

Poverty & Equity Brief

Latin America & the Caribbean

St. Lucia

April 2021

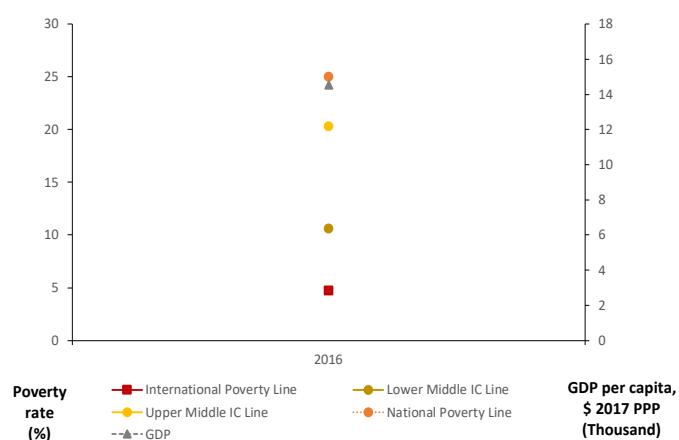
The most recent poverty estimates are from 2016. They showed that 20.3 percent of Saint Lucia's population were poor (or lived below \$5.50 dollars a day) at the time. During the 10-year period between 2006 and 2016, Saint Lucia managed to maintain its progress toward poverty reduction despite adverse shocks from the Great Recession of 2008/09 and extreme weather events in 2010 and 2013. The official poverty rates showed the poverty headcount falling by 3.8 percentage points from 28.8 percent (in 2006) to 25.0 percent (in 2016). This decline was most pronounced in the rural areas of Saint Lucia. Inequality, however, did not improve between 2006 and 2016. In 2016, the income Gini index was estimated at 51.3, with the bottom 40 percent of the income distribution earning slightly more than 10 percent of the total income of the country. The economic recovery from 2016 to 2019 was led by strong performance of tourism and recovery of the agricultural sector. It reversed the trend of rising unemployment and brought down the unemployment rate considerably, from 24.1 percent in 2015 to 16.8 percent in 2019, improving the income-generating ability of households. Poverty reduction is expected to have been keeping pace with economic growth and unemployment reduction.

As a result of the COVID-19 pandemic, Saint Lucia, however, experienced a substantial economic contraction in 2020. The pandemic has had severe negative impacts on the job market and livelihoods, disproportionately affecting the poor. In May 2020, over 70 percent of households had seen their incomes decrease since the outset of the pandemic. Especially poor households had limited access to basic services and goods, also facing difficulties to ensure sufficient food security. Poverty is expected to have increased considerably in 2020 as a result of income and job losses, though mitigated by the measures implemented by the government, such as an extension of the main social assistance program, Public Assistance Programme (PAP) and the provision of income support to formal and informal workers who have become unemployed. Due to the second spike of COVID-19 cases extending into 2021 and delaying the resumption of tourism, poverty is expected to remain high in 2021, following the spike in 2020. The poverty rate at the upper middle-income international poverty line of \$5.50 per person per day is projected at 24.5 percent in 2021, and then to resume its decline to a projected 19.3 percent in 2023. The COVID-19 pandemic is hence expected to undo St. Lucia's poverty reduction efforts made since 2017. The frequency of extreme weather events poses an additional risk to reducing poverty and increasing shared prosperity in Saint Lucia.

POVERTY	Number of Poor (thousand)	Rate (%)	Period
National Poverty Line	44.5	25.0	2016
International Poverty Line 3.8 in Eastern Caribbean dollar (2016) or US\$1.90 (2011 PPP) per day per capita	8.5	4.7	2016
Lower Middle Income Class Poverty Line 6.4 in Eastern Caribbean dollar (2016) or US\$3.20 (2011 PPP) per day per capita	19.1	10.6	2016
Upper Middle Income Class Poverty Line 11.1 in Eastern Caribbean dollar (2016) or US\$5.50 (2011 PPP) per day per capita	36.5	20.3	2016
Multidimensional Poverty Measure		N/A	N/A
SHARED PROSPERITY			
Annualized Income or Consumption Growth per capita of the bottom 40 percent		N/A	N/A
INEQUALITY			
Gini Index		51.3	2016
Shared Prosperity Premium = Growth of the bottom 40 - Average Growth		N/A	N/A
GROWTH			
Annualized GDP per capita growth		-0.33	2011-2016
Annualized Income or Consumption Growth per capita from Household Survey		N/A	N/A
MEDIAN INCOME			
Growth of the annual median income/consumption per capita		N/A	N/A

