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# ► COVID-19 crisis and policy response in the English- and Dutch-speaking Caribbean

One year after: labour market and social protection responses from January through October 2021





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**Disclaimer 1:** Throughout this publication the term Caribbean represents the English- and Dutch-speaking part of the sub region.

**Disclaimer 2:** The information contained in this publication is actualized to the month of October 2021 (15<sup>th</sup>). By the very nature of the COVID-19 crisis and of the areas under investigation, changes may be fast paced as well as there may be availability of new data. The reader is advised to be mindful of those developments.

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Port of Spain, Trinidad and Tobago

# ► Foreword

The present brief was prepared by Mr Diego Rei, ILO Employment and Labour Market Policies Specialist with the assistance of Ms Abi Gail Toussaint Communication and Information Management Assistant of the ILO Decent Work Team and Office for the Caribbean (ILO-DWT/O). Ms Vera Guseva, ILO Workers' Activities Specialist and Ms Erica Martin, ILO International Labour Standards and Labour Law Specialist provided additional contributions. Mr Dennis Zulu, Director, ILO-DWT/O provided the peer review. Ms Suzanne Joseph and Ms Shireen Cuthbert provided fundamental editing for the document while Ms Joseph prepared the layout.

1. During the first nine months of the pandemic in 2020, across the English- and Dutch-speaking Caribbean, governmental policy response to the socio-economic crisis was mostly designed – from a labour market and social protection standpoint – to provide emergency or temporary assistance to citizens, workers and economic units via ad hoc relief and stimulus packages. As extensively presented by ILO (2020)<sup>1</sup>, income support measures and assistance to economic units were widespread, usually quickly rolled out and allowed citizens, workers, and business, albeit not necessarily all, to keep afloat.<sup>2</sup>
2. In terms of labour market interventions<sup>3</sup>, whether geared toward workers or economic units, the measures implemented were diverse. To begin with, those aimed at supporting job retention were common. In 13 of the 22 countries examined then, governments attached employment retention conditionality to at least one of the measures intended to support businesses. The latter, after the initial emergency response phase featuring various transfers or facilitations<sup>4</sup> were, in some instances, progressively expanded to provide business support services and thus better contribute to business continuity; diversification and resilience (see the cases of Antigua and Barbuda, Belize, Cayman Islands, Guyana, Jamaica, Montserrat, Saint Kitts and Nevis, and Trinidad and Tobago).<sup>5</sup> Also noteworthy is the attention to new measures and programmes aimed at maintaining or enhancing human capital while accompanying them with a shift to online training.<sup>6</sup> Conversely, new (or expanded) public employment programmes were less popular (Saint Vincent and the Grenadines and Saint Lucia being the exception), although in the vast majority of cases, labour demand was meant to be sustained by rather massive programmes of public investment. Furthermore, while employment services generally played a minor role in the policy response, changes in labour regulations reflecting health protocols and guidance about the application of existing or amended regulations (for instance concerning flexible working hours) were frequent.<sup>7</sup>
3. With the beginning of the vaccination programmes during the first quarter of 2021, the countries of the region started to gradually reopen their economies and borders and consequently economic activity accelerated. Such path, however, was not a linear one. While national state of emergency declarations were, in most cases maintained (and still are to this day), the situation changed over the months. Periods of relaxed mobility restraints (and no or limited exceptional regulation of economic activity) were followed by periods reflecting mandatory social/physical distancing, partial or full lockdowns, workplace closures, curfews, “shutdowns” depending on the assessed degree of health risk (and vice versa). In parallel, countries adopted different approaches to mandatory vaccination for workplace attendance and regulations regarding the establishment of limitations for non-vaccinated citizens.

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<sup>1</sup> ILO (2020) [COVID-19 and the English- and Dutch-speaking Caribbean labour market. A rapid assessment of impact and policy responses at the end of Q3, 2020](#). International Labour Organization, Office for the Caribbean - Port of Spain.

<sup>2</sup> Measures catalogued by ILO (2020) targeting citizens, workers or economic units include (i) Tax relief and waivers or deferral of other fees and penalties, and loan payments, (ii) Direct cash transfers, salary relief or government stipend, (iii) Food and utility assistance, (iv) Pension holidays/vacations, home refurbishment/ home ownership loans or projects, new/ additional public employment programmes, (v) Skills training, (vi) Employment retention measures, (vii) Protection of workers in the workplace, (viii) Tripartite discussion of policy response, (ix) Loosened monetary policy, (x) Joint support interventions by unions and employers and (xi) visa facilitation measures.

