016.

across party lines³³. Dissatisfaction with government effectiveness is persistent at the national and regional levels, driven by deficiencies in service delivery including garbage collection, road and drainage maintenance, health, education, security and so on³⁴.

Stakeholders at a tripartite technical workshop held in Georgetown in October 2017 confirmed that Guyana must expedite the decentralization of governance services specifically to rural areas. This will necessitate reform in the local government electoral system to avoid the winner takes all approach that prevails in local communities. Local democratic organs (municipal and town councils, village offices and regional offices) are left susceptible to political influence based on the number of elected political representatives one party may have as compared to another party.

NGOs are generally allowed to operate without intimidation, and are active in raising critical issues but their effectiveness depends on the responsiveness of key government actors and institutions³⁵. Civil society actors can be found in urban, rural and remote areas engaging on different issues including religious, cultural, environmental indigenous, gender, social justice, sexual orientation, governance and others³⁶. Guyanese newspapers and other media are free to criticise the government, though journalists can sometimes play a limited role in demanding accountability, as they are apt to exercise self-censorship³⁷. The government operates radio services, a TV channel and a daily newspaper; other newspapers, radio stations and private TV stations also operate freely. In the past the filing of civil defamation suits have been used to stifle media criticism³⁸.

When asked if they thought bribery and corruption affected business in Guyana 41.6 percent of the respondents of the Guyana EESE Survey said they did, strongly, while 34.7 percent said very strongly. 10.69 percent thought this was the case to a limited extent, 5.67 percent thought not at all, and 5.15 percent said they did not know, with only 2.64 percent saying bribery and corruption affected businesses in Guyana hardly at all. The figures were very similar for registered and unregistered businesses.

The Guyana EESE Survey respondents were asked how committed they believed the GoG was to fighting corruption and 36.28 percent, the largest proportion, said they thought partially committed. 19.66 percent thought the GoG was not at all committed to fighting corruption, while 15.83 percent thought it rarely committed, and 16.49 percent thought it very committed. 11.74 percent said they did not know.

³³ USAID, March 2016.

³⁴ USAID, March 2016.

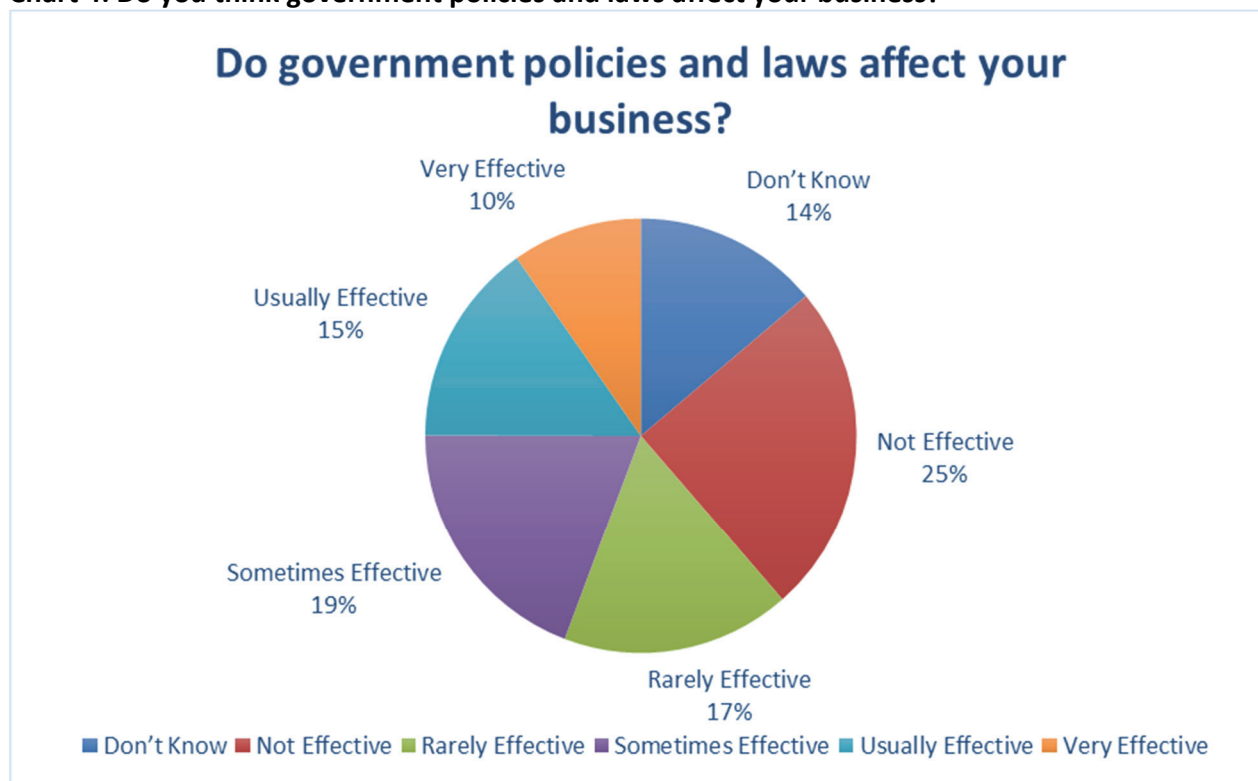
³⁵ USAID, March 2016.

³⁶ USAID, March 2016.

³⁷ BBC, 18 March 2016.

³⁸ Freedom House (Freedom of the Press), 2016.

Chart 4: Do you think government policies and laws affect your business?

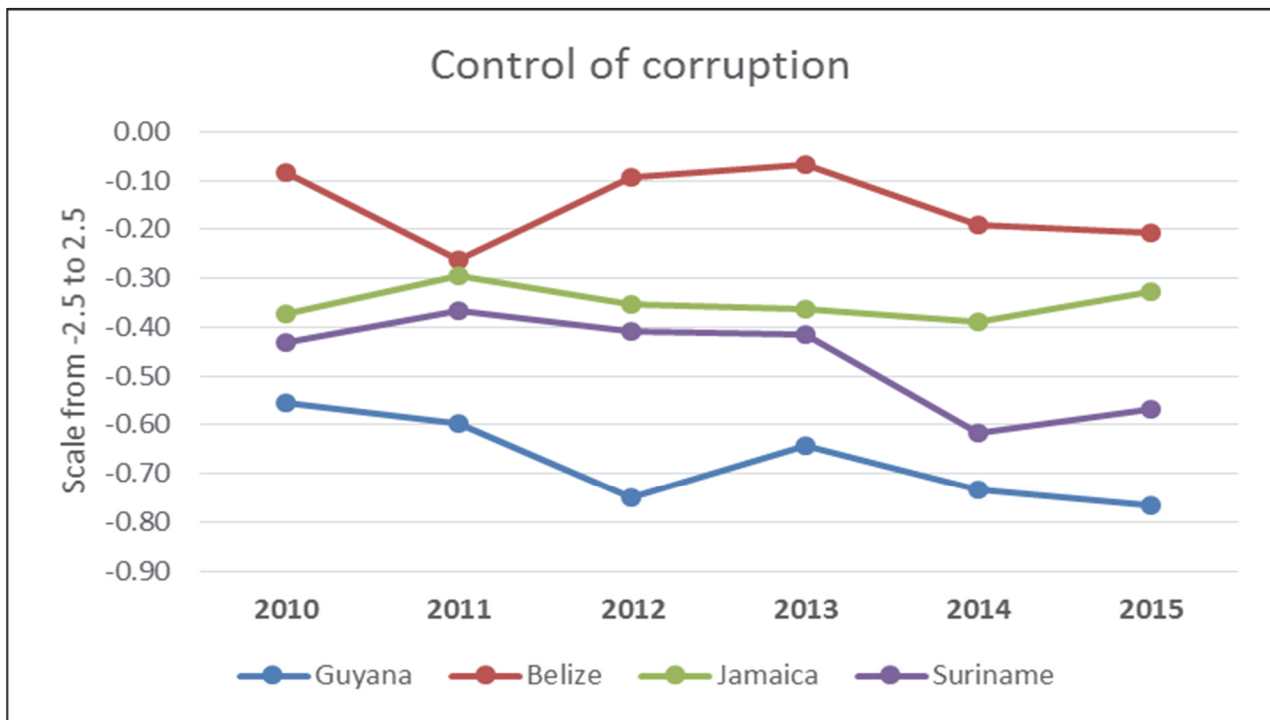


Source: Guyana EESE Survey

When asked about the effect of government policies and laws on businesses, a higher percentage think that government policies and laws have no effect on their businesses. 24.73 percent of the respondents surveyed thought the policies were not effective, while 19.31 percent thought that they were sometimes effective. 17.14 percent of respondents thought government policies were rarely effective, while 15.18 percent thought they were usually effective, and 13.88 percent said they did not know.

When asked to what extent organizations gave back to society 59 percent of Guyana EESE Survey respondents thought they gave back to some degree, while approximately 36 percent thought that their organization did not usually give back.

Graph 2: Control of corruption

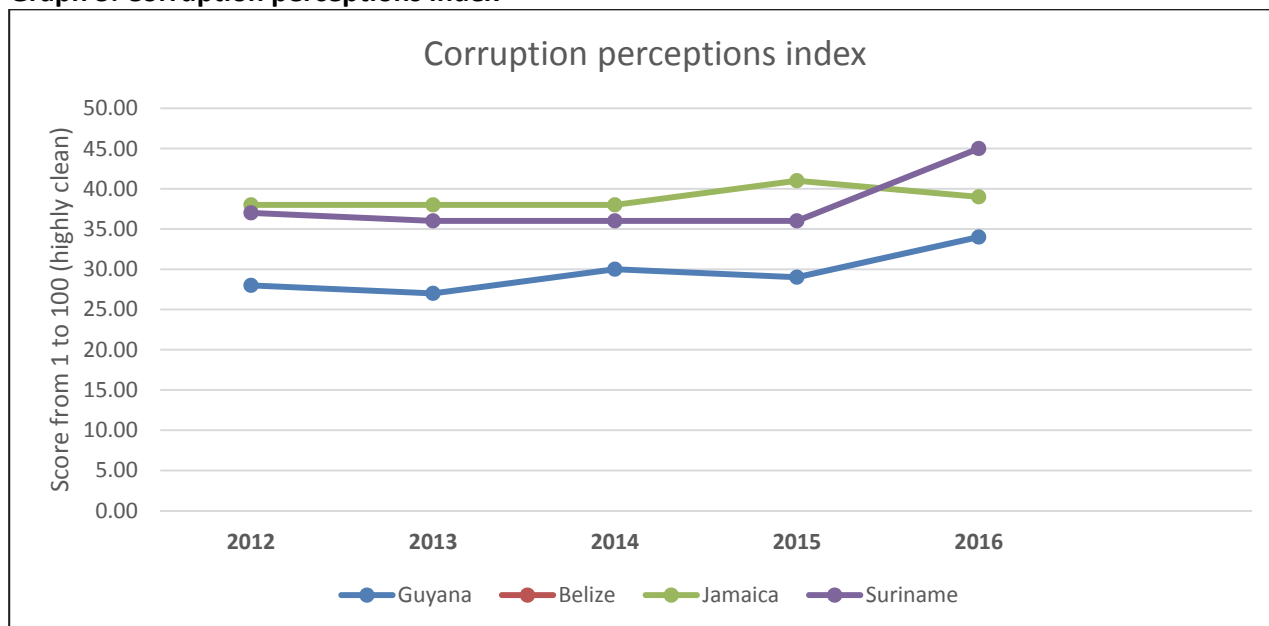


Source: The World Bank Databank, Worldwide Governance Indicators

“Control of Corruption” measures the extent to which public power is exercised for private gain and the extent to which the state is captured by elites and private interests. This indicator is measured on a scale from -2.5 to 2.5, where higher values reflect better governance. Guyana scores poorly on this indicator, and has the lowest values in comparison to Belize, Jamaica and Suriname, having gone from -0.55 in 2010 to -0.77 in 2015. The values for the last two years are not available, and it is possible they may have improved under the new government. Belize performs best overall, with -0.21 in 2015, while Jamaica was at -0.33 and Suriname at -0.57 in the same year.

Guyana scores fairly low on the “Corruption Perceptions Index” (CPI), with some improvement in values over the last four years. On a scale from 0 (“highly corrupt”) to 100 (“highly clean”), Guyana was at 34 in 2016, having improved from 28 in 2012. In 2016 Suriname performed best with an index of 45, Jamaica was at 39, and a value was not recorded for Belize.

Graph 3: Corruption perceptions index



Source: Transparency International

“Government Effectiveness” measures the quality of public services, the capacity of the civil service and its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the Government’s commitment to such policies. In a range of values from -2.5 to 2.5 with higher values indicating better performance, Guyana’s estimated government effectiveness gradually declined from -0.17 in 2009 to -0.34 in 2015. In the same period Jamaica went from 0.21 to 0.25 in 2015, with the highest values of the comparison countries. Belize was at -0.70 in 2015, while Suriname was at -0.36, both countries having declining values over the period from 2009-2015.

“Voice and Accountability” measures the extent to which citizens participate in selecting their government, as well as freedom of expression, freedom of association and a free media on a scale from -2.5 to 2.5 with higher values indicating better governance. Guyana scored most poorly of all four countries on this indicator, though it did improve, going from 0.09 in 2009 to 0.22 in 2015. Belize performed best, at 0.56 in 2015, with Jamaica at 0.55 and Suriname at 0.45.

Table 2 Key good governance indicators, selected countries, 2010-2016

Key Indicators																																				
Control of Corruption The extent to which public power is exercised for private gain, including both petty and grand forms of corruption, as well as “capture” of the state by elites and private interests. <u>Source:</u> The World Bank Databank, Worldwide Governance Indicators ³⁹	<table><thead><tr><th></th><th>2010</th><th>2011</th><th>2012</th><th>2013</th><th>2014</th><th>2015</th></tr></thead><tbody><tr><td>Guyana</td><td>-0.55</td><td>-0.60</td><td>-0.75</td><td>-0.64</td><td>-0.73</td><td>-0.77</td></tr><tr><td>Belize</td><td>-0.09</td><td>-0.26</td><td>-0.10</td><td>-0.07</td><td>-0.19</td><td>-0.21</td></tr><tr><td>Jamaica</td><td>-0.37</td><td>-0.29</td><td>-0.35</td><td>-0.36</td><td>-0.39</td><td>-0.33</td></tr><tr><td>Suriname</td><td>-0.43</td><td>-0.37</td><td>-0.41</td><td>-0.41</td><td>-0.62</td><td>-0.57</td></tr></tbody></table> <p>Estimate of governance measured on a scale from approximately -2.5 to 2.5. Higher values correspond to better governance.</p>		2010	2011	2012	2013	2014	2015	Guyana	-0.55	-0.60	-0.75	-0.64	-0.73	-0.77	Belize	-0.09	-0.26	-0.10	-0.07	-0.19	-0.21	Jamaica	-0.37	-0.29	-0.35	-0.36	-0.39	-0.33	Suriname	-0.43	-0.37	-0.41	-0.41	-0.62	-0.57
	2010	2011	2012	2013	2014	2015																														
Guyana	-0.55	-0.60	-0.75	-0.64	-0.73	-0.77																														
Belize	-0.09	-0.26	-0.10	-0.07	-0.19	-0.21																														
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Suriname	-0.43	-0.37	-0.41	-0.41	-0.62	-0.57																														
Corruption Perceptions Index (CPI) The Transparency International CPI measures the perceived levels of public-sector corruption as seen by business people and country analysts in a given country and is a composite index, drawing on different expert and business surveys. 0 is highly corrupt while 100 is highly clean. <u>Source:</u> Transparency International ⁴⁰	<table><thead><tr><th></th><th>2012</th><th>2013</th><th>2014</th><th>2015</th><th>2016</th></tr></thead><tbody><tr><td>Guyana</td><td>28.0</td><td>27.0</td><td>30.0</td><td>29.0</td><td>34.0</td></tr><tr><td>Belize</td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>Jamaica</td><td>38</td><td>38</td><td>38.0</td><td>41</td><td>39</td></tr><tr><td>Suriname</td><td>37</td><td>36</td><td>36.0</td><td>36.0</td><td>45</td></tr></tbody></table> <p>*In 2012, Transparency International changed the CPI scale from 0-10 to 0-100. In the interest of comparison, the numbers reflected here for 2012 are thus altered, where the original score given is divided by 10.</p>		2012	2013	2014	2015	2016	Guyana	28.0	27.0	30.0	29.0	34.0	Belize						Jamaica	38	38	38.0	41	39	Suriname	37	36	36.0	36.0	45					
	2012	2013	2014	2015	2016																															
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Voice and Accountability The extent to which a country’s citizens are able to participate in selecting their government, as well as freedom of expression, freedom of association, and a free media. <u>Source:</u> The World Bank Databank, Worldwide Governance Indicators ⁴²	<table><thead><tr><th></th><th>2010</th><th>2011</th><th>2012</th><th>2013</th><th>2014</th><th>2015</th></tr></thead><tbody><tr><td>Guyana</td><td>0.05</td><td>0.01</td><td>-0.01</td><td>0.00</td><td>0.16</td><td>0.22</td></tr><tr><td>Belize</td><td>0.68</td><td>0.68</td><td>0.68</td><td>0.69</td><td>0.54</td><td>0.56</td></tr><tr><td>Jamaica</td><td>0.42</td><td>0.43</td><td>0.45</td><td>0.51</td><td>0.53</td><td>0.55</td></tr><tr><td>Suriname</td><td>0.33</td><td>0.33</td><td>0.30</td><td>0.31</td><td>0.49</td><td>0.45</td></tr></tbody></table> <p>Estimate of governance measured on a scale from approximately -2.5 to 2.5. Higher values correspond to better governance.</p>		2010	2011	2012	2013	2014	2015	Guyana	0.05	0.01	-0.01	0.00	0.16	0.22	Belize	0.68	0.68	0.68	0.69	0.54	0.56	Jamaica	0.42	0.43	0.45	0.51	0.53	0.55	Suriname	0.33	0.33	0.30	0.31	0.49	0.45
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³⁹ <http://databank.worldbank.org/data/views/variableselection/selectvariables.aspx?source=worldwide-governance-indicators>

⁴⁰ <http://www.transparency.org/>

⁴¹ <http://databank.worldbank.org/data/views/variableselection/selectvariables.aspx?source=worldwide-governance-indicators>

⁴² <http://databank.worldbank.org/data/views/variableselection/selectvariables.aspx?source=worldwide-governance-indicators>

2.3. Social dialogue

Social dialogue with the freedom of association and the right to collective bargaining is fundamental for the achievement of effective, equitable and mutually beneficial outcomes for ILO constituents and society at large. Guyana has ratified the main ILO instruments relevant to social dialogue and workers' and employers' representation. These include: the Freedom of Association and Protection of the Right to Organise and Convention, 1948 (No. 87), the Right to Organise and Collective Bargaining and Convention, 1949 (No. 98), and the Tripartite Consultation (International Labour Standards) Convention, 1976 (No. 144).

The system of industrial relations in Guyana today is informed by national legislation, historical patterns, international labour standards and the regional policies of CARICOM⁴³. The constitution of Guyana enshrines six principles for the industrial relations system: entitling trade unions to participate in the management and decision-making processes of the State; recognizing the labour of people are the source of social wealth; guaranteeing the right to work; acknowledging the right of every citizen to rest, recreation and leisure; providing for the right to equality of opportunity; and imposing a duty on the State to protect the rights of citizens resident abroad⁴⁴.

Social dialogue, and labour administration are primarily the remit of the Ministry of Labour, Human Services and Social Security. While the institutional framework for social dialogue exists in Guyana the relations between labour and management are often strained, marked by distrust, and frequent dispute⁴⁵. The industrial relations climate requires transformation. The politicization of trade unions has left workers at peril and improperly represented⁴⁶. There is mistrust between unions and the workers they represent as union leaders are frequent attendees at political party events and are political appointees to vital public offices⁴⁷. Such a political climate remains a fundamental challenge to enabling an environment for sustainable enterprises⁴⁸.

The Consultative Association of Guyanese Industries Ltd. (CAGI), established in 1962, is the national employers' organization in Guyana. CAGI, according to their website, had 62 members in 2012⁴⁹ with about 50 from the private sector including large and small employers⁵⁰. CAGI is specifically tasked with addressing industrial relations, labour policy, and trade union matters for members from shipping, transport, distributive trade, mining, manufacturing, agriculture, timber, building and civil engineering, insurance, banking, public corporations, and other interests⁵¹. CAGI is a member of the Private Sector Commission of Guyana (PSC), which is a consolidated commission, established in 1992, to bring together all private sector organs and business entities under the purview of one national body⁵².

In 1993 the National Tripartite Committee (NTC) to deal with labour legislation, and labour policy matters, was established with 18 members, representing the government, employers, and

⁴³ ILO, 2012.

⁴⁴ ILO, 2012.

⁴⁵ ILO, 2012.

⁴⁶ Tripartite technical workshop, October 2017.

⁴⁷ Tripartite technical workshop, October 2017.

⁴⁸ Tripartite technical workshop, October 2017.

⁴⁹ CAGI, 2012.

⁵⁰ ILO, 2012.

⁵¹ CAGI, 2012.

⁵² PSC, 2017.

labour⁵³. The NTC is chaired by the Minister of Labour and has sub-committees to deal with the following subjects: minimum wage and legislation, industrial disputes, ILO matters, social services, occupational safety and health, and training and placement⁵⁴. The NTC has had success with achieving consensus over new labour laws. Other national bodies which include trade union and employers representatives are the National Insurance Scheme Board, which deals with social security and national committees on child labour, HIV/AIDS, and disability⁵⁵.

The first trade union in Guyana dates back to 1917, when the British Guiana Labour Union was established to represent Afro-Guyanese dockworkers; it had grown to a strength of 13,000 members by 1920⁵⁶. Unions were a central organizing force behind the struggle for independence. The 1997 Trade Union Recognition Act requires business operating in Guyana to recognize and collectively bargain with the trade union selected for that purpose by a majority of its workers, and the GoG has, in certain instances, unilaterally imposed increases in wages⁵⁷. Approximately 22 percent of workers in Guyana are unionized, and there are 18 trade unions operating as of 2017⁵⁸.

There are two main trade union centres in Guyana- the Guyana Trades Union Congress (GTUC), and the Federation of Independent Trade Unions of Guyana (FITUG). The Guyana Public Service Union remains outside of these two, having separated from the GTUC in 1999⁵⁹. GTUC, which was registered in 1948, covers workers in mining, primary, secondary and tertiary education, agriculture, post and telecommunications, the public sector, retail and manufacturing⁶⁰. FITUG, first formed in 1983, dormant for some years, and then re-registered in 2006, covers workers in mining, agriculture, clerical areas, fishing, forestry, energy, manufacturing and transportation⁶¹.

The trade union movement, and the cooperative tradition in Guyana are linked to the exploitative labour practices of slavery and indentured labour dating from the colonial period. In an attempt to dismantle the economic system created during the colonial period Guyana was proclaimed a Co-operative Republic in 1970, with the co-operative being seen as an instrument of transformation of social and economic relations to extend the ownership of national wealth to all Guyanese, and not just a few⁶². Cooperatives were first established by newly freed slaves in the first half of the 19th century, who make joint purchases of land and established cooperative villages⁶³. Cooperatives were introduced by the British Colonial Office in the 1940s as a means of economic organization, and promoted in the early years of independence, after which they received less support and attention. The most vibrant and sustainable ones were financially based cooperative credit unions, but others in sectors such as agriculture and housing require revival⁶⁴.

The Guyana National Co-operative Union Limited (GNCUL), established in 1949, is the umbrella association for cooperatives across all ten administrative regions in Guyana⁶⁵. Resuscitated in 2017, the

⁵³ ILO, 2012.

⁵⁴ ILO, 2012.

⁵⁵ ILO, 2012.

⁵⁶ U.S. Department of the Army. 1992 « Political and Social Changes in the 1900s ».

⁵⁷ U.S. Department of State, June 2017.

⁵⁸ U.S. Department of State, June 2017.

⁵⁹ ILO, 2012.

⁶⁰ ILO, 2012.

⁶¹ ILO, 2012.

⁶² Lutchman, 1970.

⁶³ Shaffer, 1999.

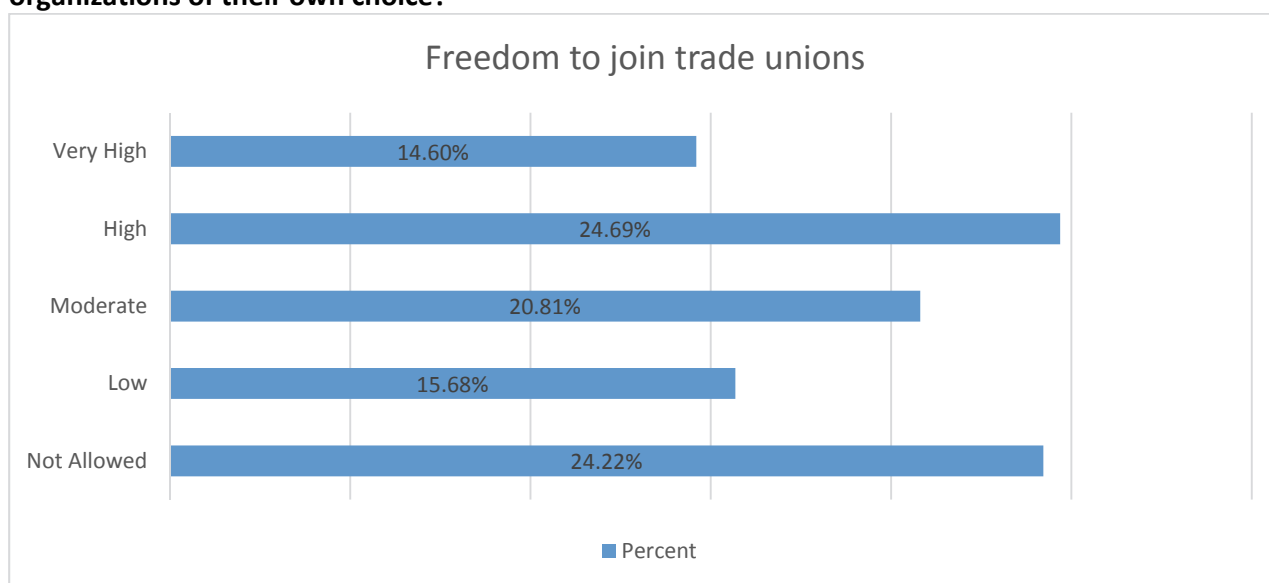
⁶⁴ Kaiteur News, 23 February 2014.

⁶⁵ Stabroek News, 7 July 2012.

GNUCL is to be restructured, and to embark on a campaign to revive the cooperative movement in Guyana, reviving the regional unions of GNUCL and advancing the promotion of new co-operative societies of all types; \$24 million was allocated in the 2017 budget to be invested in GNUCL⁶⁶. A 2016 GoG examination of the functional status of Co-operative societies revealed that of 1268 registered societies only 8 percent or so were functioning in a transparent, accountable manner⁶⁷.

When asked about the extent to which they thought citizens had and enjoyed the freedom to create or join Trade Union Organizations of their own choice 24.22 percent of respondents of the EESE survey said this was not allowed, which was almost as many who said the freedom was high, at 24.69 percent. 20.81 percent thought they had moderate freedom, while 15.68 thought the freedom was low and 14.60 percent thought the freedom was very high.

Chart 5: To What extent do citizens have and enjoy the freedom to create or join trade union organizations of their own choice?



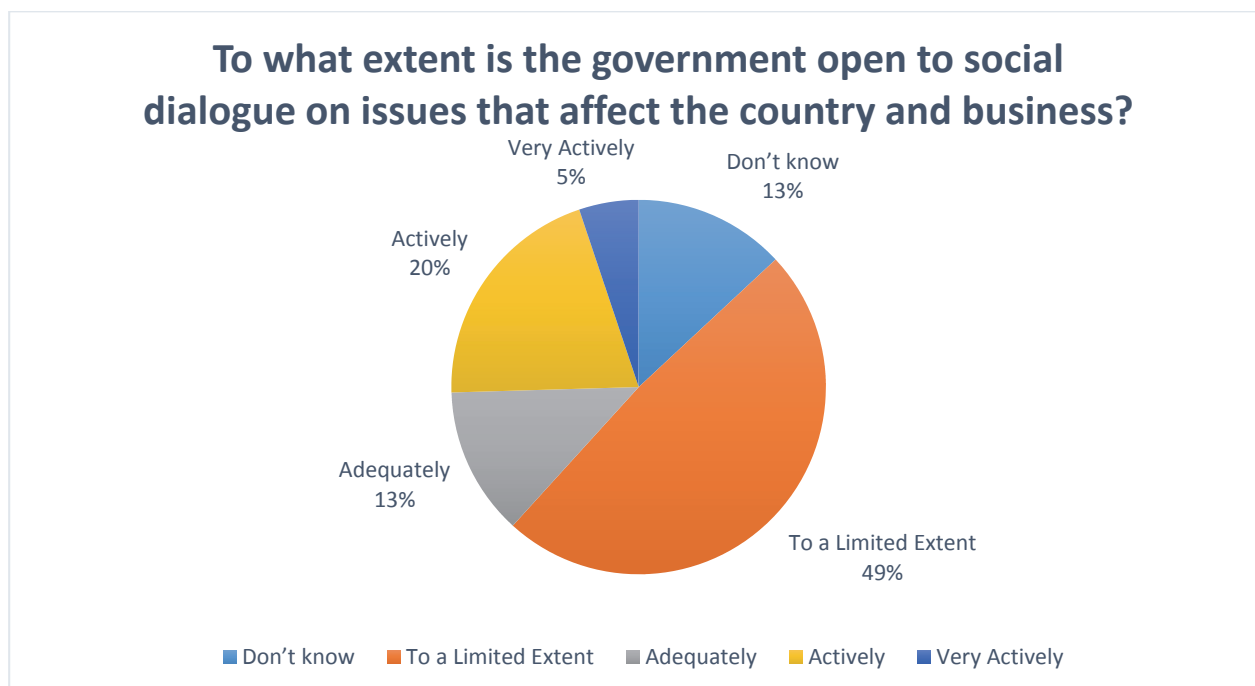
Source: Guyana EESE Survey

When asked to what extent they believed the GoG was open to social dialogue on issues that affected the country and business 48.68 percent of the Guyana EESE Survey respondents answered to a limited extent, while 20.32 percent thought the GoG was actively open to social dialogue on important issues. 13.06 percent of respondents said they did not know while 12.80 thought the GoG was adequately open to social dialogue, and only 5.15 percent thought the GoG was very actively open to social dialogue.

⁶⁶ DPI, 2 February 2017.

⁶⁷ DPI, 2 February 2017.

Chart 6: To what extent do you believe the Government of Guyana is open to social dialogue on issues that affect the country and business?



Source: Guyana EESE Survey

When asked if the GoG actively promoted tripartite social dialogue and utilized the process in policy decision making the largest proportion, 48.68 percent of Guyana EESE Survey respondents thought this was true to a limited extent. 20.58 percent said they did not know, 17.02 percent though the GoG actively promoted tripartite dialogue, while 10.29 percent thought this was done adequately, and 3.43 percent thought this was done very actively.

With respect to the effectiveness of institutions when dealing with conflicts between employers and employees, only 1.45 percent of respondents think that these institutions are very effective. On the other hand, 24.67 percent responded that they are not effective at all. Overall, a greater number of respondents rated the effectiveness of labour dispute institutions and regulations unfavourably. When specifically asked about the effectiveness of trade unions in representing workers interest in the national debate on matters concerning business and the economy, a greater number of respondents rated the effectiveness of trade unions unfavourably than those who rated it favourably. For example, a cumulative 46 percent either responded that trade unions are effective to a limited extent, while a cumulative 25 percent either agrees or strongly agree that trade unions are effective in the area in question. Similarly, with respect to the right to collective bargaining by workers, a greater percentage of respondents rated this unfavourably than those who rated it favourably. Approximately 47 percent rated it between sometimes difficult to impossible, while only approximately 21 percent rated it as generally easy and without any problems.

When asked about the extent to which workers have the right to collective bargaining 30.74 percent of the respondents in the Guyana EESE Survey said they did not know. 20.98 percent said it was sometimes difficult to have the right to collective bargaining, 19.79 percent said it was generally easy, 16.36 percent said it was difficult, 10.03 percent said it was impossible, and 2.11 percent said it happened without any problems.

On the subject of whether trade union represent employees concerns adequately at national debates on matters concerning business and the economy 28.36 percent of survey respondents said they did not know. 23.61 percent said this happened to a limited extent, 22.96 percent they did not think this happened, and 21.77 percent said they agreed. Only 3.3 percent of respondents strongly agreed that their concerns were adequately represented.

When rating the effect of employers' associations in representing SMEs in the informal sector 36.59 percent of respondents said they were not represented at all, 32 percent said they did not know, 15.38 percent said to a limited extent, 13.31 said hardly at all, and a scant 2.7 percent agreed they were represented. When asked to rate the effect of employers' associations in representing SMEs in the formal sector 29.11 percent said this was not at all the case, 28.48 percent said they didn't know, 19.13 percent said this happened to a limited extent, 13.51 percent agreed that this happened, 9.36 percent said this happened hardly at all, and 0.42 percent strongly agreed this was the case.

When asked if informal sector associations adequately represent the interests of informal enterprises at the local, provincial and national level 33.89 percent said not at all and 33.47 percent of respondents said they didn't know; 14.76 percent said this happened to a limited extent, 12.89 percent said this happened hardly at all and 4.99 percent said they agreed.

"Cooperation in Labour-Employer Relations" determines whether labour-employer relations are confrontational or cooperative on a scale from 1 to 7 with higher values, indicating higher levels of cooperation. The existing data indicates a slight drop in levels of cooperation in Guyana, going from 4.5 in 2012 to 4.2 in 2015. In the same years Jamaica improved from 3.8 to 4.2. Suriname's value fell from 4.1 in 2012 to 3.7 in 2014. Values were not available for Belize.