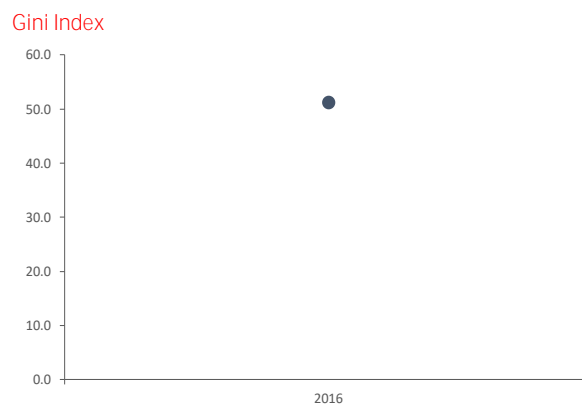
Sources: WDI for GDP, National Statistical Offices for national poverty rates, POVCALNET as of February 2021, and Global Monitoring Database for the rest.

POVERTY HEADCOUNT RATE, 2016



Source: World Bank using /SEDLAC/GMD

INEQUALITY TRENDS, 2016



Source: World Bank using /SEDLAC/GMD

KEY INDICATORS

Distribution among groups: 2016	International Poverty Line(%)		Relative group (%)		Multidimensional Poverty Measures: (% of population)
	Non-Poor	Poor	Bottom 40	Top 60	
Urban population	95	5	39	61	Monetary poverty
Rural population	95	5	42	58	Daily income/consumption less than US\$1.90 per person
Males	95	5	37	63	
Females	95	5	42	58	Education
0 to 14 years old	93	7	52	48	At least one school-aged child is not enrolled in school
15 to 64 years old	96	4	35	65	No adult has completed primary education
65 and older	92	8	46	54	
Without education (16+)	90	10	53	47	Access to basic infrastructure
Primary education (16+)	92	8	47	53	No access to limited-standard drinking water
Secondary education (16+)	96	4	39	61	No access to limited-standard sanitation
Tertiary/post-secondary education (16+)	98	2	13	87	No access to electricity

Source: World Bank using /SEDLAC/GMD

Notes: N/A missing value, N/A* value removed due to less than 30 observations

POVERTY DATA AND METHODOLOGY

Official national poverty in Saint Lucia is estimated with per capita expenditure as the welfare aggregate. Per capita expenditure is estimated using the "cost-of-basic needs" methodology including both food and non-food expenditures. The poverty line reflects a minimum threshold of 2,400 Kcal per person per day. Internationally comparable poverty is estimated with per capita income as the welfare aggregate and using the international poverty line of US\$1.90 per person per day as well as two global lines more appropriate for middle-income countries. While the country reports the consumption Gini index, this table shows the income Gini index. Poverty numbers are reported for 2016. Frequent poverty data required to estimate trends in poverty and inequality and to measure shared prosperity are missing.

HARMONIZATION

The numbers presented in the brief are based on the regional data harmonization effort known as the Socio-economic Database for Latin America and the Caribbean (SEDLAC) - a joint effort of the World Bank and CEDLAS from the National University of La Plata (Argentina). SEDLAC includes 18 countries and more than 300 household surveys since the 80s. Several Caribbean countries have not been included in the SEDLAC project due to lack of data. Since an income-based welfare aggregate is widely used in the region for official poverty estimates, income-based microdata is used for the Global Monitoring Database (GMD) and Global Poverty Monitoring. SEDLAC covers demographics, income, employment, and education. Terms of use of the data adhere to agreements with the original data producers.