<sup>3</sup> We adopt, for the sake of this brief, the categorization suggested by “Gentilini, Ugo; Almenfi, Mohamed; Orton, Ian; Dale, Pamela. 2020. Social Protection and Jobs Responses to COVID-19: A Real-Time Review of Country Measures. World Bank, Washington, DC. World Bank.” Version 15, between social assistance, social insurance, and labour market policies. The latter, however, are further analysed following alternative criteria to the ones proposed in the referenced paper.

<sup>4</sup> Including tax breaks, delays in payment of taxes, social security or utilities and various other concessions.

<sup>5</sup> See ILO (2020: 39). Those measures mostly consisted in targeted business coaching or technical assistance.

<sup>6</sup> See ILO (2020: 34).

<sup>7</sup> See ILO (2020:45).

4. From the standpoint of social protection and labour market policy, a few common trends have – so far – characterized 2021. *First*, several countries extended emergency measures designed and implemented in 2020, notably as part of renewed stimulus packages. Such extension was, depending on the case, accompanied by amendments to relevant legislative provisions, earmarking of relevant budgetary resources and, in a limited number of cases, revision of design. This development is remarkable *per se* considering the almost universal strain on public finances that the COVID-19 crisis triggered in the region.<sup>8</sup> *Second*, the extension of emergency measures was not universal, and many were discontinued. The list of the latter is extensive and includes, depending on the country, many of the emergency stimulus responses. Overall, special concessions for businesses and citizens, utility assistance and even cash transfers seem to have been the first to go. *Third*, through the past months, the response to the downturn induced by the COVID-19 crisis lost, in some instances, the ‘emergency’ element. While economic and social policy remained geared toward alleviating the negative consequences of the crisis, some of the measures designed and implemented were not necessarily presented as “emergency response” or “COVID-19 response” (even semantically failing to incorporate reference to COVID-19).<sup>9</sup> To some extent, country responses – often spelled out via annual budgetary statements – became more consistent with the pre-pandemic type of policies/development strategies, relying on pre-existing programmes and institutions for implementation. While this development is not unexpected, an unintended consequence may be the arguable loss of some of the innovative elements that distinguished the initial response phase.<sup>10</sup>
5. The following paragraphs provide an overview of the main developments over 2021 from the standpoint of social protection and labour market policy. Selected examples present details about country level response.
6. **Cash transfers to individuals.** The most common measure executed across the whole region during 2021 consisted of an extension of social assistance programmes via the provision of cash transfers, notably targeting (recently) unemployed individuals. Time wise, the extension covered different lengths of time depending on the country. Some opted for renewal limited to a few months (Dominica<sup>11</sup>, Sint Maarten<sup>12</sup>, Trinidad and Tobago<sup>13</sup>) and others envisaged longer spans

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<sup>8</sup> One summary indicator: member countries that had debt-to-GDP ratios above 60 per cent increased to 13 in 2020, compared to nine in 2019 as reported by the [Caribbean Development Bank](#).

<sup>9</sup> A look over the budgetary statements of 2021 could confirm.

<sup>10</sup> Examples could include: (i) targeting of stimulus packages (universal or at least consciously including both formal and informal economy), (ii) execution and roll out (quick), (iii) modality of implementation, at times changing the mandate of institutions (like the case of social security schemes charged with disbursement of emergency cash transfers) and in other changing the daily operational processes (for instance employment services shifting to telephone assistance or training institutions shifting to online training).

<sup>11</sup> Income and Livelihood Support Programs targeting individuals who lost their jobs or business operations due to the COVID-19 Pandemic was extended to facilitate the payment of Grants to eligible person for periods up to 30 April 2021. At the same time, the programs were amended to include a larger number of beneficiaries including employed individuals earning below a certain threshold, self-employed individuals whose businesses have been suspended or whose business revenues have been significantly reduced by at least 50 per cent and with a maximum turnover registered for 2019. See Government's [COVID-19 Response](#).

<sup>12</sup> The SSRP - Income Support for Sole Proprietors Vendors, Bus and Taxi Drivers) support were extended at least until [June 2021](#).