Graph 4: Cooperation in labour-employer relations



Source: World Economic Forum Executive Opinion Survey.

Table 3 Key indicators for cooperation in labour-employer relations, selected countries, 2012-2016

Key Indicator				
Cooperation in labour-employer relations		GC	GC	GC
The World Economic Forum (WEF) Survey asked business leaders to provide their expert opinions on the following:		Report	Report	Report
“Labour-employer relations in your country are:		2012/13	2013/14	2014/15
				2015/16
	Guyana	4.5	4.5	4.3
	Belize			
	Jamaica	3.8	4.1	4.2
	Suriname	4.1	3.9	3.7

1 = generally confrontational, 7 = generally cooperative.”

Source: World Economic Forum Executive Opinion Survey⁶⁸

2.4. Respect for universal human rights and international labour standards

Respect for universal human rights and International Labour Standards (ILS) is a distinctive feature of societies that have successfully integrated sustainability and decent work into their economies. Guyana’s legal framework provides for the protection of human rights but the implementation of existing laws is problematic, and de facto discrimination does persist for people without means, those in geographically remote areas, women and LGBTI persons⁶⁹.

Guyana has adopted six of the nine main international human rights conventions; it has yet to ratify the Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment of 1987, the International Convention for the Protection of All Persons from Enforced Disappearance, and the Convention on the Rights of Persons with Disabilities. Jamaica has also ratified six conventions while Belize has ratified seven, and Suriname only five. All Guyana, Belize and Jamaica have ratified all eight fundamental ILO Conventions on freedom of association and collective bargaining, and the abolition of child labour, forced labour and all forms of discrimination, while Suriname has ratified seven.

Respect for Freedom of Association (Conventions No. 87 and No. 98) should strengthen respect for human rights, thus contributing to the goals of the Commission on Human Rights and Good Governance. Freedom of association will contribute to better labour relations, industrial and social peace, productivity growth and a more stable environment for domestic and foreign investment needed for accelerated economic growth and poverty reduction.

Abolition of the worst forms of child labour arising from the application of Conventions No. 138 and No. 182 will liberate children from the drudgery and damage of hazardous work, which deprive them of education, and adversely affect them mentally and physically. The benefits of a more educated work force for accelerated economic growth are incontestable.

The abolition of forced and compulsory labour required by Conventions No. 29 and No. 105 similarly should contribute to good governance and respect for human rights. If workers are free to choose where they work rather than be forced into some occupations, they are more likely to be more productive and earn higher wages which will contribute more effectively to the growth of sustainable enterprises.

Guyana faces many challenges to securing human rights for all its citizens. Some of the most

⁶⁸ <http://www.weforum.org/issues/global-competitiveness>

⁶⁹ USAID, March 2016.

significant obstacles relate to government corruption including among police officials, discrimination against lesbian, gay, bisexual, transgender and intersex (LGBTI) persons, poor prison conditions, and trafficking of people⁷⁰. Allegations of police brutality towards suspects and detainees are common and prison reform appears to be an urgent necessity⁷¹. Violence against women is a serious problem, and even though the law criminalises domestic violence, rape and spousal rape, reporting of cases and subsequent prosecutions are rare, resulting in a low rate of convictions⁷². Corruption among the police has been suggested as one cause for victims being unwilling to come forward⁷³. Sexual harassment is also widespread, as are other forms of gender-related discrimination. Acts of violence based on sexual orientation, and gender identity are not uncommon, though crimes against LGBTI persons are rarely reported, the LGBTI persons themselves may be charged under law⁷⁴. Violent crime remains widespread.

The position of ombudsman in Guyana dates back to the 1966 constitution, with a human-rights racial bias and conflict related mandate; the office was also established in the 1980 constitution with an express human rights mandate with relation to complaints of discrimination on the grounds of race, place of origin, political opinions, colour or creed⁷⁵. The law provides for the ombudsperson to also investigate government actions, or actions taken by government officials; an ombudsman took office in 2014 after the office had remained vacant for several years⁷⁶ with a new justice being sworn in in 2017. The Office of the Ombudsman is one of the departments comprising the Ministry of Legal Affairs, though the Ministry of Legal Affairs does not have any supervisory control over it except for the purposes of Parliamentary accountability⁷⁷. Information and public records about the Office of the Ombudsman and ways of making complaints are not easily accessible.

Other national human rights institutions exist, such as the constitutionally created Ethnic Relations Commission (2004), the Indigenous People's Commission, Rights of the Child Commission, Women and Gender Equality Commission, and Human Rights Commission⁷⁸. The Commissions are advisory in nature, and have declined in prominence since establishment, some of them without appointed commissioners.

The law provides for freedom of speech and of the press, which the GoG tends to respect. Independent media are active, and express criticism of the government without restriction, though the threat of civil action has sometimes been used to limit dissent⁷⁹.

Additional indicators can help better assess the human rights situation in Guyana. The "Political Rights Index" measures the level of freedom in the electoral process, political pluralism and participation, and functioning of government. The index ranges from 1 to 7 with higher values indicating a lower degree of freedom. In 2017, Guyana scored an index of 2, with Jamaica and Suriname at the same value, and Belize at 1.

⁷⁰ U.S. Department of State, 2016.

⁷¹ U.S. Department of State, 2016.

⁷² U.S. Department of State, 2016.

⁷³ U.S. Department of State, 2016.

⁷⁴ U.S. Department of State, 2016.

⁷⁵ Reif, 2013

⁷⁶ U.S. Department of State, 2016.

⁷⁷ Ministry of Legal Affairs- Government of Guyana, 2017.

⁷⁸ USAID, 2016.

⁷⁹ U.S. Department of State, 2016.

The “Civil Liberties Index” measures freedom of expression, assembly, association, and religion on a scale from 1 to 7 with lower values corresponding to better performance. Here Guyana scores as well as Jamaica and Suriname, with all three countries at 3 for 2017. Guyana improved from an index of 2, which had remained steady between 2012 and 2016. Belize scored 2 in 2017, having improved from 1 in the previous years.

Table 4 Key indicators for human rights and international labour standards, selected countries, 2013-2017

Key Indicators							
Ratification of Human Rights Conventions It shows the status of human rights referring to ratification of following 10 conventions: Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment; Convention on the Rights of the Child; Convention on the Elimination of All Forms of Discrimination against Women; International Convention on the Elimination of All Forms of Racial Discrimination; Convention on the Prevention and Punishment of the Crime of Genocide; International Covenant on Civil and Political Rights; International Covenant on Economic, Social and Cultural Rights; International Convention for the Protection of All Persons from Enforced Disappearance; Convention on the Rights of Persons with Disabilities; International Convention on the Protection of the Rights of All Migrant Workers and Members of their Families. Number of Conventions ratified out of 10.	As of March 2017						
	Guyana						6
	Belize						7
	Jamaica						6
	Suriname						5
		<u>Source:</u> United Nations Treaty Collection Multilateral Treaties Deposited with the Secretary General (UNTC) ⁸⁰					
Ratification of fundamental ILO Conventions It shows the status of labour rights conventions. It refers to ratification of following 8 conventions: Freedom of association and collective bargaining (C.87, C.98), Elimination of forced and compulsory labour (C.29, C.105), Elimination of discrimination in respect of employment and occupation (C.100, C.111), Abolition of child labour (C.138, C.182). Number of Conventions ratified out of 8. <u>Source:</u> ILO ⁸¹	As of March 2017						
	Guyana						8
	Belize						8
	Jamaica						8
	Suriname						7
Political Rights Index The Political Rights index measures the degree of freedom in the electoral process, political pluralism and participation, and functioning of government. <u>Source:</u> Freedom House, The Freedom in the World Survey ⁸²		2013	2014	2015	2016	2017	
	Guyana	2	2	2	2	2	
	Belize	1	1	1	1	1	
	Jamaica	2	2	2	2	2	
	Suriname	2	2	2	2	2	
Civil Liberties Index The Civil Liberties index measures freedom of expression, assembly, association, and religion. <u>Source:</u> Freedom House, The Freedom in the World Survey ⁸³		2013	2014	2015	2016	2017	
	Guyana	2	2	2	2	3	
	Belize	1	1	1	1	2	
	Jamaica	2	2	2	2	3	
	Suriname	2	2	2	2	3	

⁸⁰ <http://treaties.un.org/>

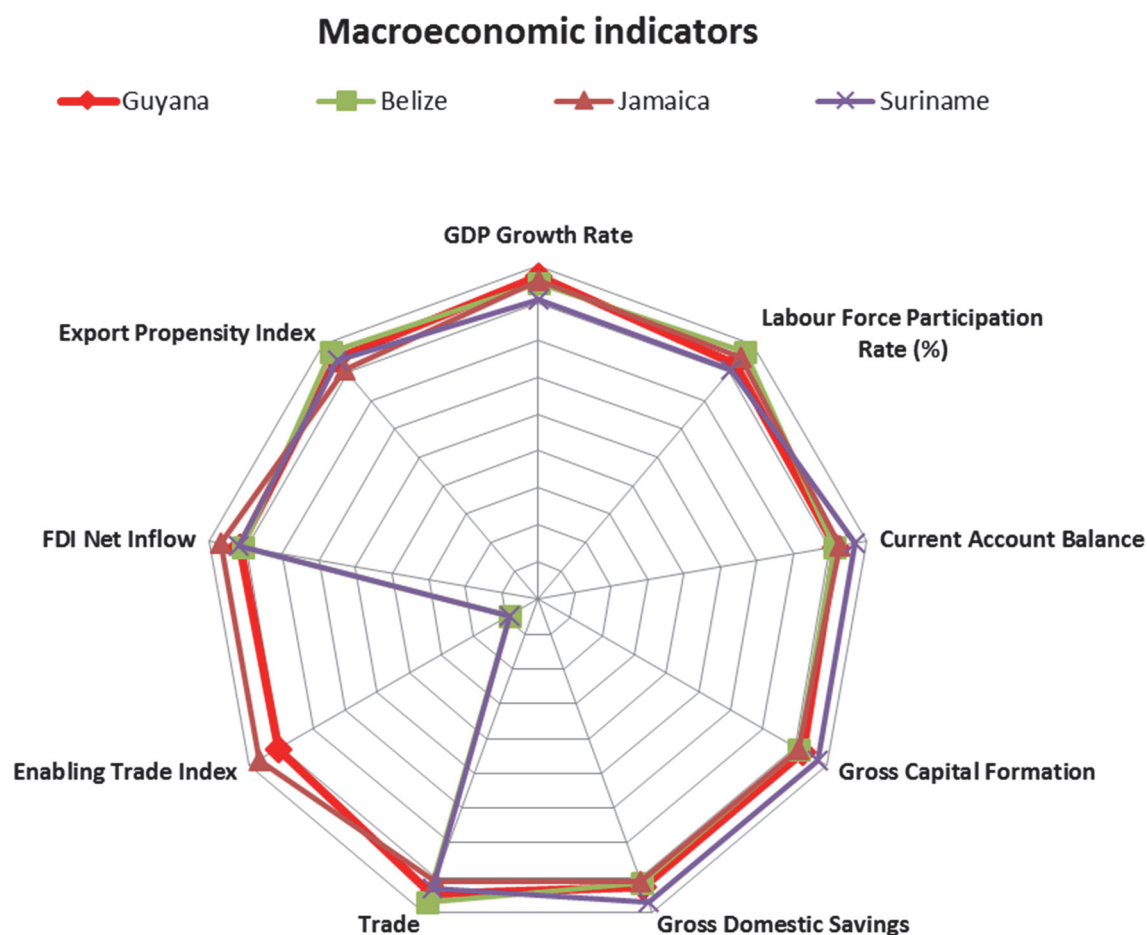
⁸¹ <http://www.ilo.org/ilolex/english/docs/declworld.htm>

⁸² <http://www.freedomhouse.org/report-types/freedom-world>

⁸³ <http://www.freedomhouse.org/>

3. Economic elements

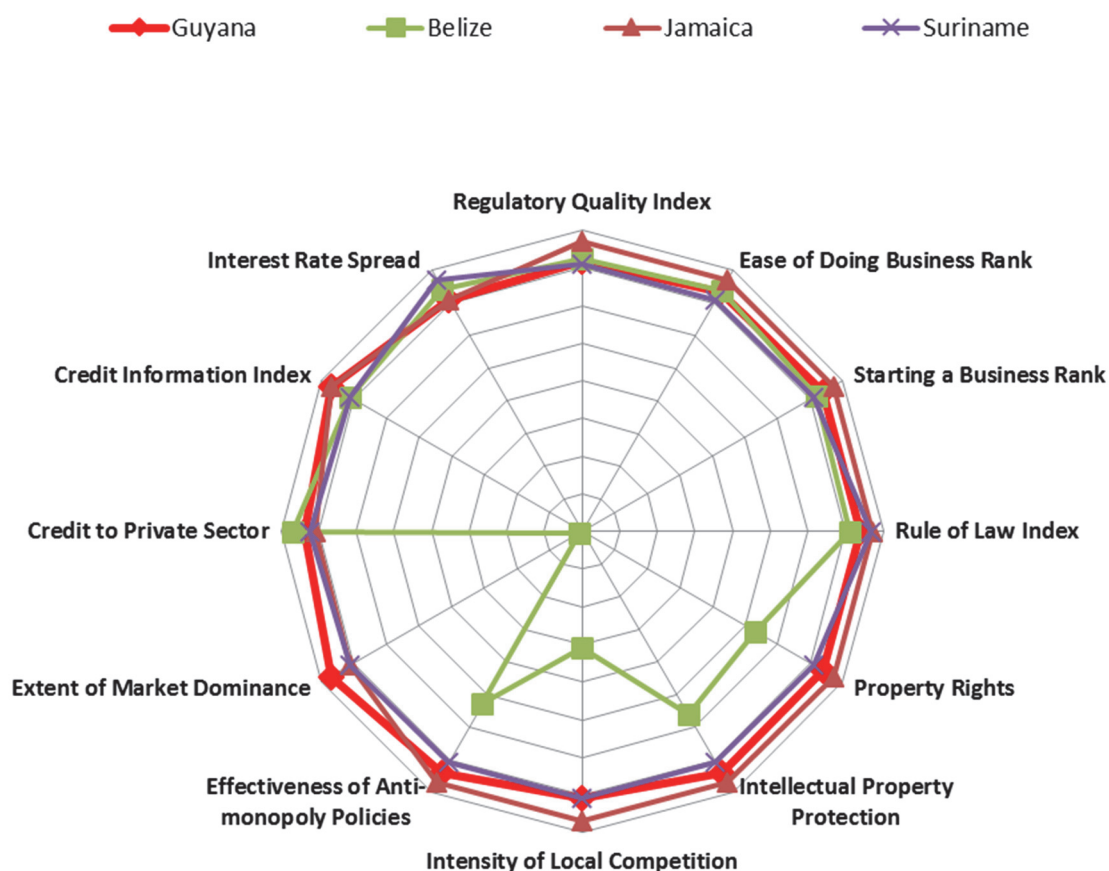
Figure 1 Indicators assessing economic elements of an enabling environment for sustainable enterprises, selected countries



Note: the values for the individual indicators have been harmonized for better presentation and formatted so that the further from the centre a data point is, the better the country's performance in that regard. The original indicator values are included in the chapters.

- Economic policies in recent years have shown an improvement in the macroeconomic situation.
- The discovery of oil reserves off-shore has the potential to transform the economy- production will start in 2020.
- The GDP growth rate has revived to stabilise to between 3 and 4 percent from about 2008.
- Remittances are tremendously important to the GDP.
- Figures from 2005 indicate that agriculture employed 21.4 percent of the population, industry 24.5 percent, and the final 50.5 percent were employed in services.
- The major exports are sugar, gold, bauxite, alumina, rice, shrimp molasses, rum and timber.
- The Guyana Office for Investment (GO-Invest) is the first point of contact for investors seeking to obtain permits and tax concessions.

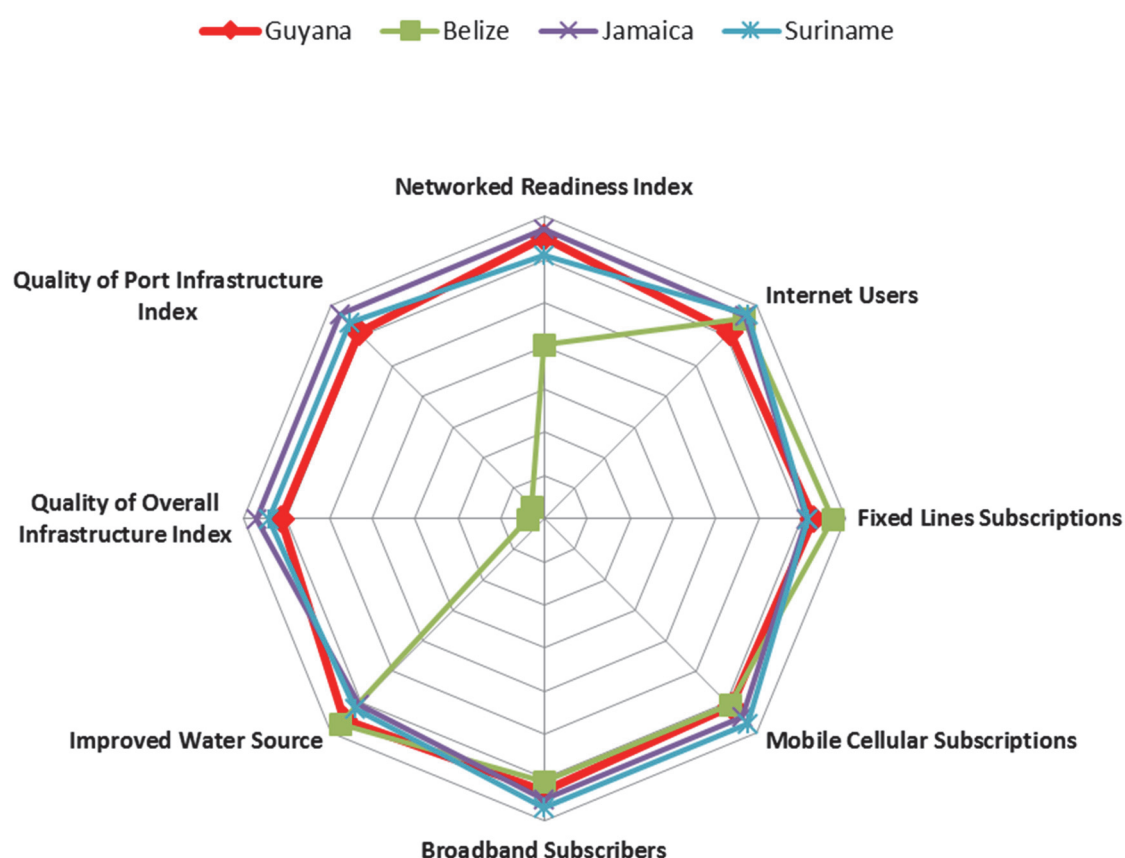
Access to credit, property rights and competition indicators



Note: the values for the individual indicators have been harmonized for better presentation and formatted so that the further from the centre a data point is, the better the country's performance in that regard. The original indicator values are included in the chapters.

- The legal system in Guyana is based on the Constitution of 1980, and follows the English Common Law system.
- While the court system is generally perceived as slow and ineffective at enforcing legal contracts there is no executive interference with the system.
- Only 2.07 percent of EESE Survey respondents think that the business community has a wide understanding of the labour laws.
- Guyana has a complex and bureaucratic system of property rights.
- Land registry processes need to be simplified so that credit systems can work more efficiently.
- Competition policy in Guyana is outlined in the 2006 Competition and Fair Trading Act.
- Guyana's shortcomings in the legal framework for investment are reflected in the low Ease of Doing Business rankings.

ICT and infrastructure indicators



Note: the values for the individual indicators have been harmonized for better presentation and formatted so that the further from the centre a data point is, the better the country's performance in that regard. The original indicator values are included in the chapters.

- Guyana's National information and Communication Technology (ICT) Strategy will provide the framework to guide the development of the ICT sector.
- Guyana suffers from poor infrastructure for communications, power and transport, which challenge the use of ICTs.
- The Bank of Guyana, Guyana's central bank which formulates and implements monetary policy, is in the process of formulating a strategy for financial literacy.
- In 2013 the Micro and Small Enterprise Development and Building Alternative Livelihoods for Vulnerable Groups (MSED) project was launched and under this interest subsidies and credit guarantees are offered to SMEs.
- When trying to obtain a bank loan for an informal business 50.13 percent of EESE Survey respondents found it difficult.
- Guyana's most pressing challenges in terms of infrastructure involve power, transport and flood protection.

3.1. Sound and stable macroeconomic policy and good management of the economy

Macroeconomic policies ought to guarantee stable and predictable economic conditions. Sound economic management should combine the objectives of creating more and better jobs, combating inflation, and implementing policies and regulations that stimulate long-term productive investment. Despite the fluctuations in economic growth, and economic policies recent years have shown an improvement in the macroeconomic situation though increasing the competitiveness of Guyanese exports in international markets, and improvements to productivity will be required for the positive momentum to be sustained⁸⁴. The discovery of oil reserves off-shore has the potential to transform the economy. The large influx of cash which will result from oil production, which is set to begin in 2020, needs to be managed sustainably. The legal framework for the energy industry, which may grow exponentially in the next few years in Guyana remains an issue of concern for international investors⁸⁵.

Even though Guyana achieved political independence in 1966 significant decisions regarding the economy continued to be made abroad for some years, due to the foreign ownership of most of the agricultural and mining companies operating in the country⁸⁶. Sugar, mining, and the major banks were all controlled by foreign companies, which meant most of the nation's foreign exchange earnings, and the sectors which employed a large part of the population were not under national control. During the 1970s companies operating in Guyana were nationalised, as were financial institutions and retailing and distribution systems⁸⁷. While this initially appeared to result in a well performing economy, as the world prices of commodities rose, high government spending, and a decline in commodity prices in the late 1970s and early 1980s led to high borrowing.

Macroeconomic policy in independent Guyana was guided by a strategy of cooperative socialism, until the collapse of the economy in the late 1980s resulted in the return to orthodoxy under the International Monetary Fund (IMF) sponsored Economic Recovery Program (ERP)⁸⁸. The centralization of the economy following independence was affected by corruption in the government, and the lack of adequate funding⁸⁹. In this period the migration of qualified personnel out of Guyana was very high, leaving the country with critical human resource shortages⁹⁰. The tight controls on foreign exchange led to a shrinking of the formal economy, the development of a large parallel market, and increased smuggling activities.

State control of the economy was recognized to have failed by the mid-1980s and the ERP was introduced in 1988 to restore growth, and normalise relations with foreign creditors. Many state-owned enterprises were privatised (though many, including crucially in the sugar sector, remain), restrictions on imports were lifted, government spending on poverty reduction increased⁹¹ and

⁸⁴ IDB, 2017.

⁸⁵ Oil Now, 25 May 2017.

⁸⁶ U.S. Department of the Army, 1992. « Postindependence ».

⁸⁷ U.S. Department of the Army, 1992. « Postindependence ».

⁸⁸ IMF, February 2007.

⁸⁹ The National Interest, 7 February 2017.

⁹⁰ U.S. Department of the Army, 1992. « Postindependence ».

⁹¹ IDB, 2017.

attempts were made to absorb the parallel economy into the formal one⁹². The movement towards economic liberalization showed immediate benefits until about 1997, with a reduction in fiscal and external deficits, and the economy growing at an average rate of 7.1 percent⁹³. In the period from 1998-2005 however the growth rate declined, foreign investment dropped, related in part to political unrest⁹⁴. A severe flood in 2005 affected 60 percent of Guyana's production and left infrastructure in very poor shape⁹⁵. Poverty-related spending has continued, however, and GDP growth rate has revived to stabilise to between 3 and 4 percent from about 2008 onwards⁹⁶. High migration levels continue to have an adverse effect on the availability of skilled labour in Guyana, with more 55 percent of citizens residing abroad⁹⁷. Remittances, however are tremendously important to the GDP and can represent between 15 and 20 percent of the GDP depending on the year⁹⁸, in 2014 about 15 percent of the GDP was made up of remittances⁹⁹. Guyana suffers from poor infrastructure for communications, power and transport, which challenge the growth of enterprises, poor internet connectivity is a serious concern.

Guyana entered the Caribbean Community (CARICOM) Single Market and Economy in 2006, which broadened the export market in the raw materials sector¹⁰⁰. CARICOM was established in 1973, and has grown into an integration movement with twenty countries and 16 million citizens based on the pillars of economic integration, foreign policy coordination, human and social development, and security; in 2002 a treaty allowing for the establishment of a single market and single economy came into force¹⁰¹. In 2007 the Inter-American Development Bank (IDB), the principal holder of Guyanese external debt, cancelled debt worth \$470 million, which was equivalent to 21 percent of the GDP at the time¹⁰². The statist development model followed immediately following independence had led to severe indebtedness with the debt-to-GDP ratio reaching 183 percent in 2006¹⁰³.

Guyana's GDP is composed in the following fashion by sector of origin: agriculture comprises 20.6 percent, industry comprises 33.1 percent and services make up the remaining 46.3 percent according to 2016 estimates¹⁰⁴. Figures from 2005 indicate that agriculture employed 21.4 percent of the population, industry 24.5 percent, and the final 50.5 percent were employed in services¹⁰⁵. Agricultural products include sugarcane, rice, edible oils, beef, pork, poultry, shrimp and fish¹⁰⁶. Industries include bauxite, sugar, rice, milling, timber, textiles and gold mining¹⁰⁷. The major exports are sugar, gold, bauxite, alumina, rice, shrimp molasses, rum and timber, which are made to the US (33.4 percent), Canada (17.9 percent), U.K (6.7 percent), Ukraine (4.3 percent) and Jamaica (4 percent)¹⁰⁸.

⁹² U.S. Department of the Army, 1992. « The Economic Recovery Program ».

⁹³ IDB, 2017.

⁹⁴ IDB, 2017.

⁹⁵ IDB, 2017.

⁹⁶ IDB, 2017.

⁹⁷ CIA World Factbook, 2017.

⁹⁸ Guyana Chronicle, 21 November 2015.

⁹⁹ USAID, March 2016.

¹⁰⁰ CIA World Factbook, 2017.

¹⁰¹ CARICOM, 2017.

¹⁰² The National Interest, 7 February 2017.

¹⁰³ CIA World Factbook, 2017.

¹⁰⁴ CIA World Factbook, 2017.

¹⁰⁵ United Nations Data, 2017.

¹⁰⁶ CIA World Factbook, 2017.

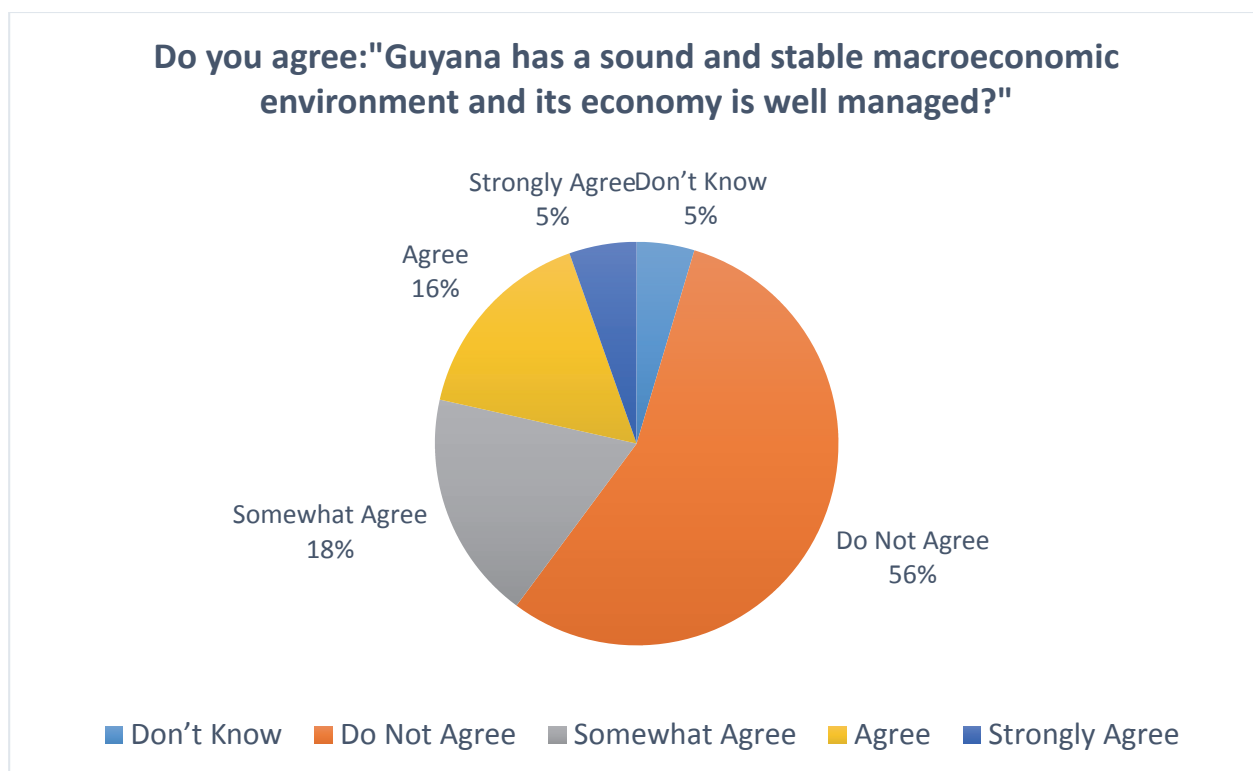
¹⁰⁷ CIA World Factbook, 2017.

¹⁰⁸ CIA World Factbook, 2017.

Several sector specific strategy documents have been produced to guide development on Guyana. More national plans include the long-term National Economic Strategy, for sustainable socio-economic development, good governance and human safety within a green economy¹⁰⁹. Other broader policy directives that drive the development agenda are the Low Carbon Development Strategy (LCDS) 2013-2015, and the Poverty Reduction Strategy Paper (PRSP), prepared along with the IMF and World Bank (WB)¹¹⁰. The LCDS addresses sustainable economic development related to reducing carbon emissions and safeguarding Guyana's forest resources. The PRSP focuses on i) high value employment creation, ii) improved standards of living, iii) dramatic reduction in poverty, iv) rule of law and public safety, v) protection of individual constitutional rights, and iv) investments in human resource development¹¹¹. Plans for the educational sector, health sector, food and nutrition strategy, and agriculture delineate more clearly the ways of achieving development goals.

When asked for their view on the management of a sound and stable policy in Guyana 56 percent of respondents from the EESE survey did not think this was the case, while 18 percent somewhat agreed that the economy was well managed, 16 percent thought it was well managed, with five percent strongly agreeing that it was well managed and a final five percent saying they did not know.

Chart 7: Do you agree with the statement "Guyana has a sound and stable macroeconomic environment and its economy is well managed?"



Source: Guyana EESE Survey

¹⁰⁹ FAO, October 2015.

¹¹⁰ FAO, October 2015.

¹¹¹ FAO, October 2015.

With respect to taxes on business growth in Guyana, such as company taxes, Value Added Tax (VAT) and Pay As Your Earn (PAYE) most respondents did not think these encourage business growth. Overall 47 percent of respondents thought company taxes did not encourage growth, 27.97 percent didn't know, 18.2 percent thought they had little impact, and 6.78 percent thought they encouraged growth. With respect to VAT 59.49 percent of respondents thought they did not encourage growth, while 19.4 percent thought they had little impact, 16.63 percent said they did not know, and 4.48 percent thought they encouraged growth. When asked about PAYE survey respondents answered in a similar fashion: 37.02 percent thought it did not encourage growth, 21.28 percent thought it had little impact, 7.23 percent thought it encouraged growth and 34.47 percent said they did not know. Similarly, about import taxes 39.87 percent thought they did not encourage growth, 39.66 percent didn't know, 16.42 percent thought they had little impact and just 4.05 percent thought they encouraged growth.

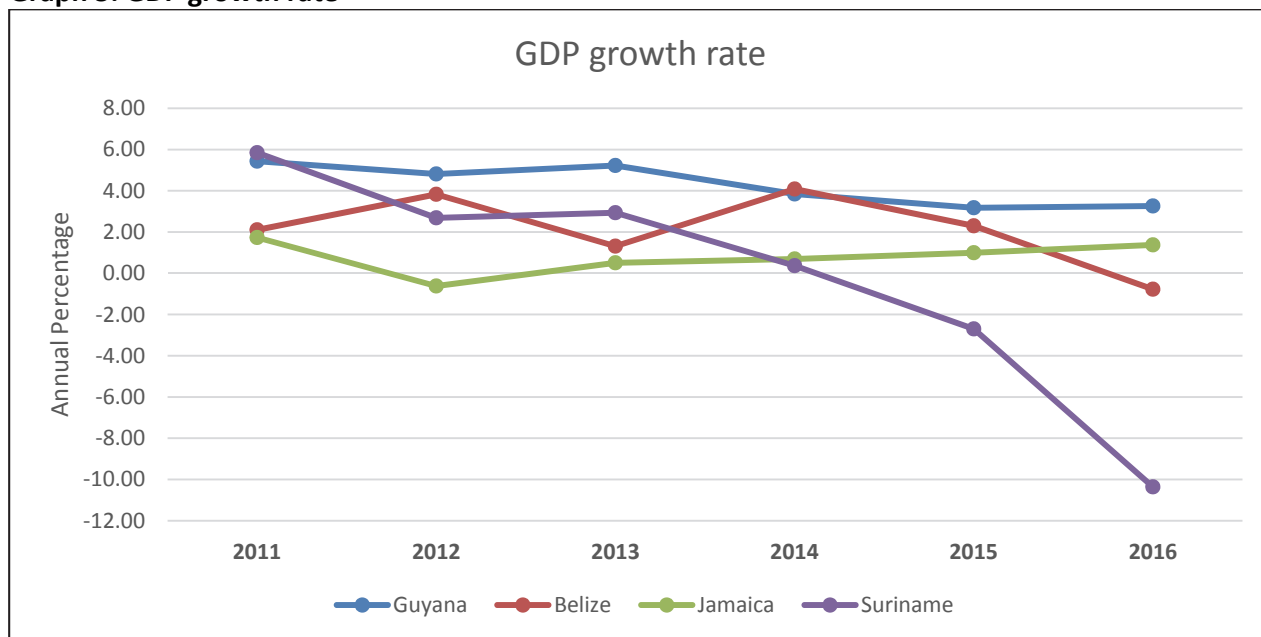
Registration with different entities takes differing amounts of time. Registration for VAT takes about seven business days, while the Deeds Registry requires one day. Registration with the NIS- the National Insurance Scheme to obtain and NIS employer number takes about seven days. Since formalisation processes don't take prohibitively long times, and the cost doesn't appear to be an obstacle either, the Guyana EESE Survey revealed that most respondents failed to register their enterprises due to a lack of ability or desire to comply with various tax regimes.

