

Poverty & Equity Brief

Latin America & the Caribbean

Saint Lucia

April 2023

About one-quarter (25.3 percent) of Saint Lucia's population was poor in 2016 (latest year with data available), meaning they lived below US\$6.85 dollars a day (in 2017 PPP). Between 2006 and 2016, Saint Lucia managed to reduce poverty, despite adverse shocks from the Great Recession and extreme weather events. But inequality did not improve over the same period. In 2016, the income Gini index was estimated at 51.2, high in regional and global comparison. It is estimated that poverty decreased further from 2016 to 2019. Over this period, the steady economic recovery, led by the strong performance of tourism and the recovery of the agricultural sector, brought down unemployment substantially. The unemployment rate fell from 24.1 percent in 2015 to 16.8 percent in 2019 (Saint Lucia Central Statistical Office), which is expected to have increased household income from labor and thereby contributed to poverty reduction.

But with the onset of the COVID-19 pandemic in 2020, the sustained trend in poverty reduction is predicted to have ended. The substantial economic contraction triggered by the pandemic in 2020 – a reduction in GDP of more than 20 percent – resulted in widespread job and income losses. Unemployment increased considerably in 2020, with female and youth unemployment rates rising the highest. Supply chain disruptions led to food price increases in the island nation and considerable deteriorations in food insecurity, especially among the poor and vulnerable.

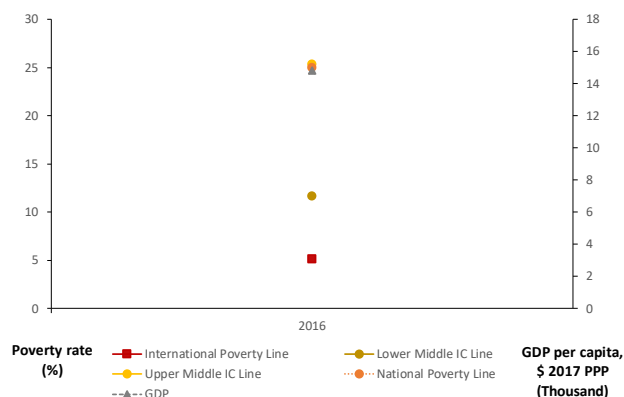
The rebound of economic activities in 2021, and more strongly in 2022, is expected to have driven recovery of jobs and incomes. The official unemployment rate lowered from the record high of 24.1 percent in 2020 (Q3) and reached pre-pandemic levels, at 16.0 and 17.5 percent in Q1 and Q2 of 2022. Evidence suggests, however, that the recovery has been uneven. Data from the LAC High-Frequency Phone Survey collected at the end of 2021 showed that women who lost their pre-pandemic job found it harder to return to work than men and that informality had increased.

Moreover, inflation has accelerated significantly in 2022, with implications for real incomes and food insecurity, affecting the poor and vulnerable more saliently. According to the Caribbean COVID-19 Food Security and Livelihoods Impact Survey, in February 2022, 43 percent of respondents were suffering from moderate or severe food insecurity. The subsequent survey round conducted in August 2022 indicates a further worsening.

POVERTY	Number of Poor (thousand)	Rate (%)	Period
National Poverty Line	44.5	25.0	2016
International Poverty Line 4.5 in Eastern Caribbean dollar (2016) or US\$2.15 (2017 PPP) per day per capita	9.0	5.1	2016
Lower Middle Income Class Poverty Line 7.7 in Eastern Caribbean dollar (2016) or US\$3.65 (2017 PPP) per day per capita	20.6	11.7	2016
Upper Middle Income Class Poverty Line 14.4 in Eastern Caribbean dollar (2016) or US\$6.85 (2017 PPP) per day per capita	44.7	25.3	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		51.2	2016
Shared Prosperity Premium = Growth of the bottom 40 - Average Growth		N/A	N/A
GROWTH			
Annualized GDP per capita growth		-0.43	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, PIP as of April 2023, and Global Monitoring Database for the rest.

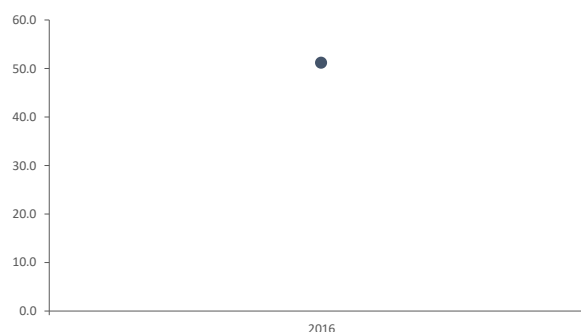
POVERTY HEADCOUNT RATE, 2016



Source: World Bank using /SEDLAC/GMD

INEQUALITY TRENDS, 2016

Gini Index



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	38	62	Monetary poverty Daily income/consumption less than US\$2.15 per person N/A
Rural population	95	5	46	54	
Males	95	5	42	58	Education At least one school-aged child is not enrolled in school N/A No adult has completed primary education N/A
Females	95	5	37	63	
0 to 14 years old	93	7	54	46	Access to basic infrastructure No access to limited-standard drinking water N/A No access to limited-standard sanitation N/A No access to electricity N/A
15 to 64 years old	96	4	35	65	
65 and older	92	8	44	56	
Without education (16+)	89	11	50	50	
Primary education (16+)	94	6	43	57	
Secondary education (16+)	96	4	39	61	
Tertiary/post-secondary education (16+)	98	2	12	88	

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\$2.15 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.

Note on new global poverty lines: Poverty data are now expressed in 2017 Purchasing Power Parity (PPP) prices, versus 2011 PPP in previous editions. As price levels across the world evolve, global poverty lines have to be periodically updated to reflect the increase of the value of the lines in nominal terms. The new global poverty lines of \$2.15, \$3.65, and \$6.85 reflect the typical national poverty lines of low-income, lower-middle-income, and upper-middle-income countries in 2017 prices. In addition to reflecting updates in nominal terms, upper-middle-income countries raised the standards by which they determine people to be poor from 2011 to 2017. Hence, the increase in the upper line is larger, and the population that does not meet the new standard is higher in most countries than it was with 2011 PPPs. See pip.worldbank.org.

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.