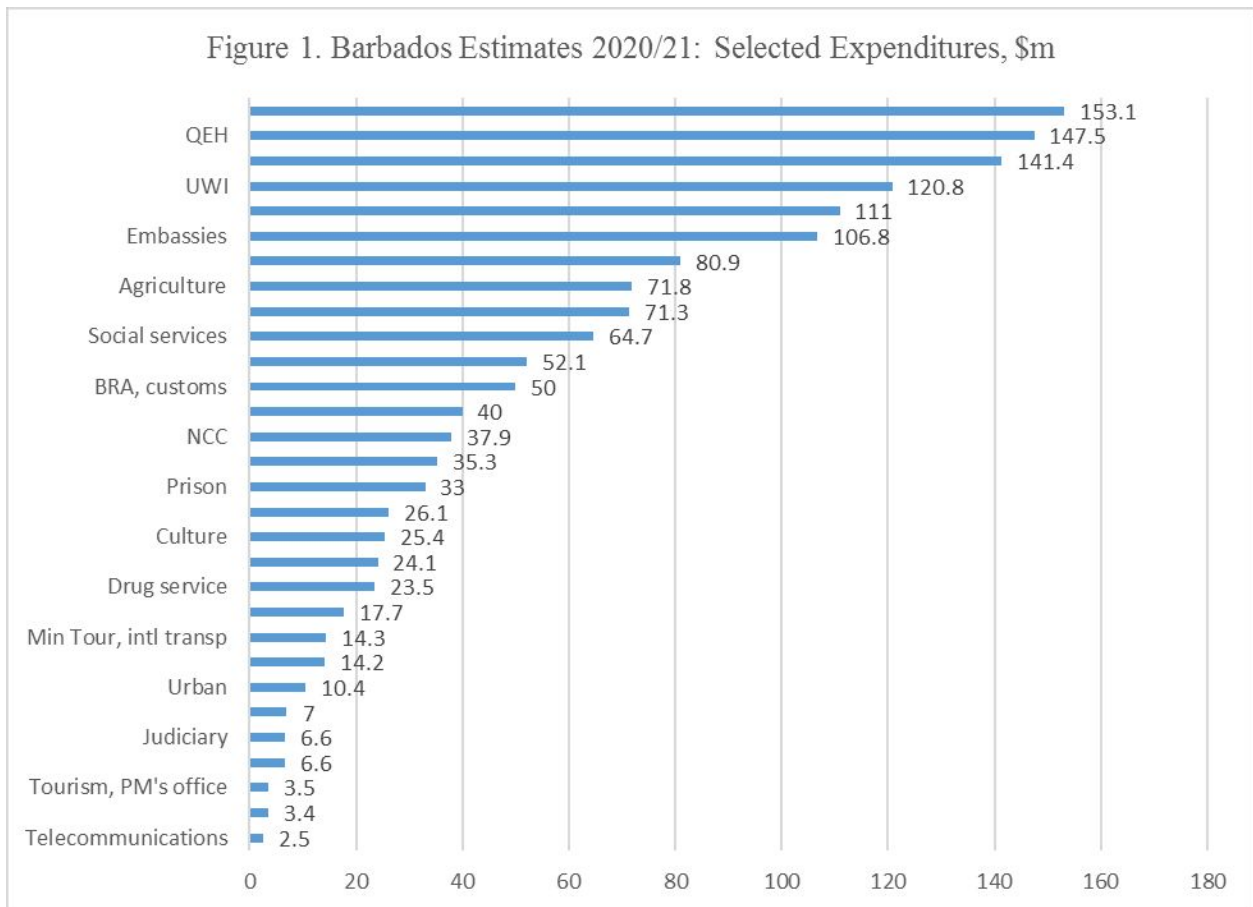




Economic Letter December 2020



Ensuring That Government Revenues Are Well Spent



This month's letter begins with a list of items of expenditure that I compiled from the Government of Barbados' *Approved Estimates of Expenditure and Revenue 2020/21*. The items are shown in Figure 1,

ranging from an amount of \$153 million allocated for primary education, to just \$2.5 million for telecommunications. These items total \$1,503 million, of total expenditure of \$2,856 million. I selected items that are important to the future prosperity of Barbadians and the competitiveness of our economy. The list includes all levels of education, the QEH, the Police, the expense of foreign embassies, High Commissions and consulates, defence and security, NIS and the Barbados Revenue Authority. We also include investment promotion, tourism and telecommunications.

In order to evaluate the expenditures, we must examine the performance of each entity in previous years, to understand how effectively they have used their allocations to provide public services. I therefore went in search of annual reports published online by each institution. This was not a fruitful endeavour, unfortunately.

I began with education, because it accounts for the largest expenditure allocation. The most recent report available on the Ministry of Education's website is for 2015/16. It provides information on the number of teachers, student enrollment and examination results for the Eleven Plus, CSEC and CAPE. The most recent financial statements for the University of the West Indies are for the fiscal year ending July 2018. They reveal a deficit for the Cave Hill Campus, caused by an \$87 million loss from the Barbados Government's debt restructuring programme. In the absence of education reports up to the 2019/2020 financial year and of up-to-date academic and financial reports from UWI, we have no way of assessing the recent performance of our educational institutions, and the effectiveness with which they have used the funds allocated to them.

The situation is no better for any of the other expenditure items in Figure 1. The only other report I have found online is a 2013 annual report for the Police Force. It provides information on police staff and operations, and statistics on reported crimes, traffic accidents and fees and fines collected. However, there is no more recent update on this information.

A search of the Barbados Integrated Government Portal did not reveal any annual reports, and a search of the Government Information Service website was equally fruitless. It appears that none of the Government entities receiving funding in the *2020/2021 Estimates* publish timely annual reports.

Apart from reporting on their stewardship of the funds allocated to each department and agency, annual reports would provide explanations of the allocation of expenditures. There must be good reasons why so little is allocated for telecommunications, for example, at a time when high quality communications networks are so vital to commerce, finance, health, education and the overall competitiveness of our economy. There are also very small allocations for investment promotion and tourism.

Once again, I renew my plea for timely publication of annual reports by Government entities. They would do a great deal to restore our confidence in Government administration.