With regards to the three most critical issues which affect businesses in Guyana the most, for the first most important factor most respondents (55.77 percent) chose 'cost of inputs and services'. This was followed by 'low market demand' (42.93 percent) and 'insecurity and crime' (36.62 percent). For the second most important factor, the largest percentage of respondents (36.96 percent) chose 'low market demand'. The second highest percentage of respondents chose 'limited access to affordable and relevant financial services' (29.83 percent), and the third highest percentage chose 'poor infrastructure' (26.20 percent). With regards to the third most important factor, the highest percentage of respondents chose 'competition from informal businesses' (28.99 percent), while the second highest percentage (28.57 percent) chose 'corruption' and the third highest (26.20 percent) chose 'insecurity and crime'. The three most critical factors are therefore, cost of inputs and services, low market demand and insecurity and crime.

The Guyanese economy went from a GDP growth of 5.44 percent in 2011 to 3.17 percent in 2015 and 3.26 percent in 2016. The downturn in commodity prices in 2014, which continued till 2016 has affected Guyana, particularly the drop in the price of gold after some strong years in the early 2010s¹¹². Belize, Jamaica and Suriname have also seen slowing GDP growth rates over the same period. Belize went from 2.10 percent in 2011 to -0.76 percent in 2016. Jamaica went from 1.73 percent in 2011 to -0.62 percent in 2012, and back up to 1.38 percent in 2016. Suriname has had the most significant drop going from 5.85 percent GDP growth rate in 2011 to -10.37 percent in 2016. Overall the Latin America and Caribbean region excluding high income countries shows the same trajectory.

¹¹² The National Interest, 7 February 2017.

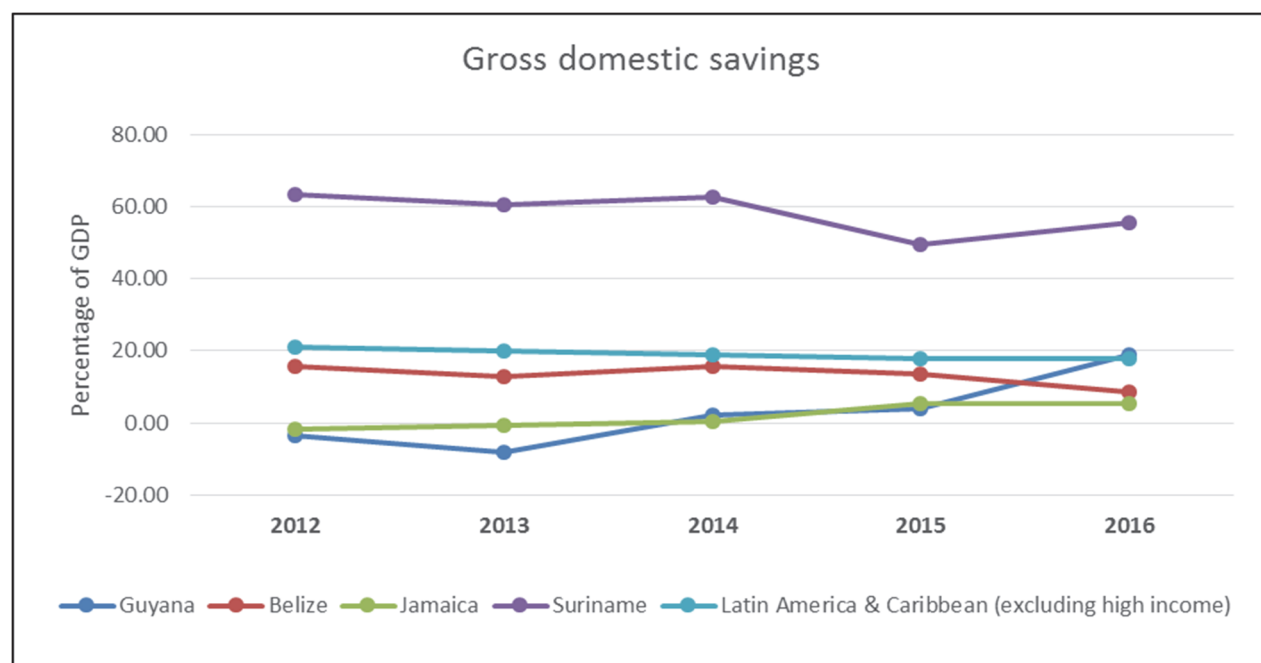
Graph 5: GDP growth rate



Source: World Bank, World Development Indicators.

Gross domestic savings are calculated by deducting total final consumption expenditure from GDP at current prices. It is an indicator of a country's capacity to invest in fixed capital and economic growth. Guyana's gross domestic savings as a percentage of GDP has gone from 24.92 percent in 2012 to 30.12 in 2016, but in this period the GDP growth has not been so high. Suriname has the higher percentage in 2016, at 59.73 percent, driven by the shrinking GDP. Belize was at 19.99 percent in 2016, while Jamaica was at 21.58 percent in 2016.

Graph 6: Gross domestic savings



Source: World Bank Databank, World Development Indicators Online

In 2017 the population of Guyana was estimated at being about 738,000 and the labour force, as of 2013 was 314,000 strong¹¹³. According to ILO data found on the World Bank's World Development Indicators database, the "Labour Force Participation Rate" (LFPR) in Guyana was 59.49 percent in 2016 having gone down slightly from 59.77 percent in 2012. Only Suriname had a lower rate, at 54.46 percent in 2016. Belize had the highest labour force participation rate at 69.93 percent in 2016, with Jamaica at 65.07 percent for the same year.

Table 5 Key macroeconomic indicators, selected countries, 2011-2016

Key Indicators							
GDP growth rate (per cent) Measures the annual percentage growth rates of all value added goods and services produced in the country. GDP is the sum of gross value added by all resident producers in the economy plus any product taxes and minus any subsidies not included in the value of the products. It is calculated without making deductions for depreciation of fabricated assets or for depletion and degradation of natural resources. ¹¹⁴ Annual percentage growth rate of GDP. <u>Source:</u> World Bank Databank, World Development Indicators Online ¹¹⁵		2011	2012	2013	2014	2015	2016
	Guyana	5.44	4.82	5.22	3.84	3.17	3.26
	Belize	2.10	3.82	1.31	4.08	2.30	-0.78
	Jamaica	1.73	-0.62	0.50	0.69	1.00	1.38
	Suriname	5.85	2.69	2.93	0.36	-2.70	-10.37
	Latin America & Caribbean (excluding high income)	4.48	2.82	2.79	1.29	-0.28	-0.79
Labour Force Participation Rate The labour force participation rate is the proportion of the population ages 15-64 that is economically active: all people who supply labour for the production of goods and services during a specified period. The labour force participation rate is calculated by expressing the number of persons in the labour force as a percentage of the working-age population. The labour force is the sum of the number of persons employed and the number of unemployed. The working-age population is the population above a certain age, prescribed for the measurement of economic characteristics. <u>Source:</u> World Bank Databank, World Development Indicators Online ¹¹⁶		2012	2013	2014	2015	2016	
	Guyana	59.77	59.67	59.64	59.53	59.49	
	Belize	68.75	69.22	69.67	69.82	69.93	
	Jamaica	63.23	64.59	64.77	64.85	65.07	
	Suriname	54.36	54.43	54.47	54.47	54.46	

¹¹³ CIA World Factbook, 2017.

¹¹⁴ World Bank: World Development Indicators

¹¹⁵ <http://databank.worldbank.org/data/home.aspx>

¹¹⁶ <http://databank.worldbank.org/data/home.aspx>

Key Indicators							
Current account balance (per cent of GDP) Current account balance (also called ‘current account surplus/deficit’) is the sum of net exports of goods and services, net income, and net current transfers. It is a record of a country’s transactions with the rest of the world. It shows whether a country is ‘living within its means’. If a country is spending more abroad than it earns from the rest of the world then corrective action will be necessary, e.g. to maintain the value of the country’s currency in relation to other countries’ currency. The balance of payments is a double-entry accounting system that shows all flows of goods and services into and out of an economy. All transactions are recorded twice - once as a credit and once as a debit. In principle the net balance should be zero, but in practice the accounts often do not balance, requiring inclusion of a balancing item, net errors and omissions. Positive current account (surplus) balance is associated with positive net exports. If the current account balance is negative, it measures the portion of domestic investment financed by foreigners’ savings. <u>Source:</u> International Monetary Fund, World Economic Outlook Database ¹¹⁷	2010	2011	2012	2013	2014	2015	
	Guyana	-10.0	-9.38	-8.71	-8.04	-6.47	-7.01
	Belize	-6.19	-5.16	-5.86	-6.36	-7.20	-8.34
	Jamaica	-9.06	-7.50	-6.29	-5.17	-4.10	-3.24
	Suriname	-5.69	-4.45	-3.25	4.69	5.90	10.08
Gross Domestic Savings (per cent of GDP) Gross domestic savings are calculated by deducting total final consumption expenditure from GDP at current prices. A high gross domestic saving rate usually indicates a country’s high potential to invest. Savings can therefore be vital to the amount of fixed capital available, which in turn can contribute to economic growth. However, increased savings do not always correspond to increased investment. If savings are not deposited into a financial intermediary like a bank, there is no chance for those savings to be recycled as investment by businesses. This means that saving may increase without increasing investment, possibly causing a shortfall of demand rather than economic growth. In the short term, if savings fall below investment, it can lead to growth of aggregate demand and economic boom. In the long term if savings fall below investment it eventually reduces investment and detracts from future growth. <u>Source:</u> World Bank Databank, World Development Indicators Online ¹ .	2012	2013	2014	2015	2016		
	Guyana	24.92	18.90	28.70	23.50	30.12	
	Belize	16.01	18.27	21.04	22.65	19.99	
	Jamaica	19.95	21.29	22.48	20.85	21.58	
	Suriname	57.85	62.87	70.66	66.72	59.73	
	Latin America & Caribbean (excluding high income)	21.97	21.98	21.09	20.00	18.95	

¹¹⁷ <http://www.imf.org/external/pubs/ft/weo/2010/01/weodata/index.aspx>

3.2. Trade and sustainable economic integration

Trade integration can lead to positive employment effects through efficiency gains. However, as trade integration can also lead to job dislocation, increased informality and growing income inequality, the employment and decent work impact of trade policies must be carefully considered. The World Trade Organization (WTO) Trade Policy Review of 2015 found that sustained economic growth requires that Guyana continues to follow prudent macroeconomic policies, strengthen governance, implement further structural reforms and improve infrastructure; its improved economic performance has been supported in particular by foreign direct investment (FDI), and the expansion of private sector credit¹¹⁸.

FDI is recognized by the GoG as critical to economic development. The Investment Act of 2004 is aimed at stimulating socio-economic development by attracting and facilitating foreign investment¹¹⁹. The Investment Act is also meant to reassure investors by providing legal protections for investment, providing predictability, stability, and transparency of the legal regime for investment, and employing internationally recognised good practices¹²⁰. The GoG encourages FDI, and offers potential domestic and foreign investors incentives to invest in traditional industries, as well as non-traditional export sectors¹²¹. Incentives offered include waivers of duty and consumption tax on machinery in sectors like agri-business, manufacturing, and others¹²².

The Guyana Office for Investment (GO-Invest) is the first point of contact for investors seeking to obtain permits and tax concessions; it focuses on the sectors of agriculture, agro-processing, tourism, manufacturing, information and communication technology (ICTs), seafood and aquaculture, and wood processing¹²³. GO-Invest also advises the GoG on creating and implementing national investment policies, and helps investors with administrative formalities, such as applications for land, or commercial registration¹²⁴.

Legally while foreign investors are generally treated on par with domestic ones, there is a cap on the amount of local financing foreign borrowers can access, which reflects Guyana's preference for investors to bring capital into the country¹²⁵. Ownership of property in the small and medium scale mining sector is restricted to citizens, but foreign nationals may enter into joint-venture agreements to jointly develop a property¹²⁶. In large-scale mining operations such a restriction does not exist. Foreigners have the right to own property and land in Guyana. Obtaining licenses can be time consuming, which is required in mining, telecommunications, forestry, banking and tourism, but foreign and domestic firms equally have the right to establish and own business enterprises and run businesses¹²⁷.

¹¹⁸ WTO, 2015.

¹¹⁹ U.S. Department of State, 2017.

¹²⁰ Guyana Office for Investment, 2015.

¹²¹ U.S. Department of State, 2017.

¹²² Hughes, Field and Stoby, 2012.

¹²³ U.S. Department of State, 2017.

¹²⁴ U.S. Department of State, 2017.

¹²⁵ U.S. Department of State, 2017.

¹²⁶ U.S. Department of State, 2017.

¹²⁷ U.S. Department of State, 2017.

Investment in Guyana is dependent on the political climate, and prior to the elections of 2015 investment had slowed down, in the climate of uncertainty¹²⁸. Despite amendments to law to encourage FDI, the state is still a significant presence in the domestic economy, decision making is generally centralized, and foreign investment is carefully scrutinised¹²⁹. While FDI is not mandatorily screened, ministers in different ministries retain discretionary power over how relevant laws may be applied, and this affects special tax treatment, access to licenses, land, and approval for investment incentives¹³⁰. VAT exemptions also exist. The current administration has been criticised for failing to attract enough FDI, though foreign investment related to the greening of the economy has received attention and funds from countries like Norway¹³¹.

Trade policy in Guyana is overseen by the Ministry of Foreign Affairs, and coordinated with CARICOM¹³². The National Trade Strategy of 2003, focuses on enhancing market access for Guyanese exports¹³³. Bilateral investment treaties exist with Brazil, USA, UK, Germany, Cuba, China, Switzerland, South Korea and Indonesia; double taxation treaties are in force with Canada, UK and CARICOM¹³⁴. The Guyanese economy is dependent on a few key exports, and greater diversification needs to be achieved for sustainable development. The dependence on sugar, rice, gold and bauxite has left the economy tied to the volatility of commodity and agricultural markets.

The main agricultural products are sugar and rice. Sugar farming is dominated by GuySuCo- the Guyana Sugar Corporation which is completely state-owned. Rice production is mostly carried out by private producers who tend to be small-scale farmers. Mining and quarrying also account for a large percentage of the GDP. Together, in 2014, sugar, gold, bauxite, shrimp, timber and rice accounted for 77 percent of exports¹³⁵. The susceptibility of Guyana's exports to poor weather, and fluctuations in commodity prices, are an inherent weakness of the economic model, only some of which is offset by the consistency of remittances from Guyanese citizens abroad. In general the import bill for goods and services outweighs the export bill, leading to a persistent current account deficit and reliance on external aid¹³⁶. It is crucially important that additional reforms are required to diversify the economy and the export base.

On the import side Guyana is almost completely dependent on imports of fuel oil for electricity generation- with 95 percent being generated by diesel and heavy fuel, 5 percent from bagasse, and none currently from hydroelectric power¹³⁷.

The discovery of oil off the coast of Guyana, harnessing of which will start in 2020, is likely to lead to a vast inflow of cash, and managing the earnings from natural resource exploitation in a way that their benefits accrue to the economy at large, and not just a small section of the population will be an important issue to consider in the future. It is not certain whether a refinery will be built in Guyana, or if all of the crude oil will be exported, and the profits used to buy oil products, as well as fund further development.

¹²⁸ U.S. Department of State, 2017.

¹²⁹ U.S. Department of State, 2017.

¹³⁰ U.S. Department of State, 2017.

¹³¹ U.S. Department of State, 2017.

¹³² WTO, 2015.

¹³³ WTO, 2015.

¹³⁴ U.S. Department of State, 2017.

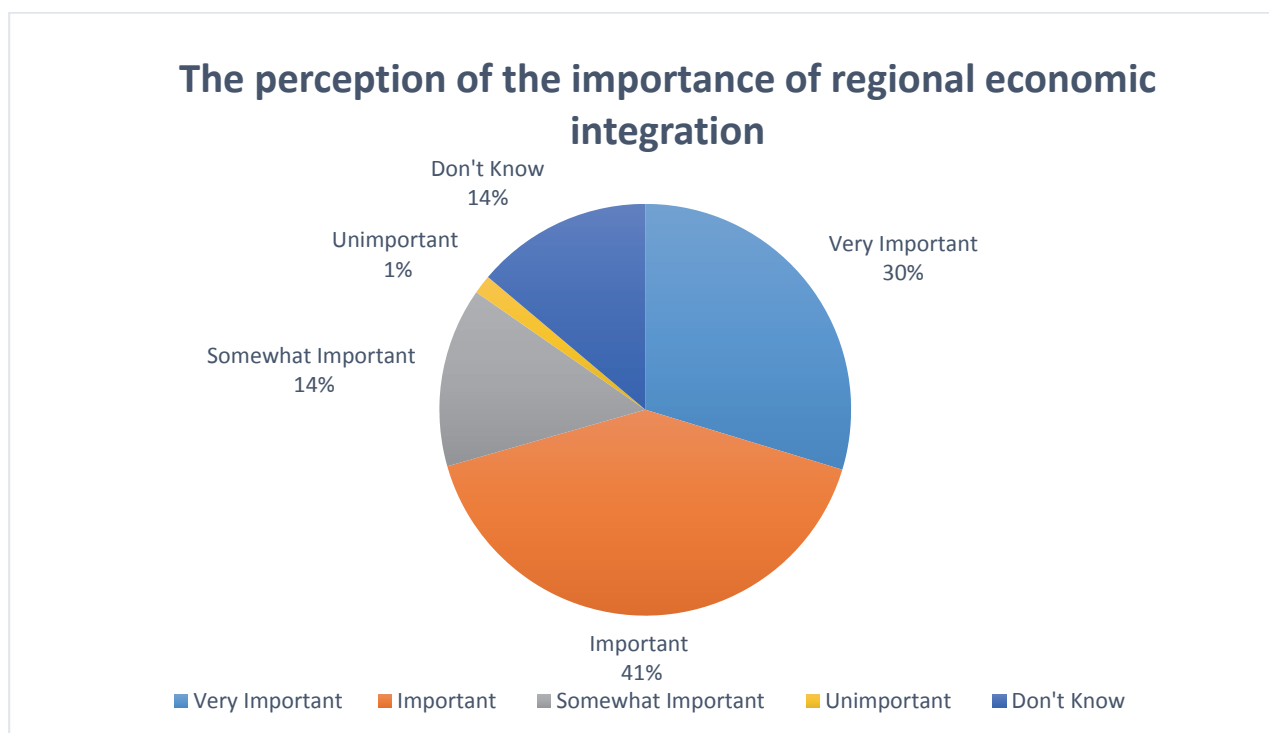
¹³⁵ WTO, 2015.

¹³⁶ WTO, 2015.

¹³⁷ WTO, 2015.

A large percentage of the respondents from the EESE survey respond that regional economic integration is important for Guyana. The largest single percentage, 40.86 percent respond that it is important, while 29.70 percent respond that it is very important and 14.11 percent respond that it is somewhat important. Cumulatively, 84.67 percent think that it has varying degree of importance for economic growth in Guyana, while only 1.48 percent think that it is unimportant. A similar trend is noticed with regards to respondents' perception about CARICOM fulfilling its mandate of regional economic integration. A cumulative 59.62 percent rated CARICOM's performance with varying degrees of being satisfactory; 30.62 percent finding it somewhat satisfactory, 26.15 percent finding it satisfactory, and 2.85 percent finding it very satisfactory. 25.07 percent did not know and 15.31 percent found CARICOM's fulfilment of its mandate unsatisfactory.

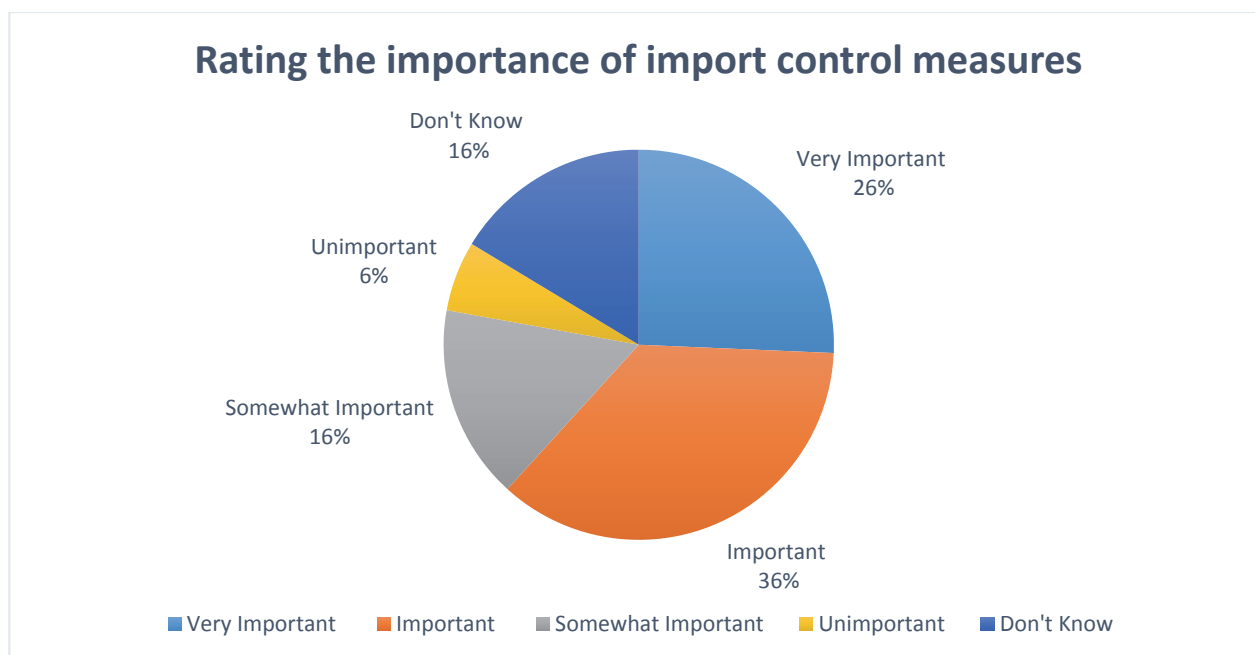
Chart 8: How important is regional economic integration for economic growth in Guyana?



When rating the efficiency of customs in processing import and exports 40.84 percent of survey respondents said they did not know. 28.63 percent said it was poor, 19.58 percent said it was adequate, 8.42 percent found it to be very poor and a scant 2.53 percent found it to be very efficient. When segregated by sector though 40.73 percent of respondents from mining found customs processing of imports and exports to be adequate in efficiency, while only 17.31 percent of those in pharmaceuticals and 14.71 percent of those in agriculture felt the same.

Guyana EESE Survey respondents were also asked how important import control measures were in order to protect domestic industries. 36.08 percent of respondents thought import control measures were important, 25.68 percent thought they were very important, 16.35 percent did not know, 16.08 percent said they were somewhat important at 5.81 percent said they were unimportant.

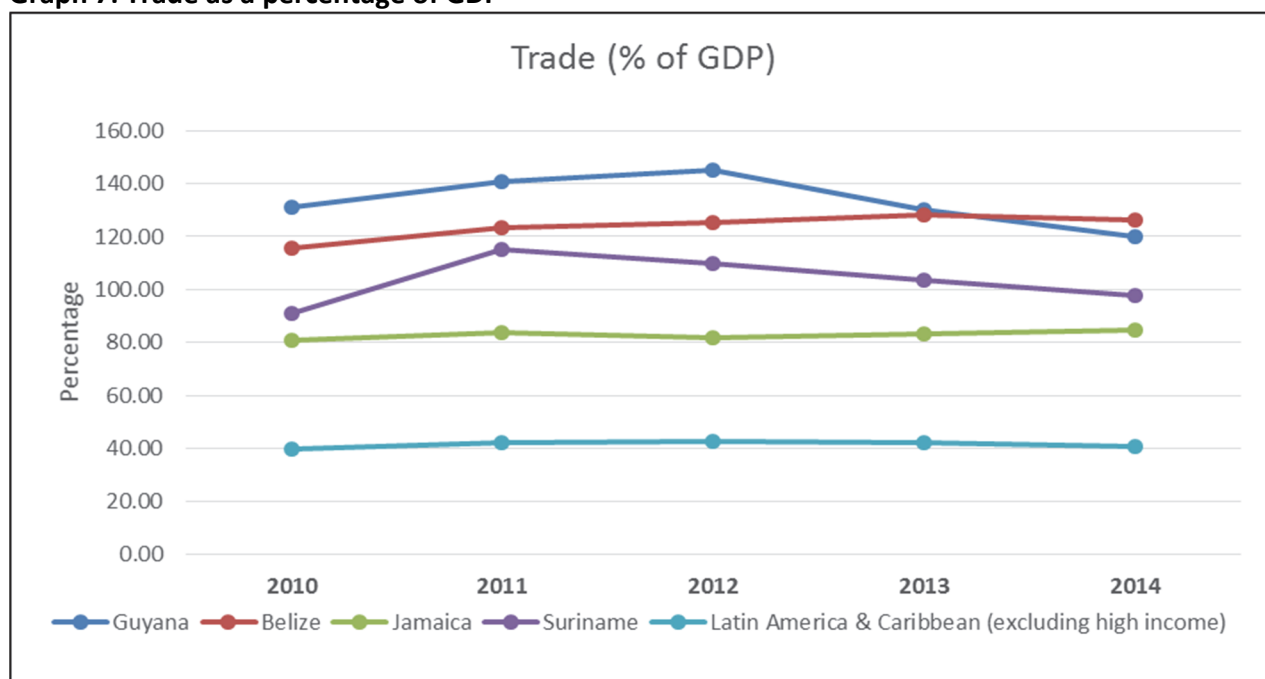
Chart 9: How important are measures aimed at controlling imports in order to protect domestic industries?



Source: Guyana EESE Survey

“Trade” as an indicator measures the sum of exports and imports of goods and services as a share of GDP. Guyana’s trade as a percentage of GDP peaked in 2012 at 145.26 percent, but has dropped to 105.71 percent in 2016. In 2016 Belize had the highest value with trade at 125.11 percent of GDP. Suriname was next highest at 94.26 percent, and then Jamaica at 78.38 percent which is still several points higher than the Latin America and Caribbean average excluding high income countries, which was at 42.56 percent for 2016.

Graph 7: Trade as a percentage of GDP



Source: World Bank Databank, World Development Indicators Online

The “Enabling Trade Index” measures the factors, policies and services that facilitate the free flow of goods over borders and to final destination. The World Economic Forum changed its methodology in 2014 so recent figures may not be compared with earlier years easily. On a scale from 1 to 7 where the highest value indicates that a country is successful at enabling the free flow of trade, in 2014 Guyana scored an index of 3.60. The index is also available for Jamaica, which scores 3.9 in 2014.

According to World Bank’s 2015 Doing Business Reports, 6 documents were required in order to export from Guyana and 7 documents were required to import into the country. This was standard over the years preceding 2015. Belize required 5 documents for exports and 7 for imports, while Jamaica required, like Guyana, 6 for exports and 7 for imports. Suriname needed 8 documents for exports and 6 for imports. The World Bank’s methodology has changed since then and they no longer update this indicator.

Guyana’s net inflow of FDI as a percentage of GDP has gone down, overall, since 2009, starting at 8.10 percent in 2009, peaking at 9.75 percent in 2012, and then dropping to 3.68 percent in 2015. Belize has followed somewhat the same trajectory, going from 8.14 percent in 2009 to 3.39 percent in 2015. Jamaica went from 4.03 percent in 2009 to 6.49 percent in 2015, while Suriname went from -2.41 percent in 2009 to 4.01 in 2015.

The “Export Propensity Index” measures the export of goods and services as a percentage of GDP. In 2016, Guyana registered an export propensity index of 47.21 percent, having gone down from 51.70 percent in 2010. Belize performed best of all the countries with 56.88 percent in 2016. Suriname was next at 45.08 percent in 2016, and last Jamaica at 31.13 percent in 2016.

Table 6 Key trade and sustainable economic integration indicators, selected countries, 2008-2014

Key Indicators							
Trade (per cent of GDP) Trade is the sum of exports and imports of goods and services measured as a share of gross domestic product (GDP). Please note that the trade-to-GDP ratio refers to the sum of the imports and exports and could therefore exceed 100 per cent. <u>Source:</u> World Bank Databank World Development Indicators Online ¹³⁸	2011		2012	2013	2014	2015	2016
	Guyana	131.30	140.77	145.26	130.29	120.13	107.78
	Belize	115.68	123.22	125.39	128.01	126.44	126.24
	Jamaica	80.92	83.85	82.06	83.32	84.75	74.97
	Suriname	90.96	115.08	109.82	103.40	97.87	93.44
	Latin America & Caribbean (excluding high income)	40.04	42.33	42.69	42.34	40.78	42.21
Enabling Trade Index (ETI) The Enabling Trade Index measures the factors, policies and services facilitating the free flow of goods over borders and to destination. The index breaks the enablers into four overall issue areas: (1) market access, (2) border administration, (3) transport and communications infrastructure and (4) the business environment. Note: As a result of methodological changes introduced in the 2014 report, the results are not strictly comparable over time. <u>Source:</u> Global Enabling Trade Reports World Economic Forum ¹³⁹	Report 2010		Report 2012	Report 2014	2014 (new methodology)		Report 2016
	Guyana	3.42	3.52	3.60			
	Belize						
	Jamaica	3.92	3.90	3.90	3.99		4.03
	Suriname						
FDI net inflow/GDP, per cent Foreign direct investment is the net inflows of investment to acquire a lasting management interest (10 per cent or more of voting stock) in an enterprise operating in an economy other than that of the investor. It is the sum of equity capital, reinvestment of earnings, other long-term capital, and short-term capital as shown in the balance of payments. This series shows net inflows in the reporting economy and is divided by GDP. <u>Source:</u> World Bank Databank, World Development Indicators Online ¹⁴⁰	2010		2011	2012	2013	2014	2015
	Guyana	8.76	9.58	9.75	6.71	7.73	3.68
	Belize	6.90	6.41	12.34	5.72	8.27	3.39
	Jamaica	1.41	1.20	2.79	3.82	4.19	6.49
	Suriname	-5.67	3.29	3.40	3.63	-1.14	4.01
	Latin America & Caribbean (excluding high income)	3.16	3.26	3.09	3.00	3.20	3.49

¹³⁸ <http://databank.worldbank.org/data/home.aspx>

¹³⁹ 2008 Report <http://www3.weforum.org/docs>

¹⁴⁰ <http://databank.worldbank.org/data/home.aspx>

Key Indicators							
Export Propensity Index= exports of goods and services/GDP, per cent							
Exports of goods and services represent the value of all goods and other market services provided to the rest of the world. They include the value of merchandise, freight, insurance, transport, travel, royalties, license fees, and other services, such as communication, construction, financial, information, business, personal, and government services. They exclude labour and property income (formerly called factor services) as well as transfer payments.		2011	2012	2013	2014	2015	2016
	Guyana	55.33	58.44	51.65	46.83	44.08	47.21
	Belize	60.11	62.46	61.25	60.47	58.54	56.88
	Jamaica	30.38	30.19	30.60	31.26	29.81	31.13
	Suriname	64.39	57.74	50.43	44.96	38.05	45.08
	Latin America & Caribbean (excluding high income)	21.06	20.82	20.06	19.22	19.99	20.66
Source: World Bank Databank, World Development Indicators Online ¹⁴¹	It ranges from 0 (with no exports) to 100 (with all domestic production exported).						

3.3. Enabling legal and regulatory environment

Well-designed and clear regulations, including those that uphold labour and environmental standards, are good for the promotion of start-ups and enterprise development. They facilitate formalisation and boost systemic competitiveness. The Ministry of Business is primarily in charge of ensuring the development of an enabling environment for investment and entrepreneurship in Guyana, and there is the recognition of the need to expand manufacturing to promote sustainable development and economic growth¹⁴². The private sector is fragile, and companies in agriculture and mining have inadequate investment, resulting in a lack of modern techniques and technologies¹⁴³. The enforcement of laws and regulation generally tends to be weak in Guyana.

The private sector in Guyana is characterised by the presence of micro small and medium sized companies active in all sectors of the economy. In 2013 73 percent of businesses registered in Guyana employed fewer than five people, while 22.3 percent had between five and fifteen people, and only 4.7 percent had more than fifteen¹⁴⁴. Most firms sell to the domestic market, with 15 percent reporting sales in the Caribbean region, and only 3.8 percent exporting goods and services beyond the Caribbean¹⁴⁵.

Small Business Act No. 2 of 2004 adds to the legal framework required for the operations of SMEs as the regulations for big business do not apply to them. The Ministry of Business has established a semi-autonomous Small Business Bureau (SBB), which executes the mandate of the Small Business Act No. 2 of 2004; the 2004 Act was mean to provide an incentive regime, and support programmes

¹⁴¹ <http://databank.worldbank.org/data/home.aspx>

¹⁴² Guyana Chronicle, 11 June 2017.

¹⁴³ IDB, 2014.

¹⁴⁴ IDB, 2014.

¹⁴⁵ IDB, 2014.

for small business, create an agency to execute functions, and a development fund¹⁴⁶. According to the website of the Ministry of Business the SBB is required to address four distinct areas: access to financing for small businesses, entrepreneurial development services, guaranteeing a commitment of 20 percent government procurement from small businesses and lastly advocacy directed at policy and regulatory reviews to assess the impact on small businesses¹⁴⁷. THE SBB is also the executing agency for the Micro and Small Enterprise Development Project (MSed) which improves access to financing¹⁴⁸.

All companies operating in Guyana must register with the Registrar of Companies. Since 2011 Guyana has eased business start-up by digitizing company records, speeding up the process of company name search and reservation¹⁴⁹. The time required to register a new company for tax identification purposes has also reduced since 2012¹⁵⁰.

Another of the reforms to the enabling legal and regulatory environment involves the creation of a Single Window Processing System (SWAPS) to automate the processes of a number of government entities, and make them more efficient to facilitate trade in Guyana¹⁵¹. SWAPS is expected to be implemented in 2017, with funding from the Caribbean Development Bank. The Ministry of Business also collaborates with the Small Business Bureau (SBB) and New Guyana Marketing Corporation (NEW GMC) to facilitate information delivery to entrepreneurs and small businesses, in order to promote development of the agro-processing sector¹⁵².

In addition to formal regulations and procedures the poor quality of governance is an obstacle to doing business in Guyana¹⁵³. Infrastructure, particularly the supply of electricity is a major impediment, and as of 2016, according to the Doing Business 2016 Economy Profile of Guyana, the country stood at 165 out of 189 countries, ranked on the ease of getting electricity; since 2012 the increased security deposit required for a new electric connection has made getting electricity much more expensive¹⁵⁴.

Estimating the size of the informal economy is difficult, as informal economy data is often not reflected in national statistics. As in many other countries with inefficient government institutions and prevailing corruption, Guyana has a large informal economy. According to one estimate in 1970 the informal economy was valued at 27 percent of GDP in 1970, and 101 percent of GDP in 1989, though since the implementation of macroeconomic reforms this declined to about 55 percent of the GDP in 2000¹⁵⁵. The existence of a large informal economy is also evidence of incentive problems with the regulatory system, such as large taxes, bureaucratic and regulatory burdens, and so on. More recent IDB estimates put the informal economy at about 35 percent for Guyana in 2010¹⁵⁶.

EESE Survey respondents were asked to describe the regulatory environment as it affects operating a small business or a large business in Guyana. 46.65 percent of respondents from small businesses found it a hindrance, while 36.30 percent of respondents from large businesses felt the

¹⁴⁶ Ministry of Business, 2016.

¹⁴⁷ Ministry of Business, 2016.

¹⁴⁸ Guyana Chronicle, 25 May 2017.

¹⁴⁹ World Bank, 2016.

¹⁵⁰ World Bank, 2016.

¹⁵¹ Guyana Chronicle, 11 June 2017.

¹⁵² Guyana Chronicle, 11 June 2017.

¹⁵³ USAID, 2016.

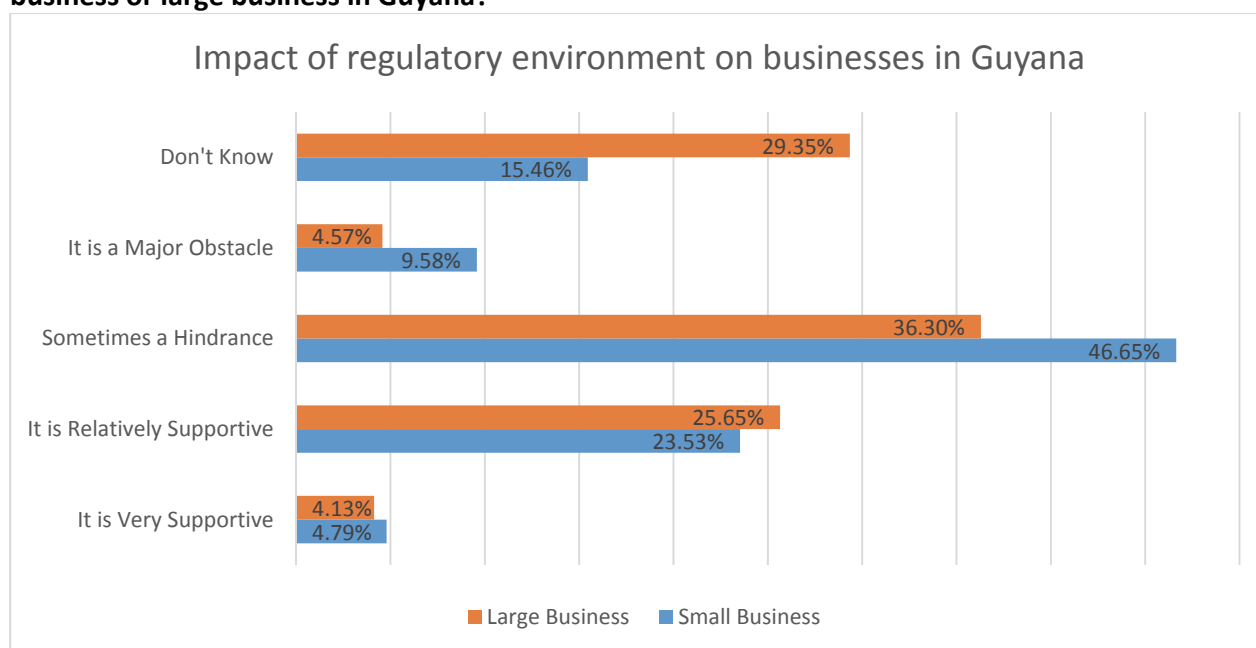
¹⁵⁴ World Bank, 2016.

¹⁵⁵ Greenidge et al, 2006.

¹⁵⁶ IDB, May 2017.

same. 25.53 percent of respondents from small businesses found it relatively supportive, while 25.65 percent of respondents from large businesses felt the same. 15.46 percent of respondents from small businesses and 29.35 percent of those from large businesses didn't know. 9.58 percent from small businesses found it a major obstacle, as did 4.57 percent from large businesses. Only 4.79 percent from small businesses found it very supportive, like 4.13 percent from large businesses.

Chart 10: How would you describe the regulatory environment as it affects operating a small business or large business in Guyana?



Source: Guyana EESE Survey

When it comes to the ease of the registration process at the respective agencies, a majority of survey respondents (57.78 percent) felt that the registration process at the Guyana Revenue Authority was normal. 21.48 percent felt it was easy and fast and 6.67 percent felt that it was very easy and fast. On the other hand, 11.11 percent of respondents thought that the process was complicated and lengthy, while only 2.96 percent felt it was very complicated and lengthy. A similar trend is noted for registration with NIS. The majority of persons (54.31 percent) thought that the process was normal. A cumulative 37 percent thought that it was either easy and fast or very easy and fast. On the other hand, only a cumulative 7.76 percent thought it was either complicated and lengthy or very complicated and lengthy.

Similar trends were also noted for registration with Deeds Registry and the Municipalities. A majority of the respondents found the process to take normal time while a higher percent thought that it was easy and fast, or very easy and fast than those who thought that it was complicated and lengthy, or very complicated and lengthy. When asked about registration processes with the municipality or city council 40.40 percent found the process to be normal, 31.31 percent found the process easy and fast, 19.19 percent found it very easy and fast, with 7.07 percent finding it lengthy and 2.02 percent finding it very lengthy and complicated.

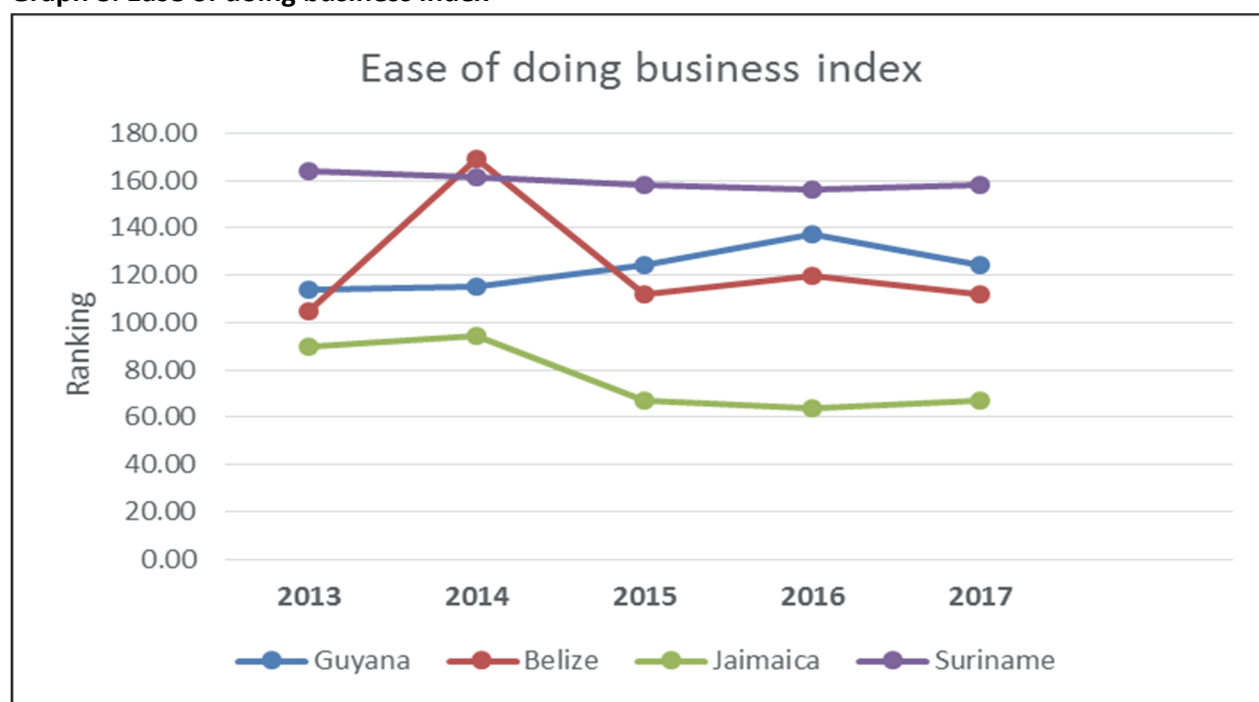
With respect to the barriers to formalizing businesses in Guyana, the three most critical barriers were paying taxes and social contribution, not knowing how or what to do, and too many procedures to register a business. The three second most important factors are paying taxes and social

contributions, too many procedures to register a business and don't know how or what to do. The three third most important factors highlighted are 'it is too expensive to formalize', 'too many procedures to register a business', and 'difficult to get a business license'.

The "Regulatory Quality Index" measures the ability of a government to provide sound policies and regulations for the promotion of the private sector. Guyana's regulatory quality index has improved slightly since 2009, going from -0.60 to -0.55 in 2015, on a scale from -2.5 to 2.5 with higher values indicating a better performance. Guyana scores lower in this indicator than the three neighbouring countries selected for comparison except Suriname, which was at -0.66 in 2015. Belize was very similar at -0.47 in 2016, while Jamaica performed best at 0.11 in the same year.

Guyana's shortcomings in the legal framework for investment are reflected in the low Ease of Doing Business rankings, though it does better than Suriname. The "Ease of Doing Business Index" ranks economies from 1 to 190, where the first place reflects a regulatory environment conducive to business operations. This index comprises averages for 10 different topics. Guyana's poor ranking between 2013 and 2017 points to a rather hostile business environment, where it had gone down from 114 in 2013 to 124 in 2017. Jamaica scores best on this indicator at 67 in 2017, having improved from 90 in 2013. Belize was at 112 in 2017, while Suriname was lowest at 158.

Graph 8: Ease of doing business index



Source: World Bank, Doing Business Project

The "Starting a Business Index" records the officially required procedures to start and operate an enterprise. Economies are ranked from 1 to 190, with first place indicating most favourable conditions for starting a business. Guyana's ranking declined over time, sinking from 89 in 2013 to 186 in 2016, and reviving to 99 in 2017. Jamaica performs best going from 21 in 2013 to 12 in 2017. Belize was at 158 in 2017, while Suriname was at 185 in the same year.

The number of days required to start a business in Guyana reduced slightly from 20 in 2013 to 18 in 2017. Belize and Suriname performed worse than this requiring 43 and 84.5 days, respectively, in 2017. Jamaica performs best on this indicator requiring 10 days to start a business in 2017.

Table 7 Key legal and regulatory environment indicators, selected countries, 2009-2014 and 2014-2015

Key Indicators							
Regulatory Quality Index The ability of the Government to provide sound policies and regulations that enable and promote private sector development. Estimate of governance measured on a scale from approximately -2.5 to 2.5. Higher values correspond to better governance. <u>Source:</u> World Bank, Worldwide Governance Indicators ¹⁵⁷	2010	2011	2012	2013	2014	2015	
	Guyana	-0.58	-0.66	-0.61	-0.60	-0.53	-0.55
	Belize	-0.44	-0.53	-0.49	-0.50	-0.51	-0.47
	Jamaica	0.28	0.30	0.24	0.24	0.16	0.11
	Suriname	-0.68	-0.60	-0.47	-0.44	-0.60	-0.66
Starting a Business Starting a Business Index records all procedures that are officially required for an entrepreneur to start up and formally operate an industrial or commercial business. These include obtaining all necessary licenses and permits and completing any required notifications, verifications or inscriptions for the company and employees with relevant authorities. The index ranks economies from 1 to 190, with first place being the best. Source: World Bank. Doing Business project ¹⁵⁸			2016 Report		2017 Report		
	Guyana	Ranking	186		99		
	Guyana	Days			18		
		Ranking	156		158		
	Belize	Days			43		
		Ranking	6		12		
	Jamaica	Days			10		
		Ranking	184		185		
	Suriname	Days			84.5		

3.4. Rule of law and secure property rights

A formal and effective legal system, which guarantees that contracts are honoured and upheld, the rule of law is respected, and property rights are secure, is a key condition for attracting investment, as well as for nurturing trust and fairness in a society. The adherence to rule of law is crucial to creating an environment of confidence for businesses and investors.

The legal system in Guyana is based on the Constitution of 1980, and follows the English Common Law system. The Supreme Court of Judicature hears criminal and civil matters, and intellectual property claims fall under the civil jurisdiction¹⁵⁹. If there is no precedent set in Guyanese law on the matter the judgements of other courts within the Commonwealth are taken into consideration¹⁶⁰. Though the constitution guarantees an independent judiciary the judicial branch has not remained unaffected by the ethnic-based political divisions that characterise the country¹⁶¹, and

¹⁵⁷ http://databank.worldbank.org/data/views/variableselection/selectvariables.aspx?source=worldwide-governance-indicators#c_s

¹⁵⁸ <http://www.doingbusiness.org/EconomyRankings/>

¹⁵⁹ U.S. Department of State, 2017.

¹⁶⁰ U.S. Department of State, 2017.

¹⁶¹ ISSAT, 2015.

the executive has some influence over the judicial branch¹⁶². Procedural issues exist with the Guyanese legal system; there are delays to proceedings caused by the lack of trained personnel, and inadequate resources¹⁶³. The backlog of cases, along with an under resourced penal system has caused prisons to become overcrowded, as well as affected the practice of civil law.

The courts are often seen as an unattractive option for settling investment or contractual disputes, especially for foreign investors unfamiliar with Guyana, as there are long delays, and the perception of corruption¹⁶⁴. To address this obstacle to investment the GoG, supported by the Inter-American Development Bank (IDB), established a Commercial Court in 2006 but this has only one judge presiding, and has a large backlog of cases¹⁶⁵. While the court system is generally perceived as slow and ineffective at enforcing legal contracts there is no executive interference with the system to adversely affect foreign investors on subjects like expropriation of assets for example¹⁶⁶. The Investment Act protects investors from discriminatory expropriation, and states that they must receive prompt and fair compensation; the government cannot expropriate any investment enterprise or asset except for in very specific cases in accordance with Guyanese laws¹⁶⁷.

Guyana has a complex and bureaucratic system of property rights, some aspects of it drawing from Roman Dutch law. There are overlapping and competing registrations, with Deeds and Land registries, which operate in separate jurisdictions, but still cause some degree of confusion¹⁶⁸. While both systems suffer from a lack of transparency and accessibility the Land registry is seen as being far more susceptible to corruption than the Deeds registry¹⁶⁹. There are three types of land ownership in Guyana- public land, Amerindian land which is held in common by indigenous communities, and private land. Public lands are administered by the Guyana Lands and Surveys Commission, originally established in 1959¹⁷⁰.

The government facilitates the concession of large tracts of land to multinational companies for exploration and exploitation of resources, but small and medium-scale operations do not receive the same degree of support with managing their land leases¹⁷¹. The problems of the land tenure system affect agriculture as well, keeping successful farmers from consolidating smaller plots into larger ones and being able to achieve economies of scale by investing in better machinery¹⁷². Respecting property rights is crucial to maintaining the value of assets in the market, making it possible to mobilise their value when called to do so. Land registry processes need to be simplified so that credit systems can work more efficiently, land can be used as collateral, and savings be made less illiquid.

Most of Guyana's intellectual property laws date back to the colonial period. Guyana is a member of the World Intellectual Property Organization (WIPO) but does not have comprehensive modern legislation to protect intellectual property rights¹⁷³. Guyana's Copyright Act dates from 1956, and the Design Act from 1973 and these two form the foundation of legislation regarding

¹⁶² U.S. Department of State, 2017.

¹⁶³ ISSAT, 2015.

¹⁶⁴ U.S. Department of State, 2017.

¹⁶⁵ U.S. Department of State, 2017.

¹⁶⁶ U.S. Department of State, 2017.

¹⁶⁷ U.S. Department of State, 2017.

¹⁶⁸ U.S. Department of State, 2017.

¹⁶⁹ IDB, 2010.

¹⁷⁰ IDB, 2010.

¹⁷¹ IDB, 2014.

¹⁷² IDB, 2014.

¹⁷³ U.S. Department of State, 2017.

copyright protection, though other amendments have been passed to protect local products and companies in a piecemeal fashion¹⁷⁴. Few enforcement mechanisms exist, even when patents or trademarks are registered, and infringement continues to be commonplace¹⁷⁵. In 2014 a commercial registry was established to handle the administration of intellectual properties, and Guyana has commitments to CARICOM, and the EU, to adequately implement international obligations relating to intellectual property¹⁷⁶.

With respect to the understanding of labour laws by the business community, only 2.07 percent of respondents from the EESE survey think that the business community has a wide understanding of the labour laws. At the other extreme, the highest percentage of respondents 36.55 percent think that the business community has a partial understanding of labour laws. 32.14 percent of respondents think the business community generally doesn't understand labour laws while 23.17 percent think they generally do.

With regard to showing respect for the labour laws, the highest percentage of respondents say that the business community shows only partial respect to the labour laws- 38.87 percent. 36.79 percent think the business community generally does not respect labour laws while 16.07 percent think they generally do, 2.79 percent think labour laws are widely respected, and 5.58 percent say they do not know.

A similar trend is noted when it comes to the workers' understanding of the law. The highest percentage of respondents, that is 42.51 percent, think that workers only have a partial understanding of the labour laws in Guyana. 33.69 percent think workers generally do not understand the law, 17.11 percent think they generally understand, 4.14 percent think they don't know, and 2.54 percent think they widely understand them. When the responses were broken down according to respondents' relationship to businesses, although there were almost equal numbers of owners, managers, and workers who tend to think that both the business community and workers have a general understanding of labour laws, owners were more inclined than managers and workers to think that workers and the business community do not generally understand labour laws.

When asked about the effect of labour laws on small business growth 35.6 percent said that most small businesses were aware but that they ignored labour laws, so they were not an impediment. 20.79 percent said most small businesses find it difficult to comply with labour law, and find it a major impediment. 18.61 percent said most small businesses are unaware of the provisions of labour law, and so it is not a major impediment. 16.98 percent said they did not know, and 8.02 percent thought most small businesses have little trouble in complying with labour laws so they are not a major impediment.

Guyana's performance in the "Rule of Law Index" lags behind all its neighbours except Belize. It improved marginally over time, going from -0.58 in 2009 to -0.50 in 2015 on a scale from -2.5 to 2.5 where higher values correspond to better governance. All four countries were in negative figures. Belize was lowest at -0.74 in 2015, while Jamaica and Suriname performed relatively better at -0.23 and -0.25 respectively, in the same year.

The "Property Rights" indicator estimates how well property rights are defined and protected by law on a scale of 1 to 7, where higher values indicate that property laws are clearly defined and well

¹⁷⁴ U.S. Department of State, 2017.

¹⁷⁵ U.S. Department of State, 2017.

¹⁷⁶ WTO, 2015.

protected by law. In this regard Guyana scored 3.7 in 2015, having gone down slightly from 3.9 two years before. Jamaica did best at 4.5 in 2015, while Suriname scored 3.3 in 2014. A figure was not available for Belize.

The “Intellectual Property Protection” indicator assesses whether the protection of intellectual property in a country is weak and not enforced, or strong and enforced, on a scale from 1 to 7 with higher values corresponding to better performance. In 2015, Guyana scored 3.3, having gone down from 3.5 two years previously. Again Jamaica scored the highest of the countries, at 4.2 in 2015. Suriname was at 2.7 in 2014, while figures were not available for Belize.

Table 8 Key rule of law and property rights indicators, selected countries, 2009-2014 and 2012-2015

Key Indicators		2010	2011	2012	2013	2014	2015
Rule of Law Index The extent to which agents have confidence in and abide by the rules of society, including the quality of contract enforcement and property rights, the police and the courts, as well as the likelihood of crime and violence. Estimate of governance measured on a scale from approximately -2.5 to 2.5. Higher values correspond to better governance. <u>Source:</u> World Bank Databank, Worldwide Governance Indicators ¹⁷⁷	Guyana	-0.48	-0.50	-0.51	-0.52	-0.60	-0.50
	Belize	-0.36	-0.49	-0.46	-0.47	-0.74	-0.74
	Jamaica	-0.50	-0.43	-0.41	-0.38	-0.31	-0.23
	Suriname	-0.10	-0.07	-0.08	-0.07	-0.16	-0.25
Property Rights The World Economic Forum (WEF) Survey asked the business leaders to provide their expert opinions on the following: “Property rights in your country, including over financial assets, are 1=poorly defined and not protected by law, 7=clearly defined and well protected by law”. <u>Source:</u> World Economic Forum, The Global Competitiveness Report ¹⁷⁸ .		GC Report 2013/14	GC Report 2014/15	GC Report 2015/16	GC Report 2016/17		
	Guyana	3.9	3.8	3.7			
	Belize						
	Jamaica	4.3	4.4	4.5	4.7		
	Suriname	3.6	3.3				
Intellectual Property Protection The World Economic Forum (WEF) Survey asked the business leaders to provide their expert opinions on the following: “Intellectual property protection and anti-counterfeiting measures in your country are 1=weak and not enforced, 7=strong and enforced”. <u>Source:</u> World Economic Forum, The Global Competitiveness Report ¹⁷⁹ .		GC Report 2013/14	GC Report 2014/15	GC Report 2015/16	GC Report 2016/17		
	Guyana	3.5	3.3	3.3			
	Belize						
	Jamaica	3.5	3.8	4.2	4.4		
	Suriname	2.9	2.7				

¹⁷⁷ <http://databank.worldbank.org/data/views/variableselection/selectvariables.aspx?source=worldwide-governance-indicators>

¹⁷⁸ <http://www.weforum.org/issues/global-competitiveness>

¹⁷⁹ <http://www.weforum.org/issues/global-competitiveness>

3.5. Fair competition

In order for the private sector and sustainable enterprises to develop and grow, it is important to have regulation to ensure competition, including rules for ensuring continued respect for labour and social standards. In addition, anti-competitive practices at the national level must be eliminated. CARICOM works with the GoG to increase the capacity of agencies in Guyana on competition law and policy. Successful CARICOM economic integration requires that competition and consumer protection policies be applied¹⁸⁰.¹⁸¹ Regional firms need access to each other's markets, and efforts are under way to address issues of tariff and non-tariff barriers¹⁸². Anti-competitive behaviour needs to be addressed, as this hinders entrepreneurship, investment, product enhancement, and denies consumers the ability to make optimal choices¹⁸³.

Competition policy in Guyana is outlined in the 2006 Competition and Fair Trading Act, which also mandated the establishment of the Competition and Consumer Affairs Commission (CCAC) of Guyana to administer and enforce the act; the CCAC has been operational since 2011¹⁸⁴. The CCAC is housed within the Ministry of Tourism, Industry and Commerce. The 2006 Act was a partial remedy to the lack of comprehensive anti-trust legislation- it targets price fixing, conspiracy, bid rigging, anti-competitiveness and other abuses of consumers¹⁸⁵. Many sectors, in Guyana, are dominated by one or two firms, due in part to historical factors, the small population, and limited economic base¹⁸⁶.

The National Procurement and Tender Administration Board is responsible for public procurement in Guyana, though the system requires support¹⁸⁷. Similarly, the CCAC, which was restructured and revived in 2011, and which enforces Guyana's competition policies, requires technical assistance to function properly.

With the introduction of the ERP in 1988 the GoG reduced funding to state corporations, and sold several entities, but significant State-Owned Enterprises (SOEs) still exist, notable among them GuySuCo, which organises the sale of sugar nationally. In 1992 there were 22 SOEs, and since then 16 of these have been privatised¹⁸⁸. Most large-scale infrastructure projects are government-led; foreign firms are often given access to the bidding process but allegations persist that these are not always transparent¹⁸⁹.

When asked if the government provides any of a list of services and incentives for small enterprises ESE survey respondents at the national level listed them in the following order, based on their perception of provision- social security benefits, tax benefits, access to tenders (preferential procurement allowances for SMEs), simplified registration procedures, small enterprise support, staff training programmes, access to SME finance, and others.

The survey respondents were also asked about a list of factors making up a support system for individuals to establish a new business in Guyana. 30.33 percent found there was start-up support for

¹⁸⁰ Stabroek News, 14 August 2009.

¹⁸¹ WTO, 2015.

¹⁸² Stabroek News, 14 August 2009.

¹⁸³ Stabroek News, 14 August 2009.

¹⁸⁴ CARICOM Competition Commission, 2017.

¹⁸⁵ U.S. Department of State, 2017.

¹⁸⁶ U.S. Department of State, 2017.

¹⁸⁷ WTO, 2015.

¹⁸⁸ U.S. Department of State, 2017.

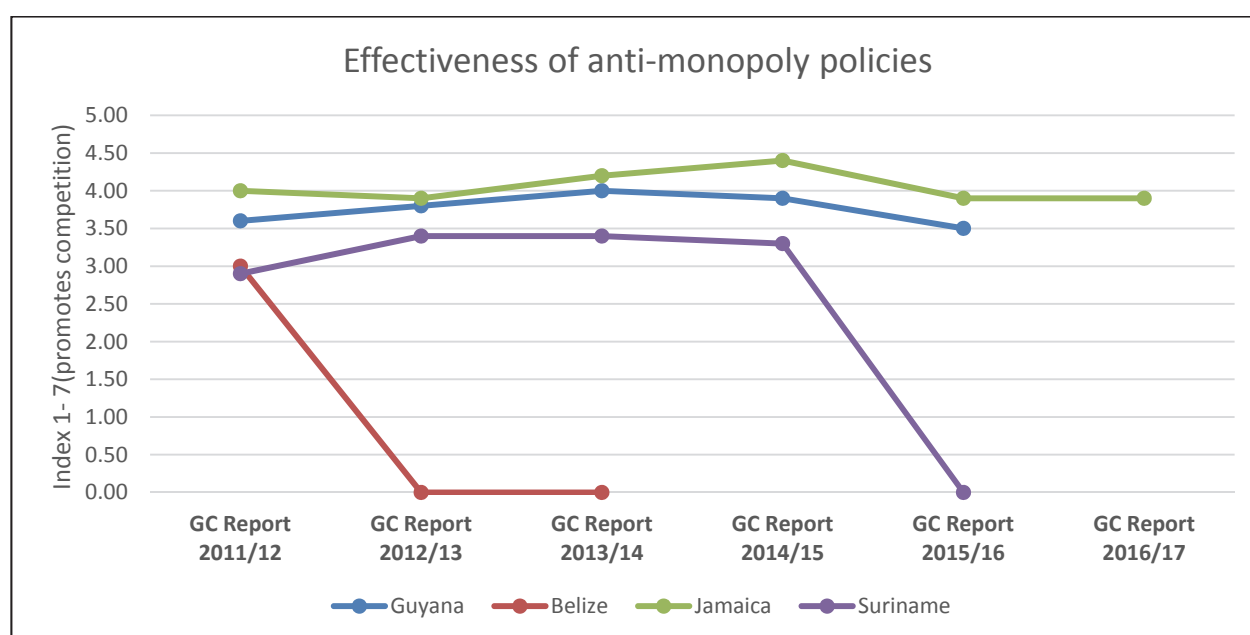
¹⁸⁹ U.S. Department of State, 2017.

business planning to some extent while 25.76 percent found it good. 31.36 percent of respondents thought business coaching and mentorship existed to some extent, while another 23.12 percent thought it wasn't good. About market information 26.54 percent thought this was available to some extent, and 25.14 percent found this to be good. 32.07 percent did not know about the availability of information on legislative requirements, and 26.58 percent thought this was available to some extent. About business premises and incubation again a large percentage, 34.41 percent, didn't know, while 23.31 percent said this support was available to some extent. About procurement opportunities, again 33.10 percent said they didn't know, while 30.56 percent said this support was available to some extent. On the subject of support through technical training 30.85 percent said this was available to some extent, and 27.46 percent said this was good, while about business and financial management training 30.11 percent said this was available to some extent, and a further 23.53 percent said they did not know.

"New Business Density" indicates the number of newly registered, limited liability companies per 1000 working age people (15 to 64 years old) in a given year. There is no data available for Guyana on this indicator. Belize registered the highest value in 2014 with 3.08, while Suriname was at 1.36 and Jamaica at 1.00 newly registered limited liability companies per 1000 working-age people.

The "Intensity of Local Competition" indicator measures the level of competition in local markets from 1 to 7, 1 being limited and 7 referring to intense competition in most industries. Guyana's "intensity of local competition indicator" was estimated at 4.7 in 2015, having gone down slightly, from 5.0 in 2013. Jamaica performed best at 5.4 in 2015, while Suriname was at 4.7 in the same year. The "Effectiveness of Anti-Monopoly Policy" indicator reflects the level of efficiency of anti-monopoly policy in promoting competition, on a scale from 1 to 7, with higher values corresponding to better performance. Guyana's score has deteriorated from 4 in 2013 to 3.5 in 2015. In the same period of time Jamaica and Suriname also registered a drop in values. Jamaica was at 3.9 in 2015, while Suriname was at 3.3 in 2014.

Graph 9: Effectiveness of anti-monopoly policies



Source: World Economic Forum Executive Opinion Survey, The Global Competitiveness Report

The “Extent of Market Dominance Indicator” indicates whether corporate activity is dominated by only a few business groups or is spread among many firms, in a range of values from 1 to 7 with higher values corresponding to more firms. In 2015, Guyana scored 3.5, outperforming Jamaica, which was at 3.3 in the same year. In 2014 Suriname was at 3.5.

Table 9 Key fair competition indicators, selected countries, 2012-2015 and 2006-2012

Key Indicators							
New Business Density The number of newly registered limited liability companies per 1,000 working-age people (those ages 15-64) in that year. Source: World Bank Databank, World Development Indicators Online ¹⁹⁰			2008	2009	2010	2011	2012
			2014				
	Guyana						
	Belize	4.58	3.21	3.21	5.30	4.31	3.08
	Jamaica	1.28	1.22	1.18	1.10	1.11	1.00
	Suriname	0.39	0.42	0.63	1.21	1.63	1.36
Intensity of local competition index Intensity of local competition index is based on survey data drawn from the following question: “Competition in the local markets is (1=limited in most industries and price-cutting is rare, 7=intense in most industries as market leadership)”. Source: World Economic Forum Executive Opinion Survey, The Global Competitiveness Report ¹⁹¹ .			GC Report 2013/14	GC Report 2014/15	GC Report 2015/16	GC Report 2016/17	
	Guyana		5.0	4.7	4.7		
	Belize						
	Jamaica		5.2	5.4	5.4	5.5	
	Suriname		4.7	4.37	4.7		
Effectiveness of anti-monopoly policies Effectiveness of anti-monopoly policy index is based on annual survey data. The respondents were asked to rate the effectiveness of anti-monopoly policy in their country: “Antimonopoly policy in your country is (1=lax and not effective at promoting competition, 7=effective and promotes competition)”. Source: World Economic Forum Executive Opinion Survey, The Global Competitiveness Report ¹⁹² .			GC Report 2013/14	GC Report 2014/15	GC Report 2015/16	GC Report 2016/17	
	Guyana		4.0	3.9	3.5		
	Belize						
	Jamaica		4.2	4.4	3.9	3.9	
	Suriname		3.4	3.3			
Extent of market dominance index Extent of market dominance index is based on annual survey data. The respondents were asked to rate the corporate activity in their country: “Corporate activity in your country is (1=dominated by a few business groups, 7=spread among many firms)”. Source: World Economic Forum Executive Opinion Survey, The Global Competitiveness Report ¹⁹³ .			GC Report 2013/14	GC Report 2014/15	GC Report 2015/16	GC Report 2016/17	
	Guyana		3.9	3.8	3.5		
	Belize						
	Jamaica		3.9	3.5	3.3	3.5	
	Suriname		3.8	3.5			

¹⁹⁰ <http://databank.worldbank.org/data/home.aspx>

¹⁹¹ <http://www.weforum.org/issues/global-competitiveness>

¹⁹² <http://www.weforum.org/issues/global-competitiveness>

¹⁹³ <http://www.weforum.org/issues/global-competitiveness>

3.6. Information and communication technologies

In the era of the knowledge economy, the use of information and communication technologies (ICTs) is fundamental to achieving development goals, particularly the growth of sustainable enterprises. Individuals benefit from the availability and use of ICTs in many ways, as they are able to substitute phone calls for travel, able to access information on important things like prices, and so on. To fully harness the potential of ICTs an adequate technical infrastructure is required, as well as human skills to use the existing networks and services.

Guyana's National information and Communication Technology (ICT) Strategy is intended to provide the framework to guide the development of the ICT sector. The legislative framework governing ICT is still being developed, but reforms are being implemented by the Ministry of Public Telecommunications, and other agencies to ensure ICT supports the economy in a variety of ways¹⁹⁴. Regulations to complete the liberalisation of the telecommunications sector have been prepared and published for comment, and negotiations with the Guyana Telephone and Telegraph (GTT) Company are expected to be completed in 2017¹⁹⁵. Telecommunications were privatised in the late 1980s in Guyana, but GTT is the largest provider of telecommunications services in the country¹⁹⁶.

Innovations with ICTs can improve governance outcomes. To this end the National Data Management Authority (NDMA) in Guyana is facilitating the integration of information systems and electronic services to improve efficiency at all levels of government¹⁹⁷. This integration will also address electronic learning and distance education, electronic health solutions for health care in more poorly connected parts of the country, and solutions to improve public security¹⁹⁸. The Ministry of Public Telecommunications is engaged in promoting digital literacy through community centres by installing over 55 ICT hubs with wireless internet across the country; as of mid-2017 over 30 were operational¹⁹⁹.

The wide spread of mobile technology, and the relatively low cost of using it makes messaging services a vehicle for development and information services. Weather reports with implications for agricultural production, health care reminders and financial transactions may all be conveyed through the use of mobile technology. Mobile money services allow for financial transactions between persons all over the country. It enables those who do not have access to bank branches and those who do not have bank accounts.

Guyana suffers from poor infrastructure for communications, power and transport, which challenge the use of ICTs; poor internet connectivity is a serious concern. Broadband communications are still not available in many parts of the country. The growing network of fibre optic cables should increase international telecommunications, internet capacity, and reduce the cost of usage all round. Guyana is dependent on imported hardware, and there is a small local software industry, though the scale is rather limited. People, in rural areas particularly, do not have the skills to operate computers and other ICT equipment, though mobile phone usage has caught on fast.

The "ICT Development Index" (IDI) is a composite index combining 11 indicators into a single measure that can be used as a benchmarking tool globally, regionally and at the country level. It

¹⁹⁴ DPI, 4 August 2017.

¹⁹⁵ DPI, 4 August 2017.

¹⁹⁶ WTO, 2015.

¹⁹⁷ DPI, 4 August 2017.

¹⁹⁸ DPI, 4 August 2017.

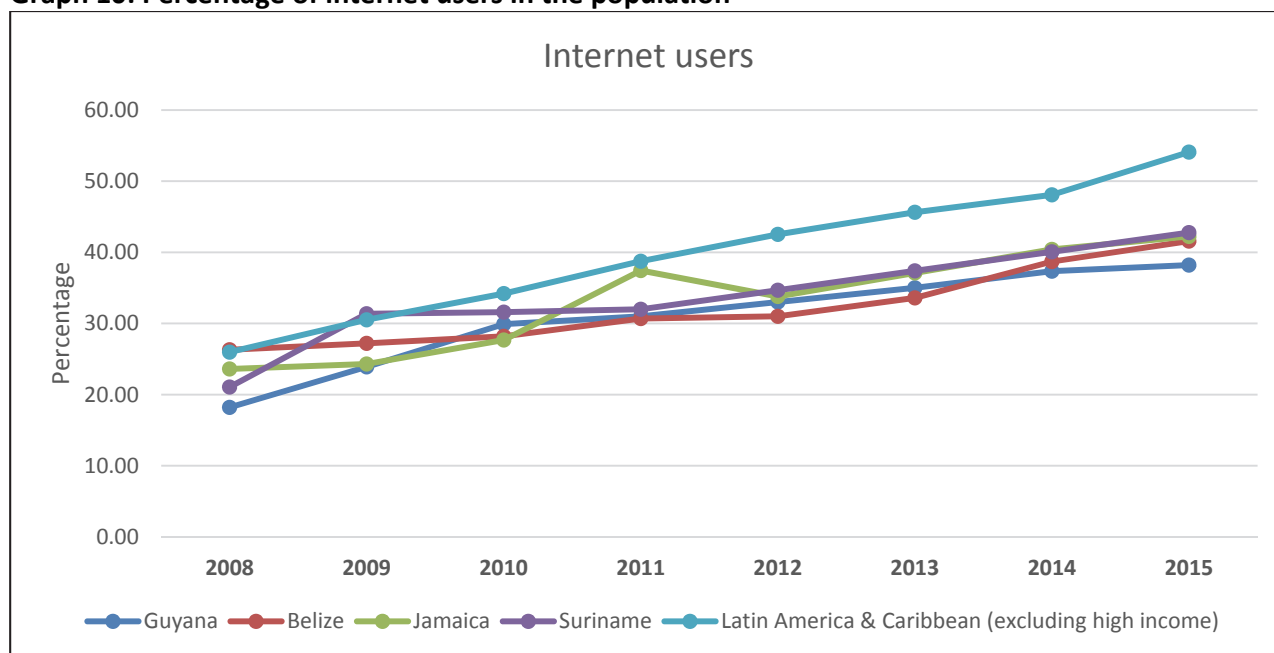
¹⁹⁹ DPI, 8 June 2017.

absorbs several indicators, such as households with a computer, number of Internet users, literacy levels, etc. On a scale from 1 to 10 with higher values indicating better performance, Guyana's IDI increased from 3.12 to 3.48 in the period between 2011 and 2017. This is the lowest of all the countries used for comparison. Suriname was highest in 2017, with an index of 5.09, followed by Jamaica at 4.52 and then Belize at 3.66.

The "Network Readiness Index" measures the extent to which a country leverages ICTs for enhanced competitiveness. On a scale from 1 to 7 with higher values corresponding to better performance, Guyana's score reduced slightly from 3.60 in 2011 to 3.58 in 2015. Figures were not available for Belize. Jamaica did best in 2015 with 3.86 and Suriname was lowest that year at 2.99.

The number of "Internet Users" per 100 people in Guyana grew from 18.20 percent in 2008 to 38.20 percent in 2015. This is lower than all three other countries used for comparison. Suriname performed best at 42.76 percent in 2015, while Jamaica was at 42.22 percent and Belize at 41.59 percent in the same year.

Graph 10: Percentage of internet users in the population



Source: World Bank Databank, World Development Indicators

The number of telephone lines in Guyana is relatively high for the region at 19.08 percent in 2015, having gone up from 17.90 percent in 2008. Suriname was next highest at 16.76 percent in 2015 while Jamaica was at 8.99 percent and Belize at 6.79 in the same year.

The number of "Mobile Telephone Subscriptions" in Guyana in 2015 was 67.19 percent, which is the second lowest after Belize, though it had gone up from 62.55 percent in 2009. Suriname had the highest percentage of mobile cellular subscriptions at 136.83 percent in 2015, while Jamaica was next at 111.51 percent, in the same year.

Affordable broadband technology is also very important and should be facilitated. The number of “Fixed Broadband Internet Subscribers” per 100 people in Guyana has shown growth, going from 0.87 percent in 2009 to 6.65 percent in 2015. Belize was lowest in 2015 with 5 percent of the population having fixed broadband internet subscriptions. Suriname was highest at 9.61 percent in 2015, followed by Jamaica at 8.14 percent in the same year.

Table 10 Key ICT indicators, selected countries, 2011-2015, 2012-2015 and 2009-2014

Key Indicators																															
ICT Development Index (IDI) IDI compares developments in information and communication technologies (ICT) in 154 countries over a five-year period from 2002 to 2007. The Index combines 11 indicators into a single measure that can be used as a benchmarking tool globally, regionally and at the country level. These are related to ICT access, use and skills, such as households with a computer the number of Internet users; and literacy levels. Scale from 1 to 10, with lower scores reflecting lower development levels. <u>Source:</u> Measuring the Information Society Reports, International Telecommunication Union ²⁰⁰ .	<table><thead><tr><th></th><th>2012</th><th>2013</th><th>2016</th><th>2017</th></tr></thead><tbody><tr><td>Guyana</td><td>3.08</td><td>3.48</td><td>3.48</td><td>3.48</td></tr><tr><td>Belize</td><td></td><td></td><td>3.32</td><td>3.66</td></tr><tr><td>Jamaica</td><td>4.26</td><td>4.26</td><td>4.20</td><td>4.52</td></tr><tr><td>Suriname</td><td>4.26</td><td>4.26</td><td>4.89</td><td>5.09</td></tr></tbody></table>		2012	2013	2016	2017	Guyana	3.08	3.48	3.48	3.48	Belize			3.32	3.66	Jamaica	4.26	4.26	4.20	4.52	Suriname	4.26	4.26	4.89	5.09					
	2012	2013	2016	2017																											
Guyana	3.08	3.48	3.48	3.48																											
Belize			3.32	3.66																											
Jamaica	4.26	4.26	4.20	4.52																											
Suriname	4.26	4.26	4.89	5.09																											
Networked Readiness Index The NRI measures the degree to which developed and developing countries across the world leverage information and communication technologies (ICT) for enhanced competitiveness. The Index comprises three sub-indexes that measure the environment for ICT, together with the main stakeholders’ readiness and usage, with a total of nine pillars and 71 variables. Scale of 1 to 7, with higher scores reflecting a better readiness to utilize the opportunities created by ICT. Source: World Economic Forum, The Global Information Technology Report ²⁰¹ .	<table><thead><tr><th></th><th>GITR 2012</th><th>GITR 2013</th><th>GITR 2014</th><th>GITR 2015</th><th>GITR 2016</th></tr></thead><tbody><tr><td>Guyana</td><td>3.60</td><td>3.70</td><td>3.77</td><td>3.45</td><td>3.58</td></tr><tr><td>Belize</td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>Jamaica</td><td>3.90</td><td>3.90</td><td>3.77</td><td>3.74</td><td>3.86</td></tr><tr><td>Suriname</td><td></td><td>3.20</td><td>3.30</td><td>3.13</td><td>2.99</td></tr></tbody></table>		GITR 2012	GITR 2013	GITR 2014	GITR 2015	GITR 2016	Guyana	3.60	3.70	3.77	3.45	3.58	Belize						Jamaica	3.90	3.90	3.77	3.74	3.86	Suriname		3.20	3.30	3.13	2.99
	GITR 2012	GITR 2013	GITR 2014	GITR 2015	GITR 2016																										
Guyana	3.60	3.70	3.77	3.45	3.58																										
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Suriname		3.20	3.30	3.13	2.99																										

²⁰⁰ <http://www.itu.int/pub/D-IND>, http://www.itu.int/en/ITU-D/Statistics/Documents/publications/mis2014/MIS2014_without_Annex_4.pdf

²⁰¹ <http://www.weforum.org/issues/global-information-technology>

Key Indicators						
Internet users (per 100 people) The Internet is a linked global network of computers in which users at one computer get information from other computers in the network. Internet users are people with access to the worldwide network. The total number of Internet users is divided by the population and multiplied by 100. <u>Source:</u> World Bank Databank, World Development Indicators. ²⁰² .	2011		2012	2013	2014	2015
	Guyana	31.00	33.00	35.00	37.35	38.20
	Belize	30.70	31.00	33.60	38.70	41.59
	Jamaica	37.44	33.79	37.10	40.40	42.22
	Suriname	32.00	34.68	37.40	40.08	42.76
Fixed-telephone subscriptions (per 100 inhabitants) Fixed lines are telephone mainlines connecting a customer's equipment to the public switched telephone network. <u>Source:</u> World Bank Databank, World Development Indicators ²⁰³ .	2011		2012	2013	2014	2015
	Guyana	19.26	19.39	19.61	19.87	19.08
	Belize	9.12	7.84	7.25	6.68	6.79
	Jamaica	9.80	9.14	8.99	9.09	8.99
	Suriname	15.85	16.17	15.75	15.61	16.76
Mobile-cellular telephone subscriptions (per 100 inhabitants) Mobile phone subscribers refer to users of portable telephones subscribing to an automatic public mobile telephone service using cellular technology that provides access to the public switched telephone network. <u>Source:</u> World Bank Databank, World Development Indicators ²⁰⁴ .	2011		2012	2013	2014	2015
	Guyana	66.86	68.78	69.41	70.54	67.19
	Belize	70.32	53.21	52.61	50.71	60.97
	Jamaica	106.92	98.05	102.24	107.38	111.51
	Suriname	100.71	106.46	161.07	170.57	136.83
Fixed (wired)-broadband subscriptions (per 100 inhabitants) Broadband subscribers are the total number of broadband subscribers with a digital subscriber line, cable modem, or other high-speed technologies. <u>Source:</u> World Bank Databank, World Development Indicators. ²⁰⁵ .	2011		2012	2013	2014	2015
	Guyana	2.60	3.77	4.61	5.63	6.65
	Belize	3.07	3.08	2.98	2.91	5.00
	Jamaica	4.29	4.44	5.06	5.41	8.14
	Suriname	4.37	5.48	6.88	8.53	9.61

²⁰² <http://databank.worldbank.org/data/views/reports/tableview.aspx>

²⁰³ <http://databank.worldbank.org/data/views/reports/tableview.aspx>

²⁰⁴ <http://databank.worldbank.org/data/views/reports/tableview.aspx>

²⁰⁵ <http://databank.worldbank.org/data/views/reports/tableview.aspx>

3.7. Access to financial services

The creation and expansion of sustainable enterprises requires access to financial resources. The GoG has recognized that SMEs and micro businesses are drivers of economic growth, and need financial support, but that they continue to find accessing credit a challenge²⁰⁶. SMEs are an important part of developing economies as they help to address employment and income distribution challenges. They are a key source of dynamism and innovation but face difficulties due to high transaction costs, and the lack of instruments with which to manage risk. The informality of most SMEs contributes to their difficulty in accessing finance, their assets remain undocumented and cannot be used as collateral in formal financial institutions. Access to microfinance has been identified as a determinant of the sustainability and growth of SMEs.

The Bank of Guyana, Guyana's central bank which formulates and implements monetary policy, is in the process of formulating a strategy for financial literacy, along with a broad range of stakeholders who will be involved with implementation as well²⁰⁷. The Bank of Guyana also oversees the operations of Guyana's six commercial banks, and other domestic financial institutions²⁰⁸. The Financial Institutions Act No. 1 of 1995 established the regulatory framework for banking and other financial businesses in Guyana²⁰⁹. In 2011 Guyana enhanced access to credit by establishing a regulatory framework that allowed the licensing of private credit bureaus to give borrowers the right to inspect their data, and in 2016 a new credit bureau was established²¹⁰. The Small Business Bureau of the Ministry of Business works with the Credit Bureau to ensure that small enterprises have avenues to access credit²¹¹.

Commercial banks have high collateral requirements, as well as cumbersome loan-application processes which deter Guyanese SMEs from accessing credit from commercial banks²¹². There is a high concentration of loans to a few businesses, which is in part an effect of the small size of the economy in Guyana²¹³. The regulatory system privileges the use of real estate as collateral, and given that property rights over land are insecure in mining and agriculture, this makes it difficult for traditional sectors to lend to enterprises in those sectors²¹⁴. Formal financial entities tend to remain clustered on the coast, and do not serve the population of the interior due to the remoteness of communities, low population density, and high operating costs²¹⁵.

A mobile payment platform was developed in Guyana in collaboration with GTT's Mobile Money Guyana (MMG), to make payment transactions safe and possible over the application²¹⁶. MMG was launched in 2013 to allow GTT's customers to pay for goods and services from a variety of providers using their mobile devices²¹⁷. In 2015 a grant was approved to include at least 10,000 domestic remittance-sending clients who live in remote and underserved areas in regions 4, 6, 9 and 10, in the pilot of a mobile savings wallet as well as 30 micro and small enterprises in these

²⁰⁶ Guyana Chronicle, 12 September 2017.

²⁰⁷ Kaiteur News, 28 May 2017.

²⁰⁸ U.S. Department of Commerce, 2016.

²⁰⁹ U.S. Department of Commerce, 2016.

²¹⁰ World Bank, 2016.

²¹¹ Guyana Chronicle, 12 September 2017.

²¹² IDB, 2014.

²¹³ IDB, 2014.

²¹⁴ IDB, 2014.

²¹⁵ IDB, 2015.

²¹⁶ DPI, 5 August 2017.

²¹⁷ DPI, 5 August 2017.

regions²¹⁸. Domestic remittances, which are usually sent by workers employed in mostly forestry, or mining, who have emigrated from urban areas in search of work, are important for low-income households²¹⁹. Earnings can be sporadic, as employment is often intermittent, or seasonal, and these irregular income streams mean there is a great need for formal savings accumulation in order to ensure a smooth stream of income²²⁰.

In 2013 the Micro and Small Enterprise Development and Building Alternative Livelihoods for Vulnerable Groups (MSED) project was launched and under this interest subsidies and credit guarantees for up to 40 percent of the loan are provided to micro and small enterprises²²¹. Under MSED each borrower can access a maximum of USD 150,000²²². By 2015 21 loans worth a total of USD600,000 had been approved²²³. Grants are also available to small businesses in 17 sectors which have been identified as 'low carbon' sectors by the Guyana Low Carbon Development Strategy which include fruits and vegetables, aquaculture, ecotourism, and business process outsourcing²²⁴.

Micro-financing refers to the activity of providing a range of financial services to clients with low collateral who do not have access to formal financial institutions. In general microfinance access in Guyana is low, and while MFIs are aware of good practices in the sector outreach has remained low²²⁵. In 2014 there were 2 microfinance entities- The Institute of Private Enterprise Development (IPED), and Small Business Development Finance Trust (SBDFT)²²⁶. IPED is the oldest and largest microfinance organisation in Guyana and functions in all of the administrative regions in the country²²⁷. SBDFT was established in 2002, with support from the Canadian and UK governments, and commercial banks²²⁸. Loans are available from both for a variety of purposes, though the largest proportion of loans was to SMEs, according to the Bank of Guyana²²⁹. The Caribbean Microfinance Alliance (CMFA), of which Guyana is a member, is an advocate for responsible microfinance practices in the Caribbean, and assesses member organizations with a view to certify them.

When asked about how conducive financial sector policies were to small businesses the larger percentage of respondents from the EESE survey are neutral; they think that financial sector policies are conducive to the growth of small businesses to some extent. A cumulative 16.93 percent thinks that these policies are either simply conducive or very conducive. A cumulative 29.98 percent think otherwise.

²¹⁸ IDB, 2015.

²¹⁹ IDB, 2015.

²²⁰ IDB, 2015.

²²¹ WTO, 2015.

²²² WTO, 2015.

²²³ U.S. Department of State, 2017.

²²⁴ WTO, 2015.

²²⁵ Hossein, 2012.

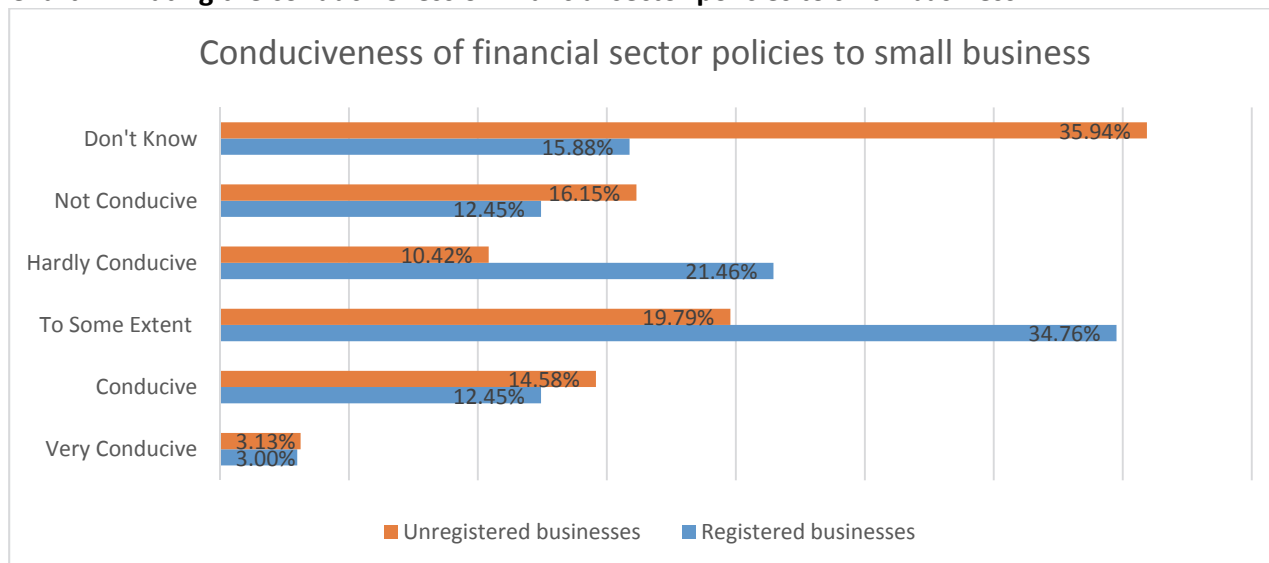
²²⁶ Kaiteur News, 21 February 2016.

²²⁷ Kaiteur News, 21 February 2016.

²²⁸ Kaiteur News, 21 February 2016.

²²⁹ Kaiteur News, 21 February 2016.

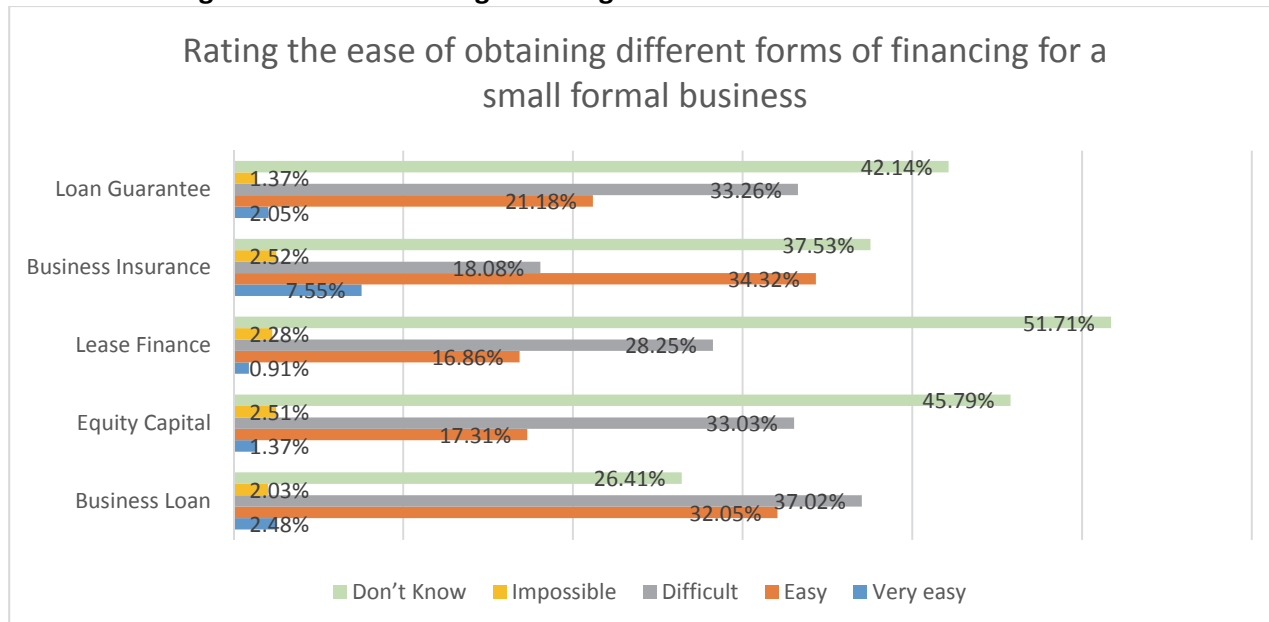
Chart 11: Rating the conduciveness of financial sector policies to small business



Source: Guyana EESE Survey

With respect to the ease with which businesses could obtain various forms of financing for either a formal small business or an informal business, the modal response was 'difficult' for both formal and informal businesses for each type of financing. It is important to note is that a comparatively higher percentage of persons rated it difficult and impossible for the informal businesses than for the formal businesses.

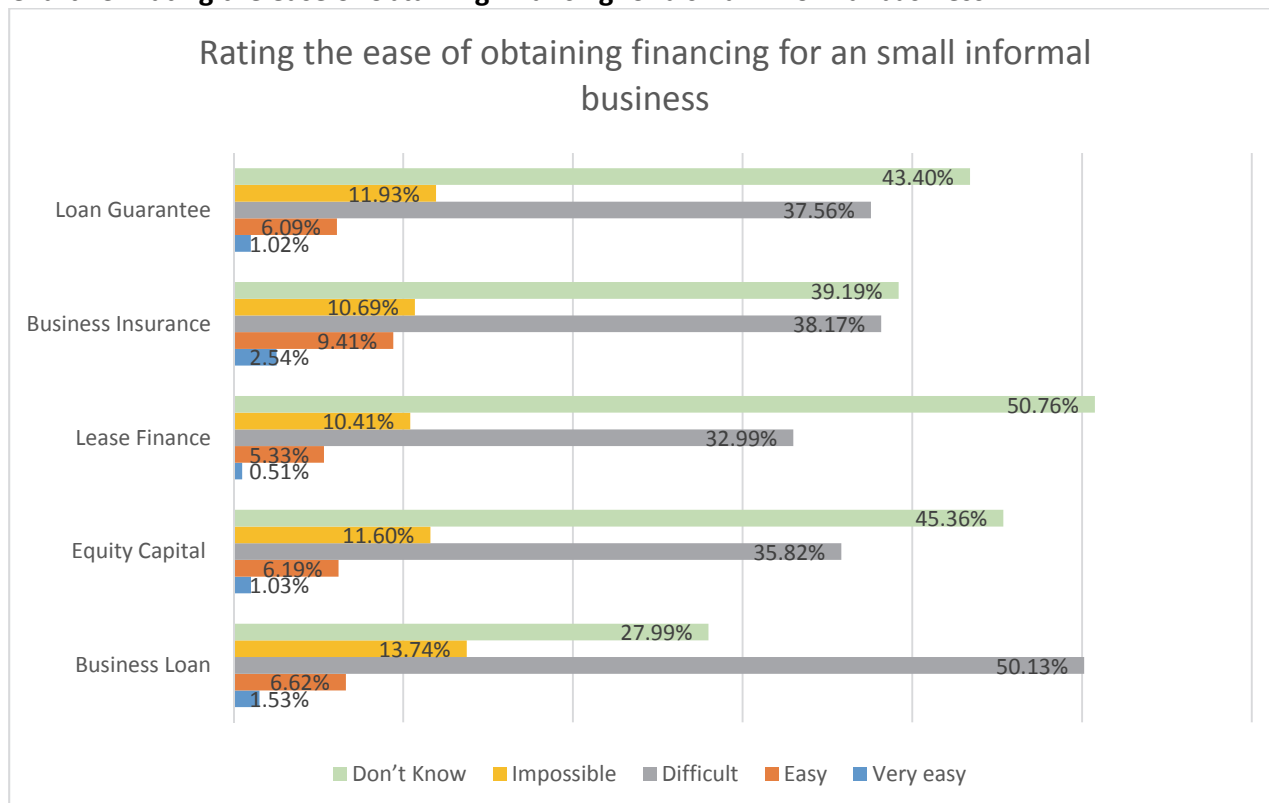
Chart 12: Rating the ease of obtaining financing for a small formal business



Source: Guyana EESE Survey

As the chart above shows the largest number of respondents said they didn't know when asked about the ease of obtaining a loan guarantee, business insurance, lease finance, or equity capital. 37.02 percent found obtaining a business loan for a formal business difficult, while 32.05 percent found it easy. 34.32 percent found it easy to obtain business insurance, which was one of the positive signs from the data.

Chart 13: Rating the ease of obtaining financing for a small informal business



Source: Guyana EESE Survey

When trying to obtain a bank loan for an informal business 50.13 percent found it difficult and 27.99 percent didn't know about it. 50.76 percent said they did not know about the ease of obtaining lease financing and 32.99 percent found this difficult. 43.40 percent didn't know about a loan guarantee and 37.56 percent found this difficult. 39.19 percent didn't know about business insurance and 38.17 found this difficult. 45.36 percent did not know about the ease of obtaining equity capital and 35.82 percent found it difficult.

When having access to formal financing was broken down into identified demographics, namely men, women, youths, single parents, and differently abled persons, it was found that most people think that differently able people have greater difficulty than other in accessing finance (29.24 percent). This was followed by the youths (25.10 percent) and then single parents (23.59 percent). There was no difference in the perception of the difficulties men and women face (5.79 percent each). An equally small percentage of respondents thought that either men or women are less likely to obtain financing compared to the other groups mentioned.

From the table below, it is seen that most people depend on their own savings as a first choice when thinking about financing their own businesses. The highest second choice is family and friends and the highest third choice is family savings. Other important choices are banks and micro-lenders.

Table 3: If you were to find a loan for your new business idea, who would you approach to get the funding from first, second and third, from the choices below?

	Question	1 st	2nd	3rd	N/A
1.	Own Savings	61.13%	14.26%	16.14%	8.46%
2.	Family and Friends	10.52%	46.63%	16.47%	26.39%
3.	Family Savings	9.46%	124 (29.31%)	129 (30.50%)	130 (30.73%)
4.	Bank	30.97%	154 (27.26%)	157 (27.79%)	79 (13.98%)
5.	Informal Savings /Loans Group	7.84%	55 (17.24%)	60 (18.81%)	179 (56.11%)
6.	Micro Lenders (MFI's/ Cooperatives)	10.85%	63 (16.28%)	75 (19.38%)	207 (53.49%)
7.	Venture Capital	4.14%	44 (13.02%)	58 (17.16%)	222 (65.68%)
8.	Government	7.81%	32 (10.00%)	70 (21.88%)	193 (60.31%)

Source: Guyana EESE Survey

When asked about the three biggest problems for entrepreneurs when applying for financing, the highest percentage of persons chose insufficient collateral as the number one problem, this was followed by high loan costs and a lack of guarantors. For the second biggest problem, the highest percentage of respondents chose no guarantors. This was followed by business plan being insufficiently prepared and business plan being rejected. For the third biggest problem, the highest percentage of persons chose high loan cost. This was followed by persons failing to provide the required information and business plan being rejected.

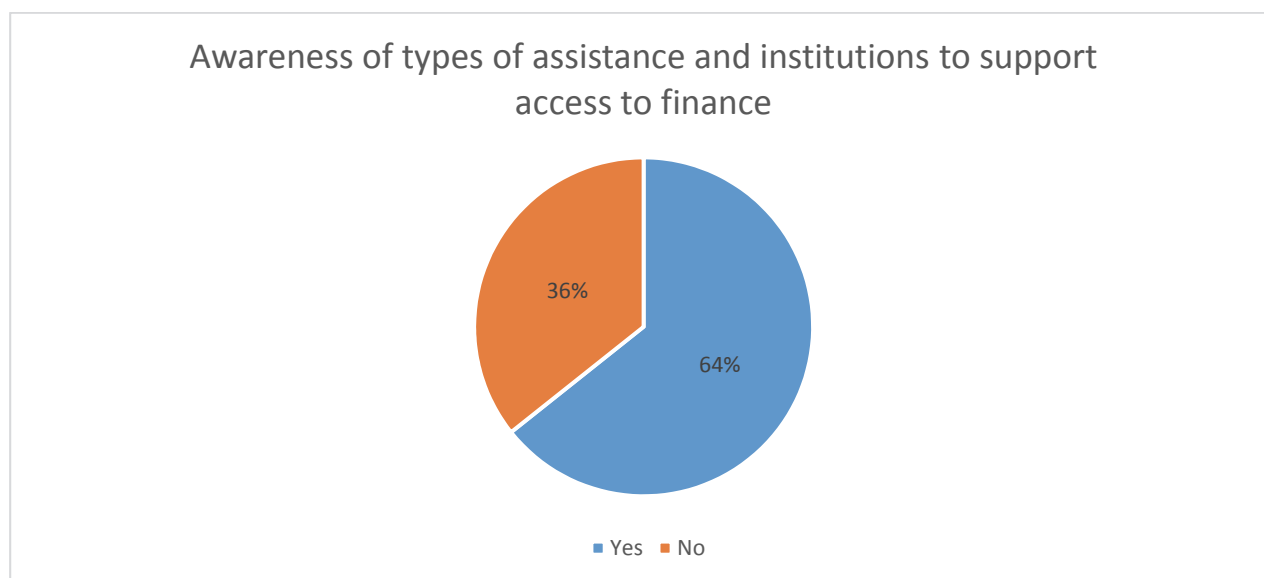
Table 4: What are the three biggest problems for entrepreneurs when applying for finance? Select the first, second and third most important ones.

	Question	1st	2nd	3rd	N/A
1.	Insufficient Collateral	242 (57.89%)	89 (21.29%)	24 (5.74%)	63 (15.07%)
2.	No or Insufficient Guarantors	99 (27.81%)	102 (28.65%)	40 (11.24%)	115 (32.30%)
3.	Business Plan Insufficiently Prepared	66 (19.35%)	89 (26.10%)	51 (14.96%)	135 (39.59%)
4.	Business Plan Rejected	64 (19.28%)	86 (25.90%)	58 (17.47%)	124 (37.35%)
5.	Could Not Provide the Required Information	92 (25.21%)	89 (24.38%)	73 (20.00%)	111 (30.41%)
6.	Appraisal and Processing Times Were Lengthy	44 (14.97%)	57 (19.39%)	38 (12.93%)	155 (52.72%)
7.	High Loan Costs	131 (35.41%)	60 (16.22%)	90 (24.32%)	89 (24.05%)

Source: Guyana EESE Survey

When asked if people were aware of the types of assistance and institutions to support access to finance 64.31 percent said yes and 35.69 percent said no.

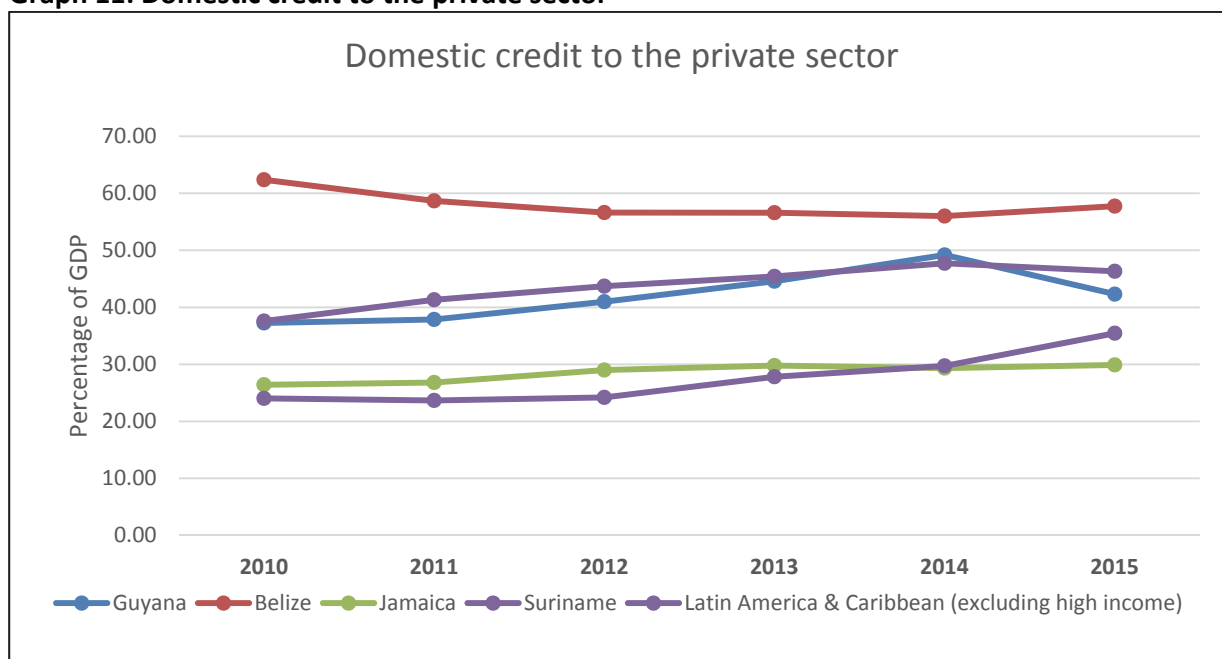
Chart 14: Do you think people are aware of the types of assistance and institutions to support access to finance?



Source: Guyana EESE Survey

The share of “Domestic Credit to Private Sector” as a percentage of GDP indicator shows that Guyana’s share has increased between 2010, when it was 37.25 percent, to 2016, when it was 45.46 percent. Jamaica and Suriname have also seen increases in the share, with Jamaica at 29.89 percent in 2015, and Suriname at 33.29 percent in 2016. Belize has the highest rate in 2016 with 56.76 percent, though this reduced from 2010, when it was 62.39 percent.

Graph 11: Domestic credit to the private sector



Source: World Bank Databank, World Development Indicators Online

The “Depth of Credit Information Index” measures rules affecting the scope, accessibility, and quality of credit information available through either public or private credit registries. On a scale from 0 to 8 where higher values indicate better performance, Guyana went from 0 in 2013 to 7 in 2016. Belize stayed at 0, as did Suriname, while Jamaica also went from 0 in 2013 to 7 in 2016.

The “Interest Rate Spread” indicator measures the difference between lending rate and deposit rate. Data for Guyana shows that this went from 12.22 percent in 2009 to 11.76 in 2014. Jamaica was similar, at 11.95 percent in 2014, while Belize was at 7.92 percent, and Suriname at 4.93 percent in the same year.

Table 11 key access to financial services indicators, selected countries, 2009-2014

Key Indicators							
Domestic Credit to Private Sector (per cent of GDP) Domestic credit to private sector refers to financial resources provided to the private sector, such as through loans, purchases of non-equity securities, and trade credits and other accounts receivable, that establish a claim for repayment. For some countries these claims include credit to public enterprises. <u>Source:</u> World Bank Databank, World Development Indicators Online ²³⁰		2011	2012	2013	2014	2015	2016
	Guyana	37.88	41.00	44.57	49.18	42.31	45.46
	Belize	58.67	56.62	56.59	56.00	57.76	56.76
	Jamaica	26.80	29.00	29.79	29.33	29.89	
	Suriname	23.66	24.19	27.82	29.73	35.44	33.29
	Latin America & Caribbean (excluding high income)	41.33	43.71	45.42	47.73	46.33	45.62
Depth of credit Information Index The depth of credit information index measures rules affecting the scope, accessibility, and quality of credit information available through either public or private credit registries. The index ranges from 0 to 6, with higher values indicating the availability of more credit information to facilitate lending decisions. Specifically, a score of 0 indicates that the registry is not operational or that it covers less than 0.1% of the adult population. At the other end of the scale, a score of 6 indicates that regulations guarantee borrowers the right to access their data in the largest registry in the economy and that the following information is distributed as part of a report: (1) both positive and negative credit information; (2) data on both firms and individuals; (3) data from retailers and utility companies; (4) more than 2 years of historical data; and (5) data on loans below 1% of income per capita.0=less information to 8=more information. <u>Source:</u> World Bank, Doing Business project ²³¹ .	2013			2014	2015	2016	
	Guyana	0.00	0.00	0.00	7.00		
	Belize	0.00	0.00	0.00	0.00		
	Jamaica	0.00	6.00	7.00	7.00		
	Suriname	0.00	0.00	0.00	0.00		
Interest rate spread Interest rate spread (lending rate minus deposit rate) is the interest rate charged by banks on loans to prime customers minus the interest rate paid by commercial or similar banks for demand, time, or savings deposits. <u>Source:</u> World Bank Databank, World Development Indicators Online ²³² .		2009	2010	2011	2012	2013	2014
	Guyana	12.22	12.27	12.51	12.34	12.37	11.76
	Belize	5.71	6.12	6.92	8.03	7.98	7.92
	Jamaica	9.47	14.11	15.65	14.10	14.06	11.95
	Suriname	5.28	5.42	5.37	4.95	4.89	4.93
	Latin America & Caribbean (excluding high income)	8.04	7.50	7.68	8.03	7.98	7.18

²³⁰ <http://databank.worldbank.org/data/home.aspx>

²³¹ <http://www.doingbusiness.org/ExploreTopics/GettingCredit>

²³² <http://databank.worldbank.org/data/home.aspx>

3.8. Physical infrastructure

The development of sustainable enterprises critically depends on the quality and quantity of the physical infrastructure available. Public investment in infrastructure is central to reducing bottlenecks to growth. Access to water and energy also plays a pivotal role. Guyana's infrastructure suffers from being limited in construction to begin with, and having insufficient resources devoted to it for maintenance²³³. Guyana's most pressing challenges in terms of infrastructure involve power, transport and flood protection. Uninterrupted, or power supply is crucial to economic growth, for which improvements to current infrastructure will be necessary. Public health must be improved by addressing water and sewerage systems in the country.

In 2013 only 21 percent of the road network was paved, and only 35 percent of paved roads were classified as being in good condition²³⁴. Several road rehabilitation and bridge construction projects have been undertaken in recent years, including efforts to link the hinterland with the coastal area better by expanding the road network²³⁵. The GoG recognizes infrastructure as key to growth and in 2016 \$14.4 billion were budgeted towards the expansion and rehabilitation of roads and bridges in the country²³⁶. Improvements to the East Coast Railway Embankment Road are being undertaken in collaboration with the IDB²³⁷. Agreements with the government of China, and India, among others, have been signed for the construction of new roads²³⁸. Money has also been earmarked for the expansion of air facilities, and crucial improvements to Georgetown port²³⁹.

Climate change has exacerbated dynamic coastal processes, which make the maintenance of sea defences for low lying coastal areas an increasingly important task. Flood protection infrastructure is crucial, and sea defences need regular maintenance. Flooding along Guyana's coastline in 2005 severely affected several hundred kilometres of roads, and the repairs are underway.

The supply and cost of electricity are a key issue in Guyana; most medium-sized and large manufacturing firms use electricity from diesel generators, as the supply can otherwise be unreliable, but this increases the cost of manufacturing significantly²⁴⁰. The advancement of the Green Agenda is closely linked with initiatives in renewable energy from intermittent and non-intermittent sources such as wind, solar, biomass and hydropower. The GoG aims to achieve an energy mix from different sources in order to decentralise the provision of renewable energy in various parts of Guyana, with the goal of moving to 100 percent renewable energy use by 2025²⁴¹.

Many poor rural and hinterland communities continue to have limited access to improved water sources, and are forced to adopt solutions such as rainwater harvesting, and using untreated water from canals and rivers²⁴².

The percentage of Guyana's population with access to improved water sources improved from 94.20 percent in 2010 to 98.30 percent in 2015. The other three countries also show a slight

²³³ Caribbean Development Bank, March 2013.

²³⁴ Caribbean Development Bank, March 2013.

²³⁵ DPI, 29 December 2016.

²³⁶ Guyana Chronicle, 29 January 2016.

²³⁷ Guyana Chronicle, 29 January 2016.

²³⁸ Guyana Chronicle, 29 January 2016.

²³⁹ Guyana Chronicle, 29 January 2016.

²⁴⁰ IDB, 2014.

²⁴¹ Guyana Chronicle, 14 January 2017.

²⁴² Caribbean Development Bank, March 2013.

improvement. Belize went from 97.20 percent in 2010 to 99.50 in 2015. Jamaica went from 93.70 percent in 2010 to 83.80 percent in 2015, while Suriname went from 93.80 percent in 2010 to 94.80 percent in 2015.

The “Quality of Overall Infrastructure Index” attempts to assess whether a country's infrastructure is underdeveloped or extensive and efficient on a scale from 1 to 7, with higher values indicating better performance. Guyana's index deteriorated, going from 4.0 in 2013 to 3.6 in 2015. Data is not available for Belize. Jamaica went from 4.2 in 2013 to 4.1 in 2016, and in 2014 Suriname was at 4.0.

The “Quality of Port Infrastructure Index” is meant to represent how accessible port facilities are, on a scale from 1 to 7 with higher values indicating better performance. Guyana's quality of port infrastructure index deteriorated going from 4.0 in 2014 to 3.6 in 2016. Again data is not available for Belize. Jamaica improved, going from 4.2 in 2014 to 4.7 in 2017, while Suriname was at 4.0 in 2015.

Table 12 key physical infrastructure indicators, selected countries, 2010-2015, 2012-2015, 2011-2015

Key Indicators							
Improved water source (per cent of population with access) Access to an improved water source refers to the percentage of the population with reasonable access to an adequate amount of water from an improved source, such as a household connection, public standpipe, borehole, protected well or spring, and rainwater collection. Unimproved sources include vendors, tanker trucks, and unprotected wells and springs. Reasonable access is defined as the availability of at least 20 litres a person a day from a source within 1 kilometre of the dwelling. <u>Source:</u> World Bank Databank, World Development Indicators Online ²⁴³		2010	2011	2012	2013	2014	2015
	Guyana	94.20	95.10	95.90	96.70	97.50	98.30
	Belize	97.20	98.50	99.30	99.50	99.50	99.50
	Jamaica	93.70	93.80	93.80	93.80	93.80	93.80
	Suriname	93.90	94.40	94.80	94.80	94.80	94.80
	Latin America & Caribbean (excluding high income)	93.09	93.42	93.76	94.09	94.38	94.46
	World	88.36	88.87	89.48	90.05	90.54	90.95
Quality of Overall Infrastructure Index Survey data: “General infrastructure in your country is: 1 = underdeveloped, 7= as extensive and efficient as the world’s best”. <u>Source:</u> World Economic Forum, The Global Competitiveness Report ²⁴⁴ .			GC Report 2013/14	GC Report 2014/15	GC Report 2015/16	GC Report 2016/17	
	Guyana		4.0	3.8	3.6		
	Belize						
	Jamaica		4.2	4.2	4.0	4.1	
	Suriname		4.1	4.0			
Quality of Port Infrastructure Index Survey data: “Port facilities and inland waterways in your country are: 1=underdeveloped, 7= as developed as the world’s best. For landlocked countries this measures the ease of access to port facilities and inland waterways”. <u>Source:</u> World Economic Forum, The Global Competitiveness Report ²⁴⁵		2014	2015	2016	2017		
	Guyana	4.0	3.8	3.6			
	Belize						
	Jamaica	4.2	4.2	4.0	4.7		
	Suriname	4.1	4.0				

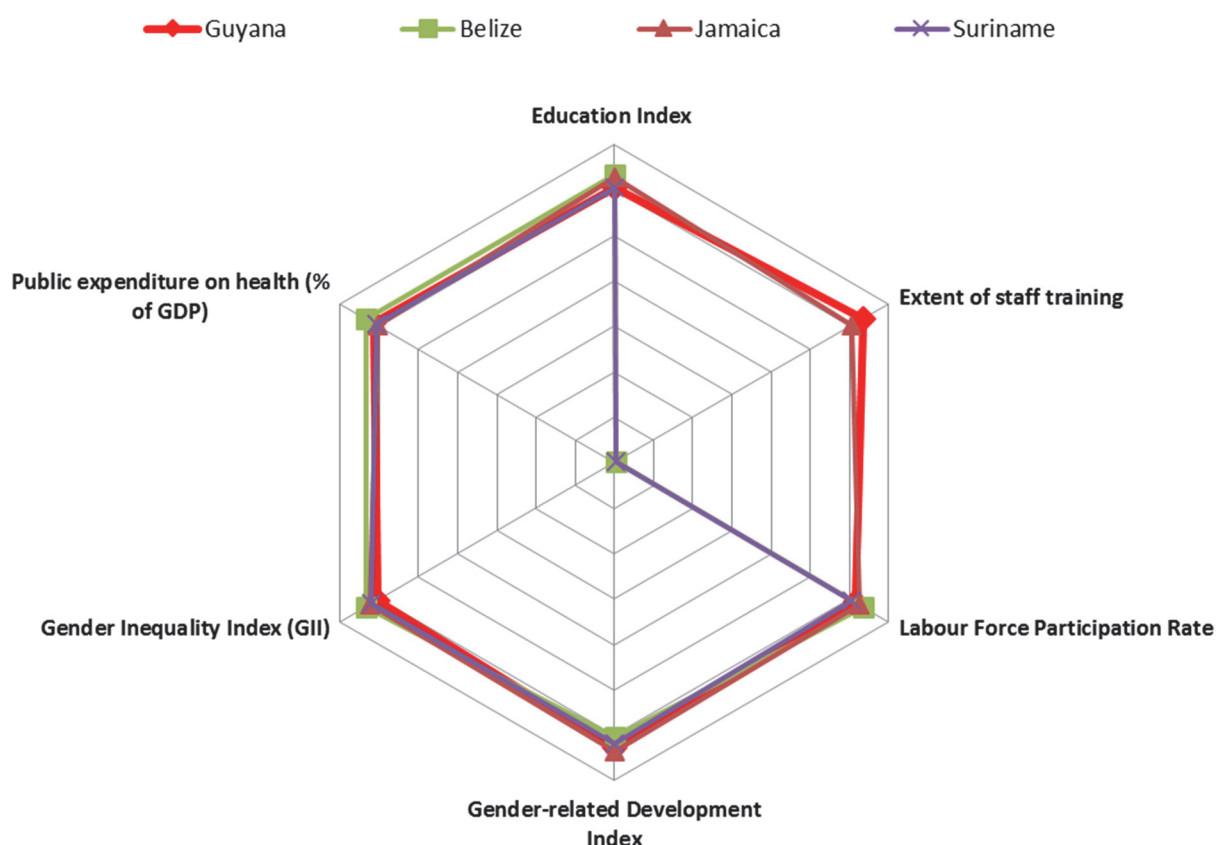
²⁴³ <http://databank.worldbank.org/data/home.aspx>

²⁴⁴ <http://www.weforum.org/issues/global-competitiveness>

²⁴⁵ <http://www.weforum.org/issues/global-competitiveness>

4. Social Elements

Figure 2 Indicators assessing social elements of an enabling environment for sustainable enterprises, selected countries



Note: the values for the individual indicators have been harmonized for better presentation and formatted so that the further from the centre a data point is, the better the country's performance in that regard. The original indicator values are included in the chapters.

- The GoG recognizes the need to provide formal opportunities for capacity building within small businesses, and this has led to the implementation of the Small Business Procurement Programme through the collaboration of the Small Business Bureau and the National Procurement and Tender Administrative Board.
- When asked how well government programs support entrepreneurial culture 33.77 percent of respondents in the Guyana EESE Survey said not well at all.
- Guyana's net emigration rate in 2014 was an estimated 9.67 percent, which was the seventh highest in the world.
- The TVET system in Guyana faces several challenges related to efficiency, effectiveness and budgetary constraints.
- Guyana is considered to be a medium human development country, and in 2015 had an HDI rank of 127 out of 188 countries.
- Violence against women, including domestic abuse appears to be widespread.

4.1. Entrepreneurial culture

The general recognition of the key role of enterprises in development is a fundamental element for a conducive business environment. Strong public and private support to entrepreneurship, business innovation, and institutions that support and promote entrepreneurship are other important determinants of an enabling environment for sustainable enterprises.

The GoG recognizes the need to provide formal opportunities for capacity building within small businesses, and this has led to the implementation of the Small Business Procurement Programme through the collaboration of the Small Business Bureau and the National Procurement and Tender Administrative Board²⁴⁶. In different ways these government initiatives seek to equip young persons with the skills, knowledge and finance necessary to become entrepreneurs²⁴⁷.

The Ministry of Business is largely in charge of the development of an enabling environment for investment and entrepreneurship in Guyana for large scale businesses; it collaborates with the SBB and the NEW GMC to address the needs of small scale entrepreneurs²⁴⁸. Workshops are organised for small businesses and entrepreneurs, including farmers, to find ways in which entrepreneurs can locate themselves in existing value chains. Several programmes directed at fostering entrepreneurship exist, among which are the Sustainable Livelihood and Entrepreneurial Development Initiative, the Hinterland Employment and Youth Service Programme, and the Linden Enterprise Network²⁴⁹.

Poverty alleviation efforts are directed at the most disadvantaged groups on Guyana, among which the GoG includes Amerindians, young people and women²⁵⁰. Amerindians in particular are generally self-employed, focused on traditional subsistence activities, and operate outside of the cash economy; enhanced education and training in entrepreneurship is critical²⁵¹.

Levels of youth unemployment are much higher than adult unemployment in the Caribbean region, and Guyana is no exception; women, similarly, face a higher incidence of poverty and unemployment than men do²⁵². Women are typically more likely to be employed in the informal economy, and while legally they are not denied access to credit, or the other requirements for entrepreneurship, several barriers to participation in the formal economy exist.

In 2016 twelve private training institutions committed to supporting the SBB through the MSED, where they would train young entrepreneurs who had benefitted from cash grants and loans through the SBB to manage their own business²⁵³. MSED began in 2013, and had trained more than 1000 young entrepreneurs, who had accessed credit through the SBB²⁵⁴.

²⁴⁶ Guyana Chronicle, 14 January 2017.

²⁴⁷ Guyana Chronicle, 11 June 2017.

²⁴⁸ Guyana Chronicle, 11 June 2017.

²⁴⁹ Guyana Chronicle, 11 June 2017.

²⁵⁰ ILO, 2012.

²⁵¹ ILO, 2012.

²⁵² ILO, 2012.

²⁵³ Ministry of Business, 2 August 2016.

²⁵⁴ Ministry of Business, 2 August 2016.

Despite the existence of various initiatives and institutions the support structures for SMEs are still relatively weak in Guyana. Youth unemployment is in the region of 40 percent²⁵⁵. More engagement in micro and SME research and development is required, as well as the definition of a new policy direction; and increased focus on innovation and productivity in the services sector, and those with good export prospects such as the creative industries, offshore education, and health tourism²⁵⁶. Entrepreneurship culture also needs to grow through educational reform.

In addition to the support for starting a business, innovators need to receive training to help them maintain steady profitability, which involves a degree of corporate training. Most small businesses do not survive their first five years. The vast majority of microbusinesses are in trade and agribusiness²⁵⁷. Access to capital and markets are two key components to their success and longevity, enabling them to transition from being microbusinesses to SMEs.

When asked how well government programs support entrepreneurial culture 33.77 percent of respondents in the Guyana EESE Survey said not well at all, 33.1 percent said somewhat well, 19.53 percent said very well, and 13.59 percent said they did not know.

The Guyana EESE Survey asked respondents whether in Guyana programs which support the growth of entrepreneurial activities include, or promote workers' rights to which 25.73 percent said they did not know. 22.43 percent said sometimes, 19.26 percent said rarely, 18.07 percent said no, 12.53 percent said usually and a scant 1.98 percent said widely.

When asked to describe the general attitudes among young people toward entrepreneurship 27.31 percent said they were negative, 27.18 percent of respondents from the EESE Survey said they were neutral, 20.58 percent said they were positive, 19.66 percent said they were sometimes negative, 3.17 percent said they didn't know and 2.11 percent said very positive. When asked if attitudes to entrepreneurship differed between young men and women 36.04 percent said they were similar, 33.29 percent said women were generally more positive, 12.65 percent said women were slightly more positive, 7.98 percent said young men were generally more positive, 7.15 percent said men were slightly more positive, and 2.89 percent said they didn't know.

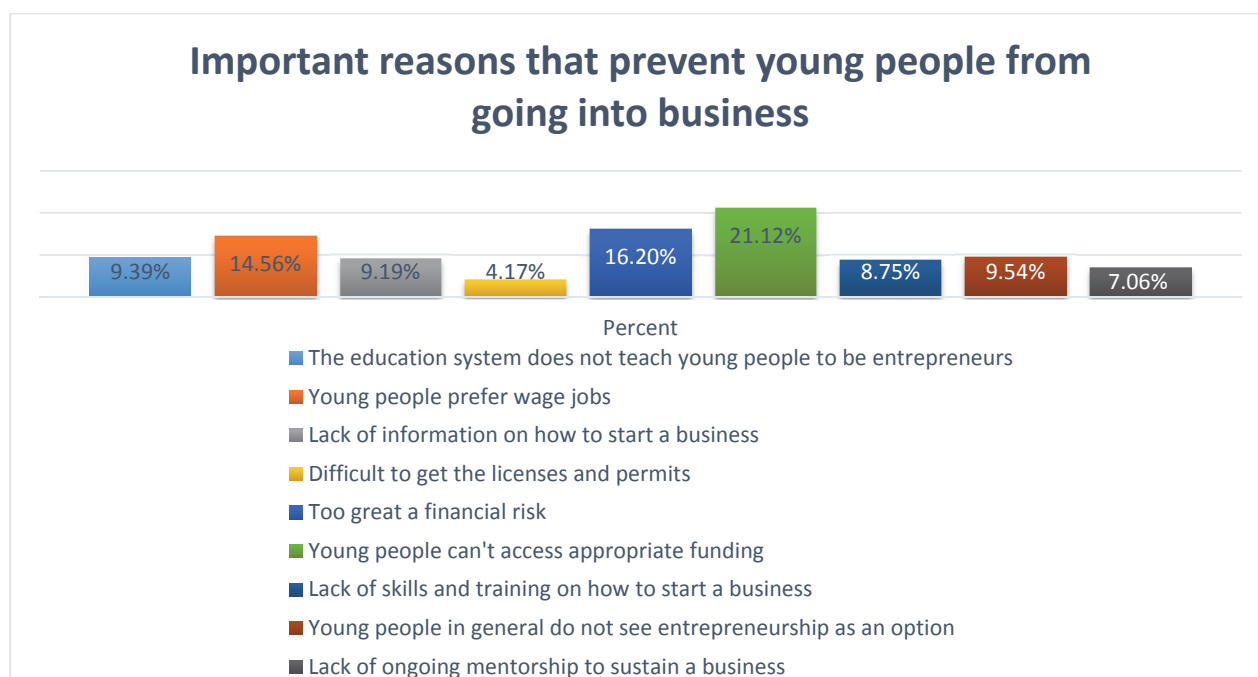
When asked about the three most important reasons that prevented young people from starting a business most people answered with access to appropriate funding, the high financial risk involved, and a preference for wage jobs by young people.

²⁵⁵ Guyana Chronicle, 14 June 2015.

²⁵⁶ Caribbean Development Bank, 2016.

²⁵⁷ USAID, August 2016.

Chart 15: In your opinion, what are the three most important reasons that prevent young people from starting a business?



Source: Guyana EESE Survey

Identifying indicators that show the degree of entrepreneurial culture in a country is quite challenging. Furthermore, for Guyana, secondary data in this area is scanty. “New Business Density” indicates the number of newly registered limited liability companies per 1000 working age people in a year. Of the four countries reviewed in this report, information is not available for Guyana. In 2014 Belize was at 3.08, Jamaica at 1.00 and Suriname at 1.36.

Table 13 Key business density indicators, selected countries, 2008-2014

Key Indicators						
	2008	2009	2010	2011	2012	2014
New Business Density The number of newly registered limited liability companies per 1,000 working-age people (those ages 15-64) in that year.						
Source: World Bank Databank, World Development Indicators Online ²⁵⁸						
Guyana						
Belize	4.58	3.21	3.21	5.30	4.31	3.08
Jamaica	1.28	1.22	1.18	1.10	1.11	1.00
Suriname	0.39	0.42	0.63	1.21	1.63	1.36
Latin America & Caribbean (excluding high income)	3.49	2.63	2.60	2.71	2.38	1.39

²⁵⁸ <http://databank.worldbank.org/data/home.aspx>

4.2. Education, training and lifelong learning

Expanding people's capabilities through high-quality education, training and life-long learning, and cultivating a skilled workforce are important elements in ensuring high levels of productivity for enterprises and the labour force. Investments in physical infrastructure, as well as developments in other economic sectors require an educated and skilled workforce to yield high returns.

Guyana has primary, secondary and technical schools, with the University of Guyana being the only public institution of higher education in the country²⁵⁹. There are some privately-owned institutions of higher learning. Primary education is compulsory, starts at between five and six years of age, and lasts six years after which children are entered into secondary schools. 88.5 percent of the total population is literate, in that they are aged 15 and over and have ever attended school, with the number for women being slightly higher (89.9 percent) than for men (87.2 percent) at 2015 estimates²⁶⁰. Even functional literacy is a concern in Guyana however, and part of the problem is the low retention of qualified teachers²⁶¹.

According to the ILO three factors have had a significant impact on employment and the labour market in Guyana: emigration, sectoral and industrial restructuring, and the mismatch between skills and available jobs²⁶². A 2005 IMF study found that as many as 89 percent of university graduates migrate, primarily to the UK, USA and Canada, in search of better work²⁶³. Unless the skills intensity of the economic structure is upgraded Guyana will continue to lose skilled labour, and financial resources, as tertiary education is highly subsidized²⁶⁴. Immigration reform may be a short-term solution to the skills shortage, another might be to harness Guyana's diaspora through ICT technology to fill key human resource gaps²⁶⁵. Guyana's net emigration rate in 2014 was an estimated 9.67 percent, which was the seventh highest in the world²⁶⁶. Guyana is one of the major remittance recipient countries in the world- and the ratio of remittances to GDP exceeds that of FDI to GDP²⁶⁷. The migration away from Guyana has affected the strength and skill availability of the labour force, additionally, the greater share of remittances go into consumption, and are not invested in ways that improve capital accumulation, or productivity²⁶⁸.

Guyana faces severe human resource challenges, and many individual companies have programs to develop the capacity and skills of the workers specific to their own needs²⁶⁹. Even semi-skilled workers such as masons, carpenters and operators of heavy-duty machinery, as in short supply²⁷⁰. The current state of the business environment presents some challenges to business development. Workforce development interventions will be needed to strengthen growing SMEs.

²⁵⁹ U.S. Department of State, 2017.

²⁶⁰ CIA World Factbook, 2017.

²⁶¹ Butcher et al, 2014.

²⁶² ILO, 2012.

²⁶³ Constantine and Bollers, 2016.

²⁶⁴ Constantine and Bollers, 2016.

²⁶⁵ Constantine and Bollers, 2016.

²⁶⁶ U.S. Department of State, 2017.

²⁶⁷ Constantine and Bollers, 2016.

²⁶⁸ Constantine and Bollers, 2016.

²⁶⁹ U.S. Department of State, 2017.

²⁷⁰ U.S. Department of State, 2017.

Guyana has several strategies, and policy documents which recognise the shortfall of trained staff, and the need to invest in education to raise living standards overall²⁷¹. The 2006 National Competitiveness Strategy emphasises the need to retain skilled workers, and prevent ‘brain drain’; in the short term a public education campaign to enhance the image of TVET- technical and vocational education and training has been planned, as well as a more comprehensive, long-term, systemic national policy framework to collect market information and establish adequate industrial classification of occupations²⁷². In 2009 a Policy on Technical and Vocational Education and Training was introduced which focused on technological and human resource development, and especially on equal opportunity of access for males and females²⁷³.

According to the 2006 ILO National Employment Report about 14 percent of the workforce had tertiary education qualifications²⁷⁴. There are four technical institutes which offer TVET training²⁷⁵. TVET programmes are promoted and developed by the Ministry of Education and the Ministry of Labour, though the Ministry of Education is in charge of the overall education in Guyana. The Ministry of Labour oversees a Board of Industrial Training, which is responsible for apprenticeships, and also runs a National Training Project for Youth Employment, for out-of school youth with lower educational attainments²⁷⁶. Youth employment is a concern- students from educational institutions are addressed in entrepreneurial initiatives started by the government, and are also expected to be awarded grants to receive business training and implement business ideas²⁷⁷.

TVET programmes are generally seen as a last ditch option by people who cannot enter regular academics. One way to address this would be to integrate entrepreneurship and technical training into the secondary school curriculum, so that young persons had a better understanding of needs and expectations of the labour market, and some marketable skills²⁷⁸. Overall the TVET system in Guyana faces several challenges related to efficiency, effectiveness and budgetary constraints²⁷⁹. There needs to be greater collaboration between the public and private sectors so that the output of the TVET system feeds directly into the demands of the labour market²⁸⁰. There is a mismatch between tertiary education and the skills and training that firms demand²⁸¹. The expansion of distance learning will be important in reducing the current urban-rural divide, which also exists in education.

When asked about how many young people in Guyana have the necessary skills and competences needed for starting and running their own businesses 46.05 percent of EESE survey respondents said quite a few do, 24.86 percent said a minority do, 16.95 percent said most do, 20.45 percent most do not, and 1.69 percent of survey respondents said they did not know.

²⁷¹ UNESCO, May 2017.

²⁷² UNESCO, May 2017.

²⁷³ UNESCO, May 2017.

²⁷⁴ ILO, 2006.

²⁷⁵ UNESCO, May 2017.

²⁷⁶ UNESCO, May 2017.

²⁷⁷ Guyana Chronicle, 14 January 2017.

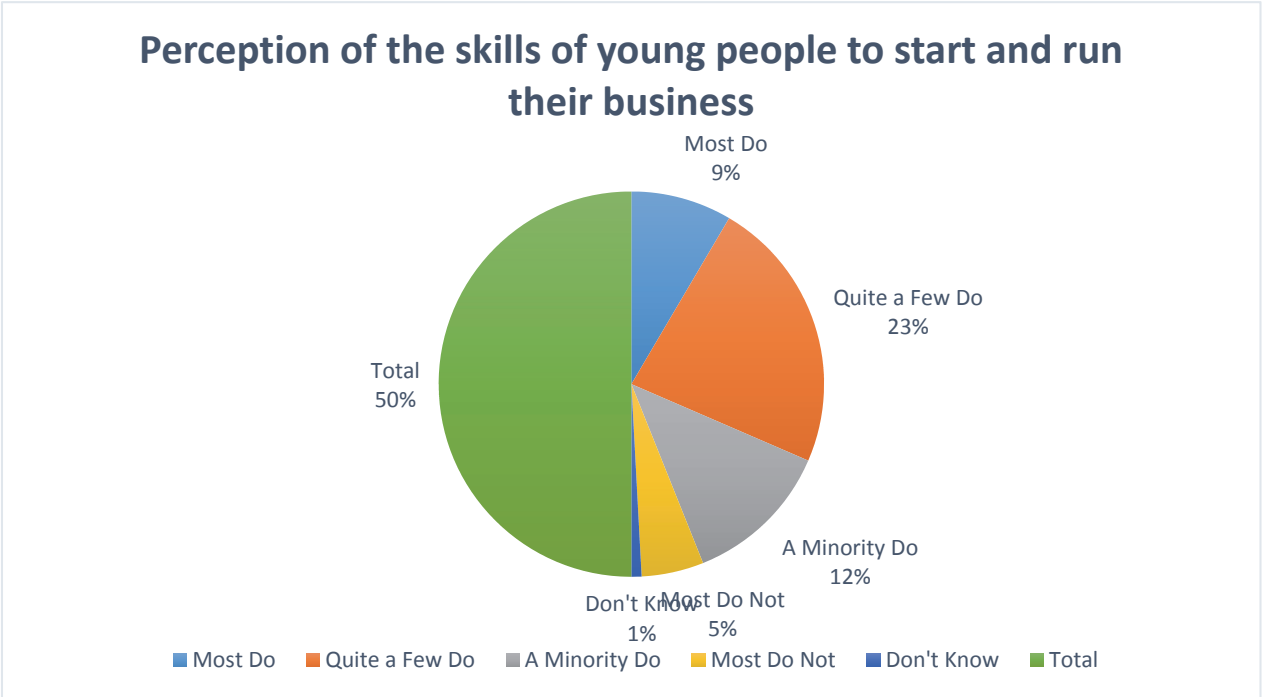
²⁷⁸ Guyana Chronicle, 21 May 2015.

²⁷⁹ UNESCO, May 2017.

²⁸⁰ UNESCO, May 2017.

²⁸¹ Constantine and Bollers, 2016.

Chart 16: To what extent do you think that young people in Guyana have the necessary skills and competences needed for starting and running their own businesses?

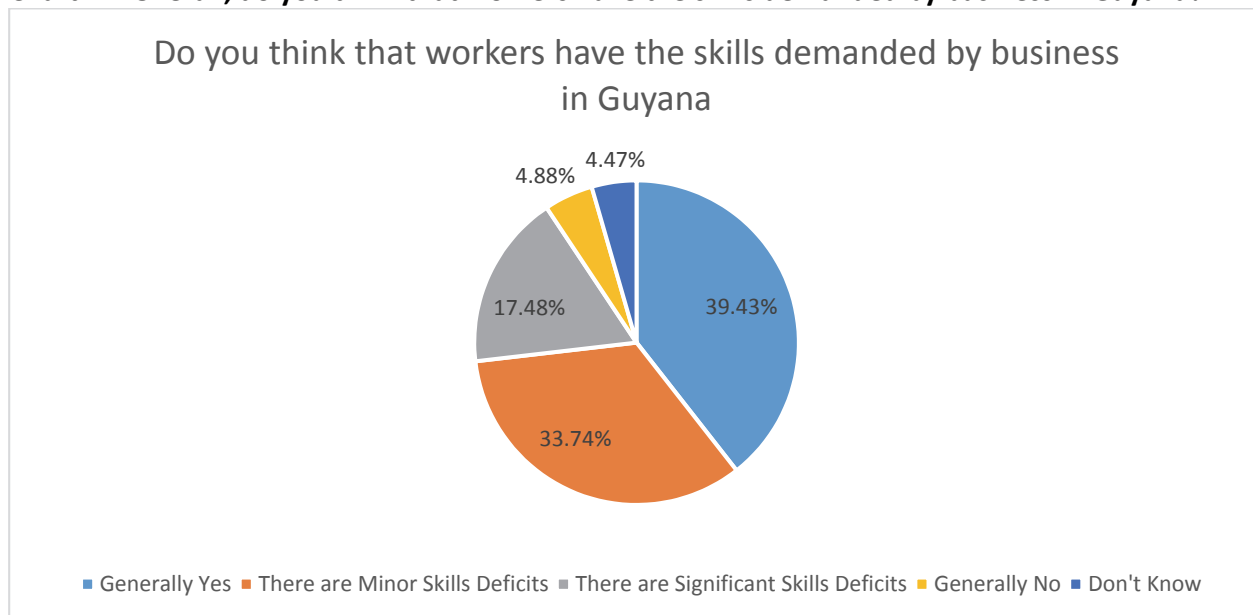


Source: Guyana EESE Survey

With respect to any differences between young men and women when it comes to having the necessary skills and competences needed for starting and running their own businesses, most respondents (45.25 percent) think that there is no difference, while a higher percentage think that young women (36.31 percent) are better equipped than young men (16.31 percent).

When asked if they thought workers had the skills demanded by business in Guyana 39.43 percent of respondents said generally yes, 33.74 percent said there were minor skills deficits, 17.48 percent said there were significant skills deficits, and 4.88 percent said generally workers did not have the skills required by businesses. 4.47 percent said they did not know. When the responses were disaggregated according to respondents' relationship to business, it is interesting to note that the highest percentage of both owners (44.51 percent) and managers (40.85 percent) responded 'generally yes', the highest percentage of workers (38.41 percent) responded that there were minor skills deficits.

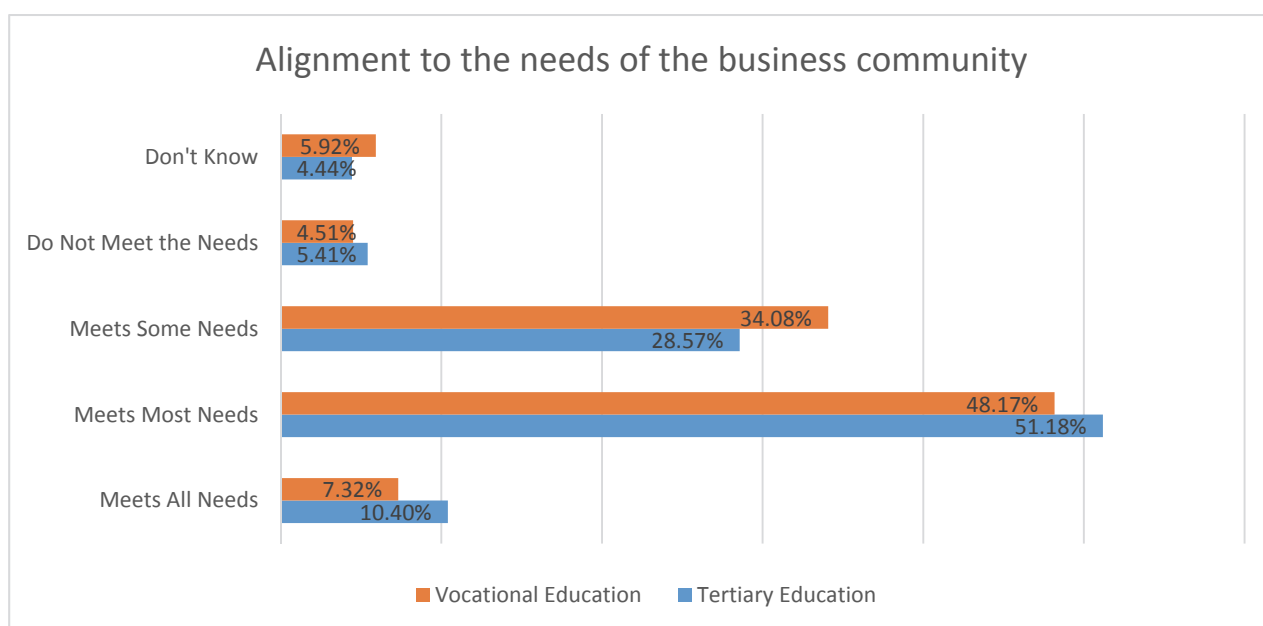
Chart 17: Overall, do you think that workers have the skills demanded by business in Guyana?



Source: Guyana EESE Survey

With respect to the alignment of tertiary education with the needs of the business community, the majority of respondents think that tertiary education meets most needs of the business community (51.18 percent) while only 5.41 percent think that it does not meet the needs of the business community; 28.57 percent think it meets some needs and 10.40 percent think it meets all needs. A similar trend is noted for vocational education (48.17 percent think it meets most needs, 34.08 percent think it meets some needs, 7.32 percent think it meets all needs). Only 4.51 percent think that vocational education does not meet the needs of the business community.

Chart 18: To what extent do you think tertiary and vocational education in Guyana meet the needs of the business community?

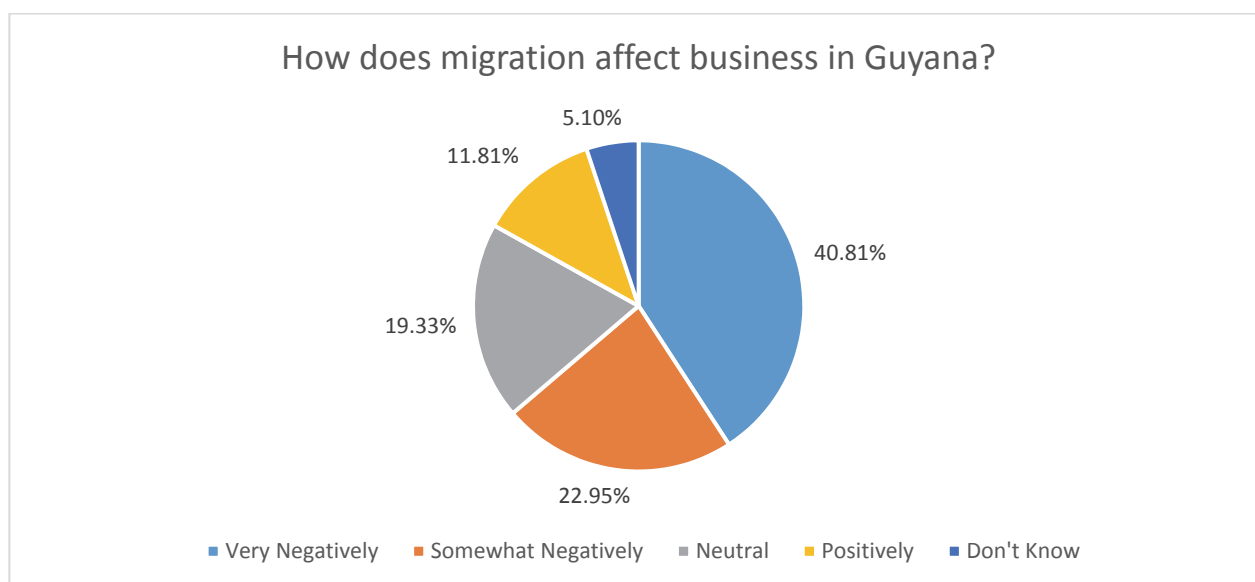


Source: Guyana EESE Survey

When asked about how much investment they thought businesses in Guyana contributed to human resource development, through internal and external training 33.54 percent said they didn't know about internal training, and 37.08 percent said they didn't know about external training. Regarding internal training 30.17 percent thought the investment in human resource development was small, 28.06 percent thought it was moderate, 4.64 percent thought it was none at all, and 3.59 percent thought the investment was large. When surveyed about investment in external training towards human resource development 36.65 percent thought it was small, 17.80 thought it was moderate, 6.14 percent thought it was none at all, and 2.33 percent thought it was large.

When asked about how migration affects business in Guyana 40.81 percent of respondents thought it did so very negatively. 22.95 percent thought the effect was somewhat negative, 19.33 percent though the effect was neutral, 11.81 percent thought migration affected business positively, and 5.10 percent said they did not know.

Chart 19: Many talented Guyanese live abroad. Overall, how would you say this affects business in the country?



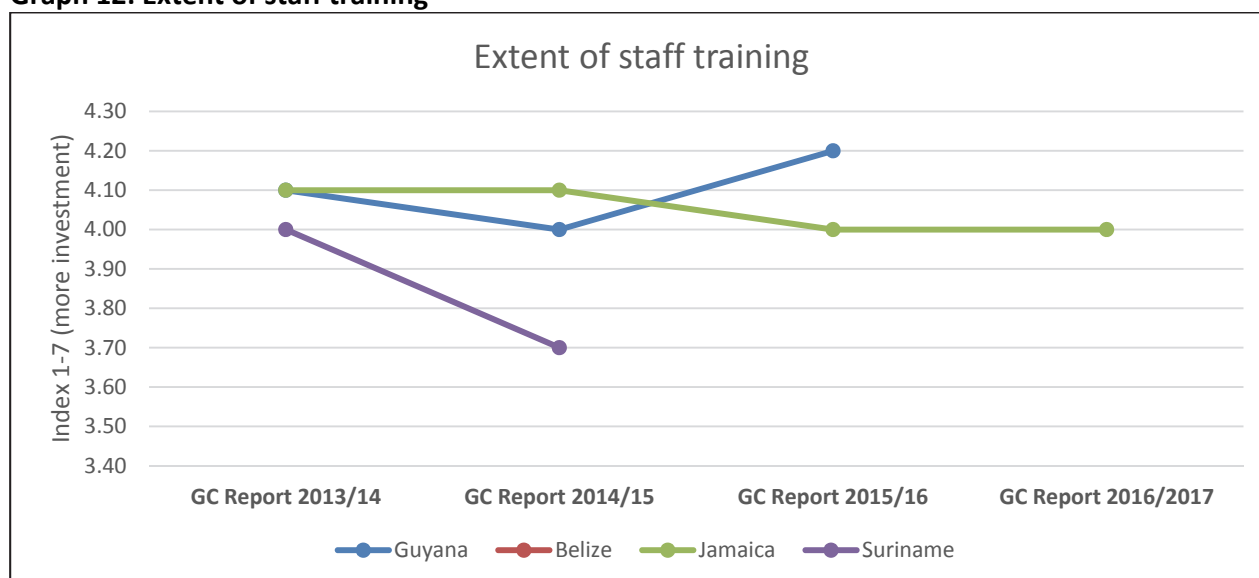
Source: Guyana EESE Survey

Data on “Public Spending on Education” is uneven. In 2012, Guyana spent 3.19 percent of its total GDP on education, with this having gone down from 3.66 percent in 2010. Data for subsequent years is not available. In 2014 Belize spent 6.43 percent of its total GDP on education, while in 2015 Jamaica spent 5.46 percent. Data is not available on Suriname.

The “Education Index” measures educational attainment based on the adult literacy rate and the combined primary, secondary, and tertiary gross enrolment ratio on a scale from 0 to 1 with higher values indicating better performance. Over the period 2008-2013, Guyana stayed at 0.58. Belize improved slightly going from 0.68 in 2008 to 0.69 in 2013, Jamaica went from 0.66 in 2008 to 0.67 in 2013 with a very marginal drop and like Guyana Suriname stayed at the same value, at 0.59.

The data on “Youth Literacy Rate” for Guyana is only available for 2012 and 2015, from which we see it went from 93.10 percent to 94.37 percent of literate people ages 15-24 years. Belize was at 88.61 percent in 2015, Jamaica at 96.46 percent and Suriname at 99.03 percent

Graph 12: Extent of staff training



Source: World Economic Forum, The Global Competitiveness Report.

The “Extent of Staff Training” indicates whether companies in a country invest little or heavily in training and employee development to attract, train and retain staff, on a scale from 1 to 7 with higher values indicating more investments. In 2015, Guyana registered a rating of 4.2, having moved up from 4.1 in 2013. No data is available for Belize but Jamaica was at 4.0 in 2016, and Suriname at 3.7 in 2014.

Table 14 key education indicators, selected countries, 2006-2011, 2008-2013, 2011-2014 and 2009-2014

Key Indicators		2010	2011	2012	2013	2014	2015
Public expenditure on education Public expenditure on education consists of current and capital public expenditure on education plus subsidies to private education at the primary, secondary, and tertiary levels. <u>Source:</u> World Bank Databank, World Development Indicators Online ²⁸² .	Guyana	3.66	3.59	3.19			
	Belize	6.61			6.22	6.43	
	Jamaica	6.34	6.28	6.12	6.27	6.02	5.46
	Suriname						
	Latin America & Caribbean (excluding high income)	4.91	4.98	5.06	5.21	5.28	
	World	4.58	4.49	4.57	4.71		

²⁸² <http://databank.worldbank.org/data/home.aspx>

Key Indicators							
Education Index It measures the educational attainment. The Education Index is measured by the adult literacy rate and the combined primary, secondary, and tertiary gross enrolment ratio. The adult literacy rate gives an indication of the ability to read and write, while the gross enrolment ratio gives an indication of the level of education from kindergarten to postgraduate education. It is a weighted average of Adult literacy index (with two-thirds weighting) and the combined primary, secondary, and tertiary gross enrolment ratio (Gross enrolment index [0, 100]) (with one-third weighting). Source: UNDP, Human Development Report ²⁸³ .		2008	2009	2010	2011	2012	2013
	Guyana	0.58	0.57	0.58	0.58	0.58	0.58
	Belize	0.68	0.68	0.68	0.68	0.69	0.69
	Jamaica	0.66	0.66	0.67	0.67	0.67	0.67
	Suriname	0.59	0.59	0.59	0.59	0.59	0.59
Extent of staff training The World Economic Forum (WEF) Survey asked the business leaders to provide their expert opinions on the following: "The general approach of companies in your country to human resources is: (1=to invest little in training and employee development, 7=to invest heavily to attract, train, and retain employees)". Source: World Economic Forum, The Global Competitiveness Report ²⁸⁴ .		GC Report 2013/14	GC Report 2014/15	GC Report 2015/16	GC Report 2016/2017		
	Guyana	4.1	4.0	4.2			
	Belize						
	Jamaica	4.1	4.1	4.0	4.0		
	Suriname	4.0	3.7				
Literacy Rate, youth total (% of people ages 15-24) Youth literacy rate is the percentage of people ages 15-24 who can, with understanding, read and write a short, simple statement on their everyday life. Source: World Bank Databank, World Development Indicators Online ²⁸⁵ .		2011	2012	2013	2014	2015	
	Guyana		93.10			94.37	
	Belize					88.61	
	Jamaica				96.26	96.46	
	Suriname	99.42		98.38		99.03	
	Latin America & Caribbean (excluding high income)			97.88			
	World			90.62			

²⁸³ <http://hdrstats.undp.org/en/indicators/default.html>

²⁸⁴ <http://www.weforum.org/issues/global-competitiveness>

²⁸⁵ <http://databank.worldbank.org/data/home.aspx>

4.3. Social justice and social inclusion

Guyana's progress on social indicators is slower than many of its neighbours. The reduced ability to spend on improving social justice and social inclusion has had wide ranging impacts on the quality of life across the country. Social exclusion in terms of poverty, and discrimination persist, both of which have gendered dimensions. Several social indicators, such as maternal and child mortality rates, and the HIV prevalence rate among pregnant women, have not improved in the last few years, which is a cause for concern²⁸⁶. Amerindian families are particularly vulnerable. Gender equality is foregrounded in national planning objectives, but customary practices make equal rights for men and women very difficult to achieve.

Guyana is considered to be a medium human development country, and in 2015 had an HDI rank of 127 out of 188 countries²⁸⁷, having fallen from 121st out of 187 countries in 2014²⁸⁸. In the Western hemisphere, unemployment is high, particularly youth unemployment, which is currently estimated around 40 percent²⁸⁹. The most recent official poverty measurement in Guyana was done in 2006, at which time 36.1 percent of the population was living in poverty, including 18.6 percent that were living in extreme poverty²⁹⁰. Poverty is higher in the interior party of the country, and for those living in rural areas. Guyana's PRSP indicates that more than 50 percent of Guyanese women are living in poverty, with nearly 30 percent of households headed by women in absolute poverty²⁹¹.

Legally women enjoy equal status with men but they are underrepresented in the workforce, and face discrimination in employment and compensation²⁹². Article 29 of the Constitution states that "women and men have equal rights and the same legal status in all spheres of political, economic and social life. All forms of discrimination against women on the basis of their sex is illegal"²⁹³. Women are also explicitly guaranteed the right to access academic, vocational and professional training, equal opportunities in employment, remuneration and promotion, as well as paid leave for mothers and mothers to be²⁹⁴. In 2015, 20.4 percent of parliamentary seats were held by women, and 68.1 percent of women had at least a secondary level of education, compared with 53.2 percent of men, but female participation in the labour market was 41.8 percent compared to 77.2 percent for men²⁹⁵.

Sexual violence is endemic to the society and gender based violence contributed to the aggravated situation of violence against children as well²⁹⁶. Violence against women, including domestic abuse appears to be widespread, with rape rarely being reported or prosecuted²⁹⁷. Sexual activity between men is punishable by a life sentence in prison, and cross-dressing is a criminal act for both men and women²⁹⁸. Sexual trafficking and forced labour are problems, especially in the mining communities further from the coast.

²⁸⁶ UNICEF, 2016.

²⁸⁷ UNDP, 2016.

²⁸⁸ UNICEF, 2016.

²⁸⁹ UNICEF, 2016.

²⁹⁰ UNICEF, 2016.

²⁹¹ UNDP, 2009.

²⁹² Freedom House, 2016.

²⁹³ ILO, 2001.

²⁹⁴ ILO, 2001.

²⁹⁵ UNDP, 2016.

²⁹⁶ UNICEF, 2016.

²⁹⁷ Freedom House, 2016.

²⁹⁸ Freedom House, 2016.

Child trafficking and child labour are major issues, which are interrelated and reinforce one another: in 2014 around 18 percent of the children in Guyana were involved in child labour, and the number is higher when accounting for all children taking part in economic activities²⁹⁹. The prevalence rate in Guyana is significantly higher than the average Latin American and Caribbean rate of 9 percent prevalence for the 5-14 age group³⁰⁰. In the interior areas the incidence is nearly double that of the coastal areas, and part of this is explained by difference in culture and identity among the populations³⁰¹. Boys in particular are vulnerable to hazardous conditions in mining, and to being used in organized crime and the smuggling of drugs³⁰².

Between 1990 and 2015 life expectancy at birth increased by 3 years, mean years of schooling went up by 1.6 years as well³⁰³. Not all regions have adequate health systems, trained health workers, and support systems. As with health in access to primary education as well there is a big difference between students from the hinterland and coastal areas driven by the lack of qualified teachers and poor infrastructure in the hinterland³⁰⁴. Financial barriers, and language barriers, as English is not always the mode of communication, contribute to the difficulties. Children and adults with special needs are at a particular disadvantage- institutions of special education are limited, and mostly in Georgetown, and social practices and cultural barriers to a more inclusive society exist, with persisting negative attitudes towards the differently abled.

Children represent 36 percent of the population, and about 89 percent of the population lives in the coastland region, which represents 7.5 percent of the country's area; the remaining proportion of the country's landmass is characterised by dense forests, mountain ranges, hills and rivers which make it difficult to access, and account for the low density of population³⁰⁵. Agriculture is about 25 percent of the GDP, but more than 33 percent of the population are directly employed in it; productivity in agriculture needs to improve for development outcomes and social inclusion to improve³⁰⁶. Guyana is a net exporter of food in the region but under-nourishment and food insecurity persist due to problems associated with poverty, indigence and inequality³⁰⁷.

Race and ethnic identity are critical issues in Guyana. The indigenous minority remains politically and socially marginalised, though a Ministry of Indigenous Peoples' Affairs exists which is tasked with improving conditions for indigenous communities³⁰⁸. The Amerindian Act of 2006 is aimed at strengthening the rights of indigenous people to their land and local self-governance, but these communities continue to experience isolation and discrimination³⁰⁹.

The "GINI Coefficient" measures the extent to which the distribution of income among individuals or households within an economy is equal. Absolute equality corresponds to a value of 0, whereas absolute inequality is represented by 100. Data for Guyana is available for 1998, which shows it as being marginally better than its comparison countries at 44.55. In 2004 Jamaica was at 45.46, In 1999 Belize was at 53.26 and Suriname was lowest of all with 57.61 in 1999.

²⁹⁹ UNICEF, 2016.

³⁰⁰ ILO, 2017.

³⁰¹ ILO, 2017.

³⁰² ILO, 2017.

³⁰³ UNDP, 2016.

³⁰⁴ UNICEF, 2016.

³⁰⁵ UNICEF, 2016.

³⁰⁶ FAO, 2015.

³⁰⁷ FAO, 2015.

³⁰⁸ Freedom House, 2016.

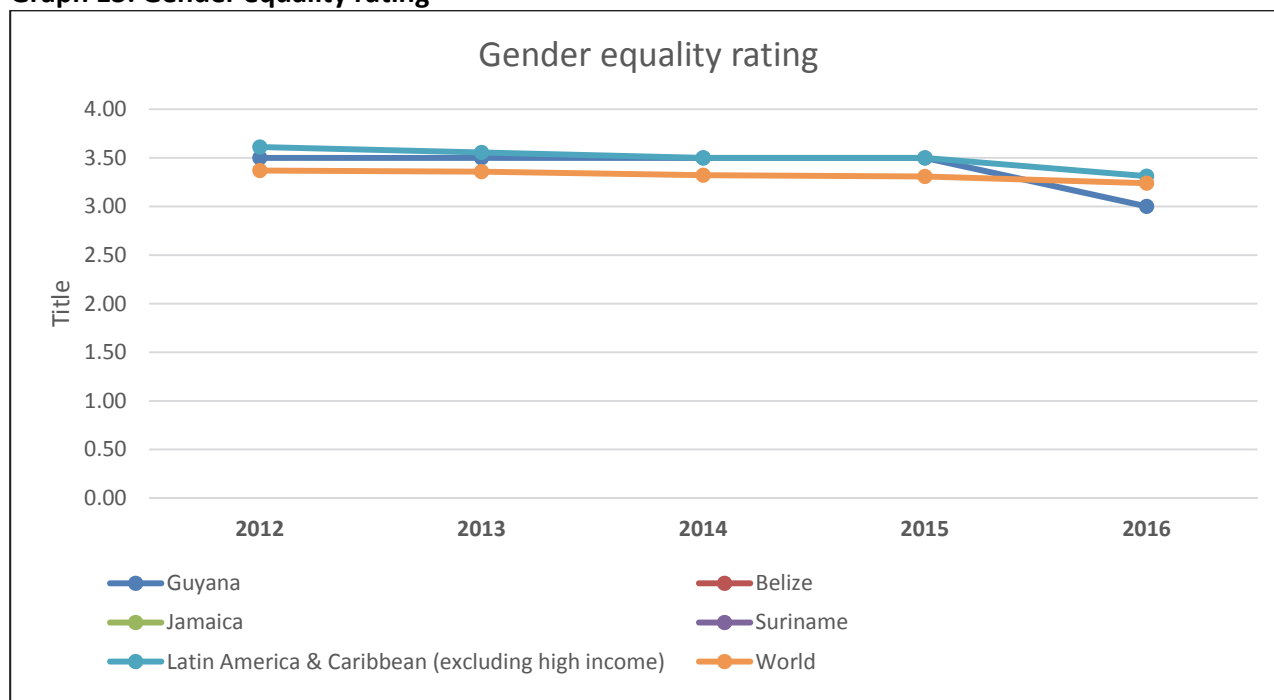
³⁰⁹ Freedom House, 2016.

The “Gender-related Development Index” measures average achievements in a long and healthy life, knowledge and a decent standard of living, adjusted to account for inequalities between men and women. Higher values indicate a better situation. Guyana improved its index going from 0.70 in 2000 to 0.98 in 2014. Suriname is at the same index value as Guyana in 2014 at 0.98, while Jamaica performs best of the four countries at 1.00 in the same year. Belize was last in 2014 at 0.96. All four countries registered an improvement over time.

The “Gender Empowerment Measure” (GEM) is an index measuring gender inequality in economic participation and decision-making, political participation, and decision-making and power over economic resources. The lower the value, the more heavily a society is penalized for having inequalities. The measure is available for Guyana in 2009, when it was 0.59. Suriname was at 0.56 in the same year, and Belize at 0.51. Data was not available for Jamaica.

The “Gender Equality Rating” measures the extent to which a country has implemented institutions and programmes to enforce laws and policies aimed at promoting equal access for men and women to education, health, the economy, and legal protection. The rating is done on a scale from 1 to 6, with higher values indicating better performance. On this indicator data was available only for Guyana, and not for Belize, Jamaica and Suriname. In 2016 Guyana was at 3.00, having gone down from 3.50 in 2012. The Latin America and Caribbean average excluding high income countries went from 3.61 in 2012 to 3.31 in 2016.

Graph 13: Gender equality rating



Source: World Bank Group Databank, World Development Indicators Online

The “Gender Inequality Index” (GII) measures the loss due to inequality in achievements in health, empowerment and the labour market. Values range from 0, reflecting perfect equality, to 1, reflecting total inequality. Guyana was at 0.51 in 2015. This is the highest of all four countries used for comparison. Suriname was next highest at 0.45, Jamaica was at 0.42 and Belize was at 0.38 in 2015.

Table 15 Key inequality indicator, selected countries, 2006-2012

Key Indicators					
GINI coefficient The GINI index measures the extent to which the distribution of income (or, in some cases, consumption expenditure) among individuals or households within an economy deviates from a perfectly equal distribution. A value of 0 represents absolute equality, a value of 100 absolute inequality. <u>Source:</u> World Bank, Development Research Group. Data are based on primary household survey data obtained from government statistical agencies and World Bank country departments ³¹⁰ .	1997	1998	1999	2002	2004
	Guyana		44.55		
	Belize	60.43	54.91	53.26	
	Jamaica			44.08	48.32
	Suriname			57.61	
Gender-related Development Index (GDI) A composite index measuring average achievement in the three basic dimensions captured in the human development index – a long and healthy life, knowledge and a decent standard of living-adjusted to account for inequalities between men and women. <u>Source:</u> UNDP Human Development Report ³¹¹ .	2000	2005	2013	2014	
	Guyana	0.70	0.74	0.99	0.98
	Belize	0.76	0.81	0.96	0.96
	Jamaica	0.74	0.73	0.99	1.00
	Suriname		0.77	0.97	0.98
The lower the value, the more heavily a society is penalized for having inequalities.					
Gender Empowerment Measure (GEM) A composite index measuring gender inequality in three basic dimensions of empowerment – economic participation and decision-making, political participation, and decision-making and power over economic resources. <u>Source:</u> UNDP Human Development Report ³¹² .	2005	2006	2007	2009	
	Guyana				0.59
	Belize	0.49	0.50	0.52	0.51
	Jamaica				
	Suriname				0.56
The lower the value, the more heavily a society is penalized for having inequalities.					
Gender Inequality Index (GII) The Gender Inequality Index is a composite index measuring loss in achievements in three dimensions of human development—reproductive health, empowerment and labour market, due to inequality between genders. <u>Source:</u> UNDP, Human Development Report ³¹³ .	2012	2013	2014	2015	
	Guyana	0.52	0.51	0.51	0.51
	Belize	0.39	0.38	0.38	0.38
	Jamaica	0.44	0.44	0.43	0.42
	Suriname	0.50	0.50	0.49	0.45
Values range from 0 (perfect equality) to 1 (total inequality).					

³¹⁰ <http://databank.worldbank.org/data/home.aspx>

³¹¹ <http://hdr.undp.org/en/reports/>

³¹² <http://hdr.undp.org/en/reports/>

³¹³ <http://hdr.undp.org/en/reports/>

4.4. Adequate social protection

Providing citizens with access to key services, such as quality health care, unemployment benefits, maternity protection, and a basic pension, is key to improving productivity. Protecting workers' health and safety at the workplace is also vital for sustainable enterprise development and productivity gains. As the exploitation of petroleum reserves evolves in Guyana the authorities are reportedly considering whether citizens will receive benefits directly as a year-end cheque, or through social services in the regions³¹⁴.

The first law on old age assistance in Guyana was passed in 1944, and the current law which governs social security was passed in 1969³¹⁵. The Ministry of Social Protection addresses welfare and protection issues in Guyana, including children, conditions for the elderly and conditions for public servants³¹⁶. The Ministry of Social Protection also regulates day care centres, of which there were 280 in Guyana at the end of 2016, though only 65 percent of these met the minimum standard³¹⁷. A National Advisory Council on Occupational Safety and Health was established in 1993, and a national policy on occupational safety and health (OSH) exists³¹⁸. Labour inspection and OSH inspections are both overseen by the Ministry of Labour.

The National Insurance Scheme (NIS), is the centrepiece of social protection in Guyana. It was developed with ILO support and the bill came into effect in 1969, allowing for the establishment of a national pension scheme providing sickness, maternity, old age, survivor and funeral benefits³¹⁹.

All persons are covered under the Old Age Pension, whether they have contributed to NIS in the past or not, but the amount paid out is not a full living wage. The Social Security and Senior Citizens Welfare Department is in charge of administering social assistance benefits to people above the age of 65, and other vulnerable groups such as the inform, and orphans under 16 years of age³²⁰. The NIS is expected to introduce initiatives for people to manage their pensions more easily, particularly those eligible for benefits due to old age³²¹.

The NIS includes both long-term and short-term benefits, short term benefits include allowances for sickness, maternity benefits, and public assistance for temporary relief due to difficult socio-economic circumstances³²². Long-term benefits under the NIS include old age benefits as previously mentioned, and invalidity benefits for insured persons permanently rendered incapable of work as the result of an employment injury³²³.

The NIS allows for self-employed persons to be registered under the scheme, which provides some protection for people even in the informal economy, but the growth in self-employed persons has not kept up with the overall growth in contributors to the NIS³²⁴. Unlike in many other countries

³¹⁴ Guyana Chronicle, 20 April 2017.

³¹⁵ U.S. Social Security Administration, 2014.

³¹⁶ DPI, 29 December 2016 (2).

³¹⁷ DPI, 29 December 2016 (2).

³¹⁸ ILO, 2012.

³¹⁹ Guyana Times, 7 June 2013.

³²⁰ U.S. Social Security Administration, 2014.

³²¹ Guyana Chronicle, 1 December 2016.

³²² ILO, 2006.

³²³ ILO, 2006.

³²⁴ Guyana Chronicle, 6 April 2015.

persons in the informal economy can register for the NIS, and there is great scope for expanding membership to cover more individuals.

Guyana's "General Government Final Consumption Expenditure" as a percentage of GDP has increased steadily between 2010 and 2016, going from 15.11 percent in 2010 to 17.41 percent in 2016. It might be worth noting that Guyana's GDP growth has fallen over the same period, so it is not likely that the absolute amount of spending has increased. Over the same period Belize's spending fell, as did Jamaica and Suriname's. Belize was at 14.97 percent in 2016, while Jamaica was at 13.89 and Suriname at 10.11 percent in the same year.

Table 16 Key health indicators, selected countries, 2008-2013 and 2000-2005

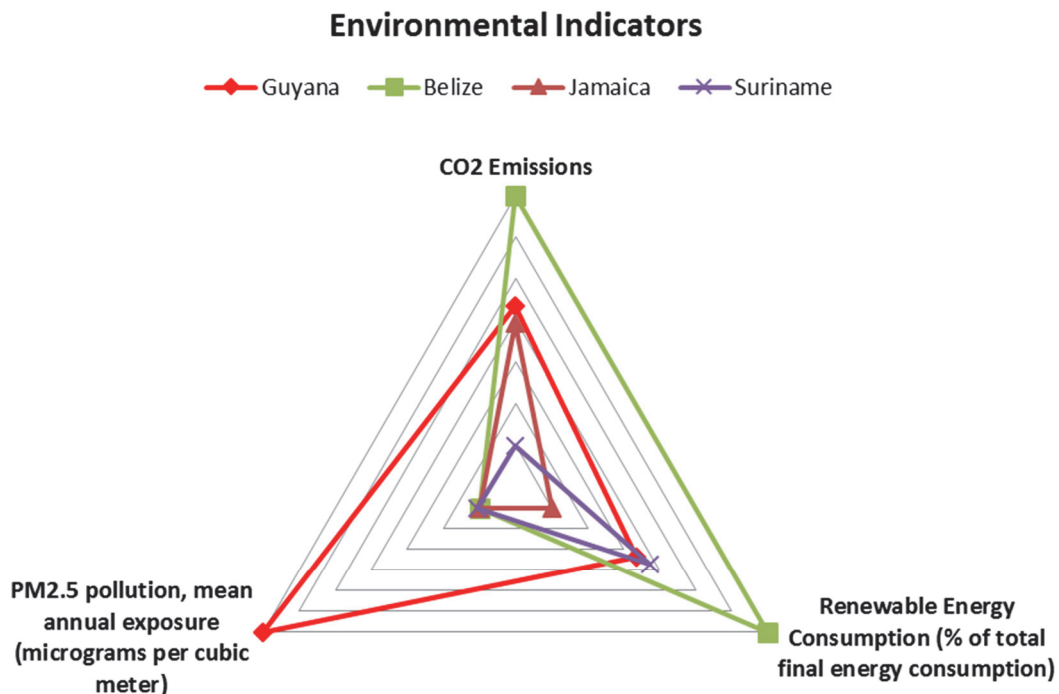
Key Indicators					
General Government Final Consumption Expenditure (% GDP) General government final consumption expenditure includes all government current expenditures for purchases of goods and services (including compensation of employees). It also includes most expenditures on national defence and security, but excludes government military expenditures that are part of government capital formation. Source: World Bank national accounts data, and OECD National Accounts data files <u>Source:</u> World Bank national accounts data, and OECD National Accounts data files ³²⁵ .		2013	2014	2015	2016
	Guyana	15.92	16.92	16.95	17.41
	Belize	15.24	15.08	15.50	14.97
	Jamaica	15.51	14.52	13.76	13.89
	Suriname	16.60	16.00	17.27	10.11
	Latin America & Caribbean (excluding high income)	16.12	16.62	17.19	17.07
	World	17.15	17.03	17.07	
		2011	2012	2013	2014
	Guyana	4.57	4.34	2.90	3.12
	Belize	3.73	3.58	3.78	3.88
	Jamaica	2.80	3.27	3.38	2.81
	Suriname	2.92	3.22	3.20	2.94
	Latin America & Caribbean (excluding high income)	3.59	3.50	3.61	3.81
	World	5.97	5.94	5.92	5.99
Public expenditure on health (per cent of GDP) Public health expenditure consists of recurrent and capital spending from government (central and local) budgets, external borrowings and grants (including donations from international agencies and nongovernmental organizations), and social (or compulsory) health insurance funds. <u>Source:</u> World Health Organization National Health Account database (www.who.int/nha/en) supplemented by country data ³²⁶ .					

³²⁵ <http://data.worldbank.org/data-catalog/world-development-indicators>

³²⁶ <http://databank.worldbank.org/data/home.aspx>

5. Environmental elements

Figure 3 Indicators assessing environmental elements of an enabling environment for sustainable enterprises



Note: the values for the individual indicators have been harmonized for better presentation and formatted so that the further from the centre a data point is, the better the country's performance in that regard. The original indicator values are included in the chapters.

- Natural resource management systems and national governance frameworks need to be strengthened to promote sustainable management and use of natural resources at national and local levels.
- Guyana has one of the world's highest ratios of forest cover, and the government has repeatedly articulated a commitment to maintaining this.
- About 90 percent of the population of Guyana lives in a small, low-lying coastal area, which also has most of the economic activity, and is vulnerable to natural hazards and climate change.
- There is potential for agricultural development in the hinterland and rural regions, which may help improve food security, as well as agricultural diversification.
- When asked about the extent to which environmental issues are addressed by the business community in Guyana 37.83 percent of survey respondents said they were partly addressed.

5.1. Responsible stewardship of the environment

In the absence of appropriate regulations and incentives, markets can lead to undesirable environmental outcomes. The development of sustainable enterprises and the protection of the environment require sustainable production and consumption patterns. The effects of general environmental degradation are most severely felt by the most vulnerable sections of society, and successful long-term poverty alleviation strategies must include sustainable environmental management as a component. Natural resource management systems and national governance frameworks need to be strengthened to promote sustainable management and use of natural resources at national and local levels. The recent discoveries of offshore oil are expected to create investment in Guyana, but will also undoubtedly have an impact on the environment.

Climate change impacts different groups of society differently, and in Guyana the consequences also have a gendered dimension. Women are more vulnerable to the impacts of climate change, just as they are more vulnerable to the impacts of poverty and food insecurity. With the increasing emphasis on building a green economy, farmers, natural resource users, forest-dependent people, indigenous groups, and rural communities are of critical importance to the sustainable use of natural resources³²⁷. They will be at the front line of addressing environmental degradation and biodiversity conservation. Guyana is heavily dependent on its natural resources, and the governance framework for this needs to be strengthened, particularly in the area of property rights and land tenure.

Guyana has an area of about 215,000 square kilometres of which about 197,000 are land³²⁸. It can be divided into three major biogeographical zones: coastal, savannah, and the forest³²⁹. Guyana is blessed with abundant and unique natural flora and fauna, which require particular care. The country has one of the world's highest ratios of forest cover, and the government has repeatedly articulated a commitment to maintaining this. The Environmental Performance Index, which aggregates 20 indicators reflecting national-level environmental data across six policy categories found that in 2016 Guyana was at 71.14. With scores from 0 to 100, and the closer to hundred the better positioned the country to maintaining favourable environmental conditions into the future, making Guyana's score better than Suriname at 68.58, but not as good as Belize at 73.55, or Jamaica at 77.02 in the same year.

Settling the coast of Guyana was a difficult endeavour, as most of it lies below sea level at high tide, and requires protection against flooding through a system of sea walls, dams and drainage canals³³⁰. Heavy seasonal rains also cause flooding. Flooding brings with it the incidence of disease. About 90 percent of the population of Guyana lives in a small, low-lying coastal area, which also has most of the economic activity, and is vulnerable to natural hazards and climate change³³¹. Agricultural production takes place primarily in the coastal regions of Guyana, which are also vulnerable to the impact of climate change and extreme weather patterns³³². The coastal regions lie below sea-level at high tide, making farming susceptible to floods and salt water intrusion as well as droughts, affecting

³²⁷ FAO, October 2015.

³²⁸ CIA World Factbook, 2017.

³²⁹ FAO, May 1995.

³³⁰ IMF, February 2007.

³³¹ IDB, June 2016.

³³² FAO, October 2015.

food security and agricultural livelihoods³³³. There is potential for agricultural development in the hinterland and rural regions, which may help improve food security, as well as agricultural diversification³³⁴. Drought conditions, however, do occur in the interior parts of the country³³⁵.

In 2016 the Green Development Strategy (GDS) was announced; the plan for greening the economy by transitioning towards renewable and cheaper sources of energy will help lower electricity costs and reduce dependency on imports of hydrocarbons³³⁶. The GDS also includes a Coastal Zone Management Plan to protect coastal economic sectors, human habitation and ecosystems³³⁷. Additionally the GDS encourages green enterprises and jobs, and an educational curriculum that incentivizes green, and science, technology, engineering and mathematics-focused education in schools³³⁸. The GDS was preceded by the Low Carbon Development Strategy of 2009 which guided national development policy to transform the Guyanese economy to a sustainable low-carbon one, with a special focus on climate change, and economic opportunities for all Guyanese³³⁹; the emphasis was on the development of green jobs through the realisation of environmentally friendly forms of energy³⁴⁰. The Government of Norway has committed to assisting the GoG with protecting its tropical forest, carbon storage, and other ecological services³⁴¹. In addition to this the application of technology and artificial intelligence to agriculture development should be equally emphasized in enabling an environment for sustainable enterprises³⁴².

In 2016 a new Department of Environment was formed, to be headed by the advisor on Climate Change at the Ministry of the Presidency³⁴³. The Department oversees environmental compliance and management, protected areas management, national parks, and wildlife conservation and protection³⁴⁴.

There are varying opinions on how the business community and other stakeholders address environmental issues in Guyana. The highest percentage of respondents from the EESE Survey think that environmental issues are partly addressed by the business community and other stakeholders, while a slightly lower percentage think that environmental issues are not adequately addressed. A majority of respondents also think that adequate environmental legislation exists but is being poorly implemented. With respect to whether the business community sees green and environmental strategies as opportunities for green growth in Guyana, a majority of the respondents responded favourably with a combined 61 percent thinking that the business community sees these strategies as opportunities for green growth.

When asked about the extent to which environmental issues are addressed by the business community in Guyana 37.83 percent said they were partly addressed, 35.03 percent said they were not adequately addressed, 11.76 percent thought they were adequately addressed, 10.43 percent didn't know and 4.95 percent thought they were not a major concern.

³³³ FAO, October 2015.

³³⁴ FAO, October 2015.

³³⁵ IDB, June 2016.

³³⁶ U.S. Department of State, 2017.

³³⁷ U.S. Department of State, 2017.

³³⁸ U.S. Department of State, 2017.

³³⁹ GoG, March 2013.

³⁴⁰ Tripartite technical workshop, October 2017.

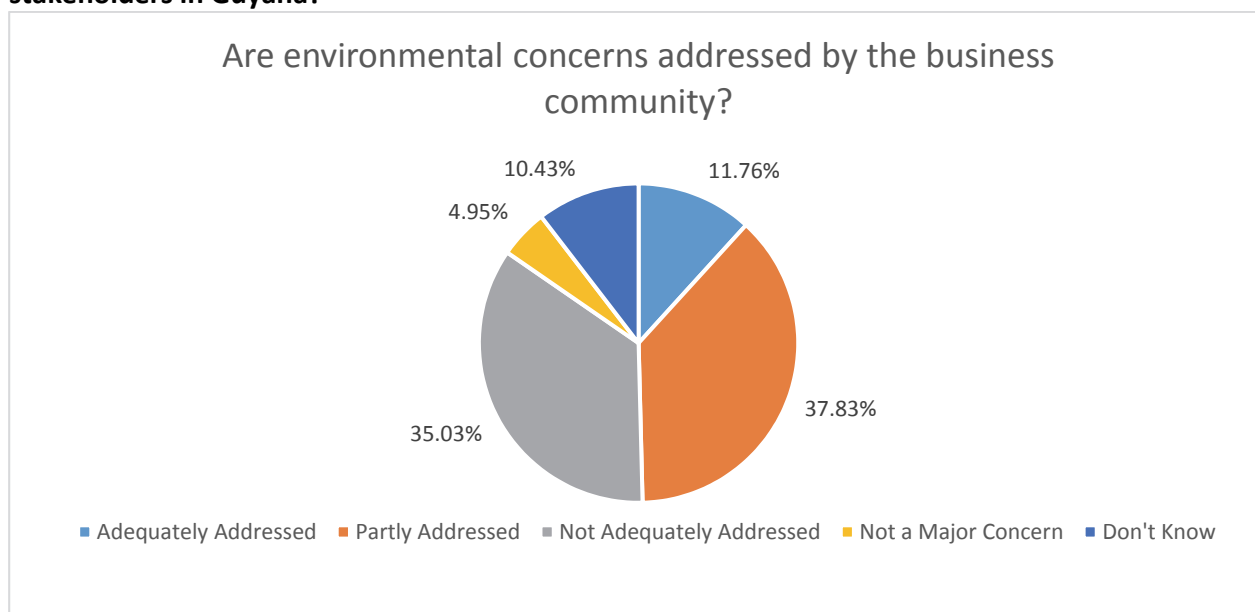
³⁴¹ U.S. Department of State, 2017.

³⁴² Tripartite technical workshop, October 2017.

³⁴³ DPI, 30 September 2016.

³⁴⁴ DPI, 30 September 2016.

Chart 20: Are environmental issues of concern being addressed by the business community and other stakeholders in Guyana?



When asked about their perception of the adequacy of legislation to protect the environment 57.10 percent thought legislation existed and was poorly implemented, 22.68 percent thought legislation existed and was satisfactorily implemented, 13.66 percent of respondents said they did not know, 4.23 percent said legislation existed and was well implemented, and a final 2.32 percent said legislation did not exist.

On the subject of if energy and material efficiency strategies, recycling or sales of environmentally-friendly goods and services are seen as an opportunity for green growth by the business community 33.97 percent of survey respondents said they saw this as a good opportunity, 27.31 percent said it was an opportunity, 9.20 percent thought it was neither an opportunity not a threat, 7.88 percent thought it was not an opportunity, 1.90 percent thought it was a threat, and 19.84 percent said they did not know.

When asked about legislation, incentives, subsidies, or support for business ventures in renewable energy, recycling environmentally friendly goods and services or clean production 40.3 percent of survey respondents said they did not know. 32.91 percent said these incentives existed but could be better, 14.65 percent said they did not exist, 9.77 percent said they were satisfactory, and a scant 2.34 percent thought they existed with a wide range of measures and rules.

Renewable energy consumption is the share of renewable energy in total final energy consumption. On this indicator Guyana was at 24.02 percent in 2014. This is lower than Belize, which performed best at 36.54 percent, and lower than Suriname at 25.38 percent, but better than Jamaica at 15.99 percent in the same year. The world average is lower than Guyana at 18.90 percent.

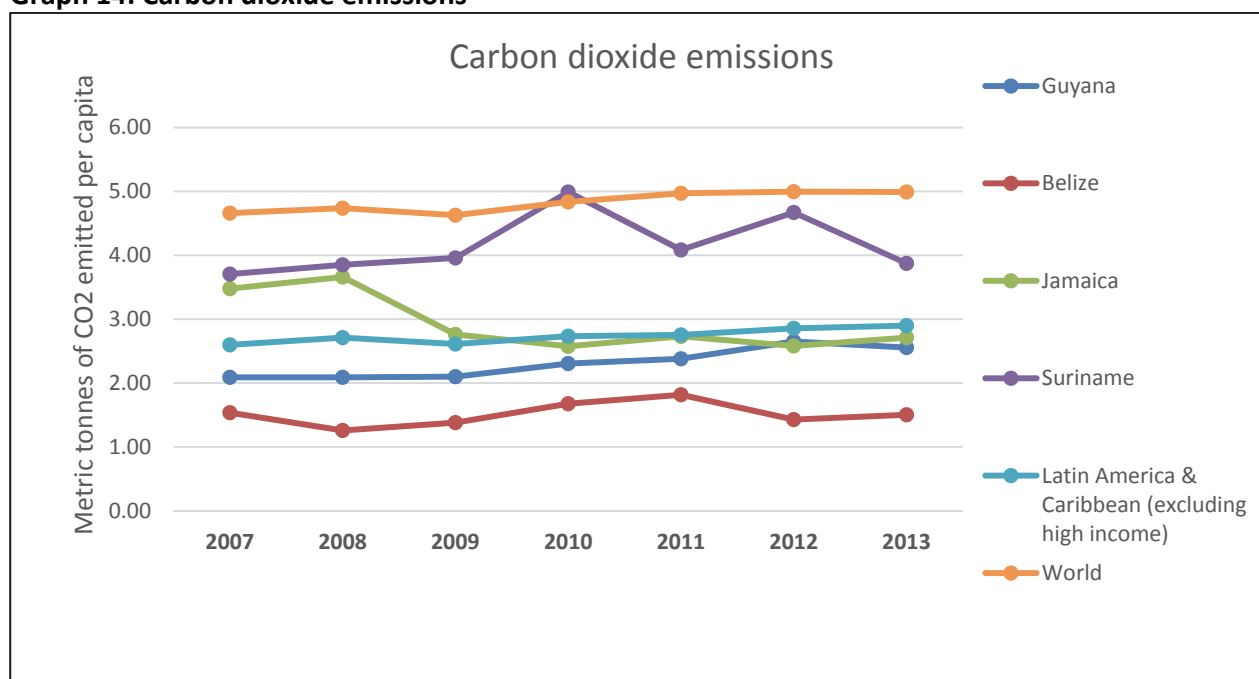
Energy use, which measures the kilograms of oil equivalent per capita, is an indicator which refers to use of primary energy before transformation to other end-use fuels, which is equal to indigenous production plus imports and stock changes, minus exports and fuels supplied to ships and aircraft engaged in international transport. Guyana was at 98.63 in 2015, which was lower than the comparison countries, Suriname being at 99.99, and Belize and Jamaica both at 100.

A related indicator is that of nitrous oxide emissions, as equivalent to a thousand metric tons of carbon dioxide; nitrous oxide emissions are mainly from fossil fuel combustion, fertilizers, rainforest fires and animal waste. Nitrous oxide is a powerful greenhouse gas and emissions indicate global warming potential, which is why they are expressed in carbon dioxide equivalents. Guyana's emissions of nitrous oxide in 2012 at 2,122.88 thousand metric tons of carbon dioxide equivalent were much higher than the other three comparison countries, but much lower than the regional and world averages at 414,496.04 and 3,153,742.48 respectively. Belize was lowest in 2012 at 200.22 thousand metric tons of carbon dioxide equivalent.

Methane emissions, also in thousand metric tons of carbon dioxide equivalent, similarly help to measure global warming potential. Guyana has higher methane emissions than all three comparison countries at 2,124 thousand tons of carbon dioxide equivalent in 2012, while Jamaica was at 1,316.45, Suriname was at 709.39 and Belize the lowest at 228.49 thousand tons of carbon dioxide equivalent for the same year.

Guyana emitted 2.55 metric tons of CO₂ per capita in 2013, which means that the negative environmental impact of this country in this regard is rather low, especially if compared to the world average of 4.99 the same year. Out of comparison countries the lowest emissions were registered by Belize amounting to 1.5 metric tons of CO₂ in 2013, and the highest were from Suriname at 3.87 metric tonnes in the same year.

Graph 14: Carbon dioxide emissions

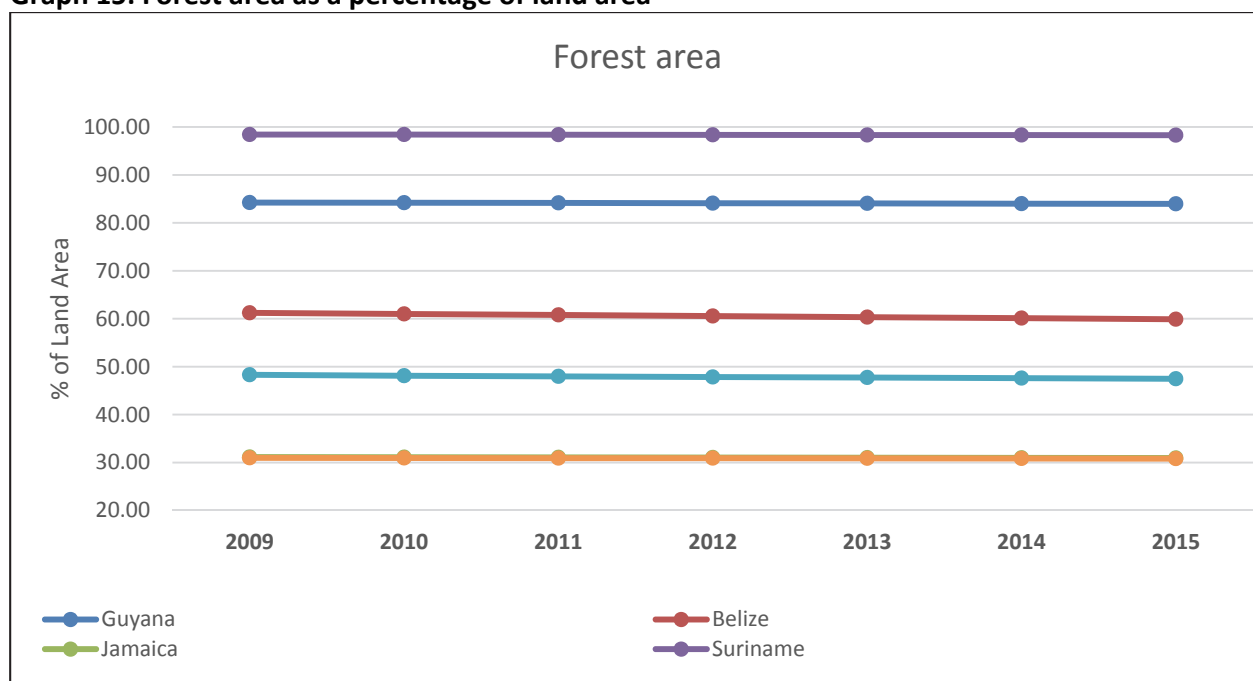


Source: World Bank Databank, World Development Indicators Online

When looking at PM_{2.5} air pollution, and the levels of population exposed to levels exceeding the WHO guideline, which looks at the percent of the population exposed to ambient concentrations of PM_{2.5} Guyana performed better than all three other comparison countries, but at 98.63 percent of the population exposed was still higher than the world average at 91.85 percent in 2015. Belize and Jamaica are at 100 percent while Suriname is at 99.99 percent.

Guyana's forest area as a percentage of land area has fallen between 2009 and 2015, but only very slightly. At 83.95 percent of its land area being forest area Guyana is second only to Suriname among the comparison countries, and much higher than the regional average at 47.47 percent. In 2015 Suriname had 98.28 percent of the land area as forest area, while Belize was at 59.90 percent, and Jamaica at 30.95 percent in the same year.

Graph 15: Forest area as a percentage of land area



Source: The World Bank Databank, World Development Indicators

The terrestrial and marine protected areas indicator measures the protected areas as a percentage of total territory. In 2014 Guyana had 5.28 percent of its area as protected, while Belize was highest at 18.55 percent. Suriname was at 8.58 percent, and the lowest was Jamaica at 1.40 percent in 2014. Another indicator related to land categorisation and use is the permanent cropland as a percentage of total land area indicator.

Permanent cropland is land cultivated with crops that occupy the land for long periods and need not be replanted after each harvest, such as cocoa, coffee, and rubber. This category includes land under flowering shrubs, fruit trees, nut trees, and vines, but excludes land under trees grown for wood or timber. In 2014 at 0.15 percent Guyana had the lowest percentage of permanent cropland as a percentage of land area among the comparison countries except Suriname, which was at 0.04 percent; Jamaica was highest in 2014 at 8.77 percent and Belize was at 1.40 percent.

Table 17 Key environmental indicators, selected countries.

Key Indicators							
Environmental Performance Index (EPI) The Environmental Performance Index (EPI) is constructed through the calculation and aggregation of 20 indicators reflecting national-level environmental data tracked across six established policy categories: Environmental Health, Air Pollution, Water Resources, Biodiversity and Habitat, Productive Natural Resources, and Climate Change. The EPI identifies broadly-accepted targets for environmental performance and measures how close each country comes to these goals. <u>Source:</u> Yale Center for Environmental Law and Policy (http://epi.yale.edu/downloads)	2016		Ten year change				
	Guyana	71.14	4.13%				
	Belize	73.55	-0.49%				
	Jamaica	77.02	1.12%				
	Suriname	68.58	2.11%				
	Performance score from 0 to 100. The higher a country’s EPI score, the better positioned it is to maintain favourable environmental conditions into the future						
CO2 emissions (metric tons per capita) Carbon dioxide emissions are those stemming from the burning of fossil fuels and the manufacture of cement. They include carbon dioxide produced during consumption of solid, liquid, and gas fuels and gas flaring. <u>Source:</u> Carbon Dioxide Information Analysis Centre, Environmental Sciences Division, Oak Ridge National Laboratory, Tennessee, United States (World Development Indicators Online) ³⁴⁵ .	2008	2009	2010	2011	2012	2013	
	Guyana	2.09	2.10	2.30	2.38	2.65	2.55
	Belize	1.26	1.38	1.68	1.82	1.43	1.50
	Jamaica	3.66	2.76	2.58	2.73	2.58	2.71
	Suriname	3.85	3.96	4.99	4.08	4.67	3.87
	Latin America & Caribbean (excluding high income)	2.71	2.61	2.73	2.75	2.86	2.90
	World	4.74	4.63	4.83	4.97	5.00	4.99
Forest area (per cent of land area) Forest area is land under natural or planted stands of trees of at least 5 meters in situ, whether productive or not, and excludes tree stands in agricultural production systems (for example, in fruit plantations and agroforestry systems) and trees in urban parks and gardens. <u>Source:</u> Food and Agriculture Organization, electronic files and web site. (World Development Indicators Online) ³⁴⁶ .	2010	2011	2012	2013	2014	2015	
	Guyana	84.21	84.16	84.10	84.05	84.00	83.95
	Belize	61.00	60.78	60.56	60.34	60.12	59.90
	Jamaica	31.13	31.09	31.06	31.02	30.99	30.95
	Suriname	98.40	98.38	98.36	98.33	98.31	98.28
	Latin America & Caribbean (excluding high income)	48.12	47.99	47.86	47.73	47.60	47.47
	World	30.95	30.93	30.90	30.88	30.85	30.83

³⁴⁵ <http://data.worldbank.org/data-catalog/world-development-indicators>

³⁴⁶ <http://data.worldbank.org/data-catalog/world-development-indicators>

Key Indicators								
PM2.5 air pollution, population exposed to levels exceeding WHO guideline value (% of total) Percent of population exposed to ambient concentrations of PM2.5 that exceed the WHO guideline value is defined as the portion of a country's population living in places where mean annual concentrations of PM2.5 are greater than 10 micrograms per cubic meter, the guideline value recommended by the World Health Organization as the lower end of the range of concentrations over which adverse health effects due to PM2.5 exposure have been observed. <u>Source:</u> World Bank Development Indicators (World Development Indicators Online) ³⁴⁷ .			2010	2011	2012	2013	2014	2015
	Guyana		97.20	99.90	99.98	99.99	99.79	98.63
	Belize		100	100	100	100	100	100
	Jamaica		100	100	100	100	100	100
	Suriname		93.40	99.99	99.99	100	99.99	99.99
	Latin America & Caribbean (excluding high income)		82.89	85.49	84.20	84.90	84.27	84.11
	World		91.70	91.99	91.98	92.21	91.98	91.85
Renewable Energy Consumption (% of Total Final Energy Consumption) Renewable energy consumption is the share of renewable energy in total final energy consumption. <u>Source:</u> World Bank, Sustainable Energy for All (SE4ALL) database from the SE4ALL Global Tracking Framework led jointly by the World Bank, International Energy Agency, and the Energy Sector Management Assistance Program. (World Development Indicators Online) ³⁴⁸ .			2010	2011	2012	2013	2014	
	Guyana		33.84	36.30	28.26	26.27	24.02	
	Belize		33.71	31.02	37.11	35.72	36.54	
	Jamaica		13.72	13.88	17.04	15.76	15.99	
	Suriname		24.54	25.45	23.05	25.97	25.38	
	Latin America & Caribbean (excluding high income)		28.65	28.44	27.50	27.40	27.23	
	World		18.12	18.15	18.47	18.76	18.90	
Nitrous oxide emissions (thousand metric tons of CO2 equivalent) Nitrous oxide emissions are mainly from fossil fuel combustion, fertilizers, rainforest fires, and animal waste. Nitrous oxide is a powerful greenhouse gas, with an estimated atmospheric lifetime of 114 years, compared with 12 years for methane. The per kilogram global warming potential of nitrous oxide is nearly 310 times that of carbon dioxide within 100 years. The emissions are usually expressed in carbon dioxide equivalents using the global warming potential, which allows the effective contributions of different gases to be compared. <u>Source:</u> Emission Database for Global Atmospheric Research, World Development Indicators Online) ³⁴⁹ .			2009	2010	2011	2012		
	Guyana		9120.63	2081.26	2102.07	2122.88		
	Belize		167.42	196.29	198.25	200.22		
	Jamaica		638.28	643.26	649.69	656.12		
	Suriname		255.62	267.91	270.59	273.27		
	Latin America & Caribbean (excluding high income)		385173.44	404271.57	409383.81	414496.04		
	World		3068677.6	3084899.9	3123551.4	3153742.5		

³⁴⁷ <http://data.worldbank.org/data-catalog/world-development-indicators>

³⁴⁸ <http://data.worldbank.org/data-catalog/world-development-indicators>

³⁴⁹ <http://data.worldbank.org/data-catalog/world-development-indicators>

Key Indicators					
Methane emissions (kt of CO2 equivalent) Methane emissions are those stemming from human activities such as agriculture and from industrial methane production. Expressed in CO2 equivalent using the GWP100 metric of the Second Assessment Report of IPCC and include CH4 (GWP100=21). The emissions are usually expressed in carbon dioxide equivalents using the global warming potential, which allows the effective contributions of different gases to be compared. A kilogram of methane is 21 times as effective at trapping heat in the earth's atmosphere as a kilogram of carbon dioxide within 100 years. <u>Source:</u> Emission Database for Global Atmospheric Research, World Development Indicators Online) ³⁵⁰ .	2009		2010	2011	2012
	Guyana	14406.8	2082.36	2103.18	2124.01
	Belize	206.72	224.01	226.25	228.49
	Jamaica	1304.93	1290.64	1303.55	1316.45
	Suriname	686.87	695.48	702.43	709.39
	Latin America & Caribbean (excluding high income)	888305.8	894181.89	924129.58	935505.74
	World	7774920	7815790.0	7927060.64	8014066.56
Terrestrial and marine protected areas (% of total territorial area) Terrestrial protected areas are totally or partially protected areas of at least 1,000 hectares that are designated by national authorities as scientific reserves with limited public access, national parks, natural monuments, nature reserves or wildlife sanctuaries, protected landscapes, and areas managed mainly for sustainable use. Marine protected areas are areas of intertidal or subtidal terrain--and overlying water and associated flora and fauna and historical and cultural features--that have been reserved by law or other effective means to protect part or all of the enclosed environment. Sites protected under local or provincial law are excluded. <u>Source:</u> World Development Indicators Online) ³⁵¹ .	1990		2000	2014	
	Guyana	0.20	1.27	5.28	
	Belize	10.08	17.82	18.55	
	Jamaica	0.43	1.39	1.40	
	Suriname	2.58	8.49	8.58	

³⁵⁰ <http://data.worldbank.org/data-catalog/world-development-indicators>

³⁵¹ <http://data.worldbank.org/data-catalog/world-development-indicators>

Key Indicators							
Permanent Cropland (% of Land Area) Permanent cropland is land cultivated with crops that occupy the land for long periods and need not be replanted after each harvest, such as cocoa, coffee, and rubber. This category includes land under flowering shrubs, fruit trees, nut trees, and vines, but excludes land under trees grown for wood or timber. <u>Source:</u> World Development Indicators Online) ³⁵² .		2009	2010	2011	2012	2013	2014
	Guyana	0.14	0.14	0.14	0.14	0.15	0.15
	Belize	1.40	1.40	1.40	1.40	1.40	1.40
	Jamaica	9.23	8.77	8.77	8.77	8.77	8.77
	Suriname	0.03	0.04	0.03	0.03	0.04	0.04
	Latin America & Caribbean (excluding high income)	1.03	1.04	1.05	1.05	1.04	1.03
	World	1.21	1.23	1.25	1.27	1.27	1.27
Energy Use (Kg of Oil Equivalent Per Capita) Energy use refers to use of primary energy before transformation to other end-use fuels, which is equal to indigenous production plus imports and stock changes, minus exports and fuels supplied to ships and aircraft engaged in international transport. <u>Source:</u> World Development Indicators Online) ³⁵³ .		2010	2011	2012	2013	2014	2015
	Guyana	97.20	99.90	99.98	99.99	99.79	98.63
	Belize	100.00	100.00	100.00	100.00	100.00	100.00
	Jamaica	100.00	100.00	100.00	100.00	100.00	100.00
	Suriname	93.40	99.99	99.99	100.00	99.99	99.99
	Latin America & Caribbean (excluding high income)	82.89	85.49	84.20	84.90	84.27	84.11
	World	91.70	91.99	91.98	92.21	91.98	91.85

³⁵² <http://data.worldbank.org/data-catalog/world-development-indicators>

³⁵³ <http://data.worldbank.org/data-catalog/world-development-indicators>

6. Assessment results and ways forward

The final results of the overall assessment on an enabling environment for sustainable enterprises in Guyana, based on primary and secondary data, workshop discussions, interviews with national stakeholders and a thorough literature review, indicate that there is space for improving the situation in all of the 17 conditions.

In order to focus attention and concentrate efforts toward a deep analysis of emerging issues, some of the 17 conditions were prioritized by tripartite constituents at the consultative workshop held in April 2017 in Georgetown. These areas were perceived as those where interventions for improvement are most needed. To learn more details on those priority issues, a perception survey was organized and focused on only those areas. The selected conditions are as follows:

- Sound and stable macroeconomic policy and good management of the economy
- Enabling legal and regulatory environment;
- Trade and sustainable economic integration;
- Access to financial services;
- Entrepreneurial culture;
- Education, training and lifelong learning;
- Good governance;
- Social dialogue;
- Responsible stewardship of the environment.

The preliminary findings of the overall evaluation were presented, discussed and validated at a tripartite workshop held in Georgetown in October 2017. Several issues were discussed and indicated as major constraints for doing business in Guyana. It was said that more political will to change and improve the legal framework, with an increased participation of local governments and stronger social dialogue mechanisms would certainly contribute to achieving a more successful business environment. Emphasis for future action toward improvement was hence placed on only three of the priority conditions listed above:

- Enabling legal and regulatory environment;
- Social dialogue; and
- Education, training and lifelong learning.

On the enabling legal and regulatory environment, the need to amend existing legislation and pass pending bills was identified as a key constraint to an enabling business environment in Guyana. In particular, the Intellectual Property Rights Bill, a telecommunications bill, an e-commerce bill, small business procurement act, tax and duty incentives for SMEs, and easier registration for SMEs were mentioned as acts that should be adopted and topics on which legislation should be developed. It was added that the implementation of existing policies should be improved, also by strengthening monitoring and evaluation systems.

On social dialogue, it was felt that the empowerment of tripartite committees would considerably improve the business environment in Guyana. In general, social dialogue mechanisms, including bipartite committees, are perceived as having great potential to overcome challenges that enterprises face.

Concerning education, training and lifelong learning, information gaps on education and training opportunities were identified as a major obstacle to a sound business environment. Moreover, it was said that lifelong training on new technologies and emerging skills should be made available to all employers and employees.

An action plan with specific outputs stemming from outcomes linked to priority areas and key players for action has been drafted by tripartite participants at the October 2017 workshop. The action plan will be finalized and adopted at a dissemination workshop to be held in December 2017 in the presence of high-level policy makers. The implementation of the action plan will address some of the main issues emerging from this assessment and will contribute to the improvement of the enabling environment for sustainable enterprises in Guyana.

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