<sup>13</sup> The Income Support Grant (ISG) ([Phase II](#)) commenced in May and terminated in June 2021 provided a one off payment to eligible citizens who lost work in May 2021 or afterwards. Within the 2022 budget, a further provision of TT\$200 million for COVID-19 relief was made. For a full review of 2021 programmes, see [here](#).

(Aruba<sup>14</sup>, Grenada<sup>15</sup>, Jamaica<sup>16</sup>). The design of such extensions was also varied. In some instances, countries opted to revise eligibility rules<sup>17</sup> and/or disbursed amounts with the aim to extend coverage to a broader share of the population or to increase the financial relief (Belize<sup>18</sup>, Bermuda<sup>19</sup>, Cayman Islands<sup>20</sup>, Jamaica<sup>21</sup>, Saint Lucia<sup>22</sup>). In other instances, the eligibility rules remained along those determined in 2020 (The Bahamas<sup>23</sup>). Also, common was the commencement of new schemes not existing in 2020 (see Belize<sup>24</sup>, British Virgin Islands<sup>25</sup>, Guyana<sup>26</sup>, Jamaica<sup>27</sup>, Saint Kitts and Nevis<sup>28</sup>, Suriname<sup>29</sup>).

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<sup>14</sup> Aruba Central Bank assumed the Emergency Social Assistance Fund (FASE) programme and the wage-subsidy programme to be available until the end of 2021, although not officially conformed. See [here](#).

<sup>15</sup> The National Insurance Board (NIB) paid, until January 2021, a flat monthly payment of EC\$330 per month over a period of six months as part of the 2020 stimulus package. In [April 2021](#) a second stimulus package was launched which included new transfers to citizens and business; approved beneficiaries for income support [started](#) receiving payments on 1 October.

<sup>16</sup> The Government's COVID-19 Allocation of Resources for Employees (CARE) Programme, which will continue with a further allotment of JM\$3 billion in the [2021/22 budget](#). This adds to other Government packages such as the [Special Emergency Relief intervention](#) and distribution of food packages.

<sup>17</sup> Included amongst those are countries which revised eligibility rules of pre-COVID-19 transfer schemes to allow for increased coverage.

<sup>18</sup> The longstanding flagship social assistance programme known as the Building Opportunities for Our Social Transformation (BOOST) was amended to provide monetary relief to existing beneficiaries for a 14-month period, including a 6-months increase to their monthly financial benefits.

<sup>19</sup> Bermuda opted for a revision of pre COVID-19 unemployment insurance system to allow for able bodied unemployed, who were not reemployed, to keep receiving benefits for [two years](#). Similar choice was made by The Bahamas but in 2020.

<sup>20</sup> The stipend disbursed to displaced tourism workers increased starting [February 2021](#).

<sup>21</sup> In September 2021, the Government announced an increase in the allocation for the social and economic recovery programme SERVE, designed to respond to the challenges posed by COVID-19 and to facilitate a timely recovery from the pandemic and its effects. [Specifically](#), the allocation is to increase from JM\$60 billion to JM\$75.6 billion with JM\$5.3 billion to be directed toward increasing targeted COVID-19 related social assistance to the most vulnerable.

<sup>22</sup> In Saint Lucia, the pre-COVID-19 Public Assistance Programme was [expanded](#) by 1,000 households (from 2,600 to 3,600) to respond to the COVID-19 crisis, and in addition to the horizontal expansion of the Public Assistance Programme, the child disability grants, children in foster care grant and persons living with HIV, transfers were all augmented over 2021.

<sup>23</sup> The COVID-19 unemployment benefit scheme eligibility rules were modified in 2020 to cover for additional categories including those who had exhausted the 13 week benefit from the traditional unemployment insurance [scheme](#). The extension was then renewed until July with the same [modalities](#), and then until [September](#).

<sup>24</sup> Early 2021, the Government of Belize received financial support from the World Bank in the sum of US\$12.4 million to aid in the quick response to the social protection needs exaggerated by the economic crisis brought on by the COVID-19 pandemic. The sum contributed to the COVID-19 Cash Transfer Program ([BCCAT](#)) launched in [February 2021](#) to provide cash relief for 6 months to new beneficiaries who meet the Program's eligibility criteria.

<sup>25</sup> In June 2021 British Virgin launched the [COVID-19 Income Support Programme](#) which expands on the BVI Social Security Board Unemployment/Underemployment benefit.

<sup>26</sup> A new scheme in Guyana consisted in the disbursement of a one-off GY\$25,000 public sector grant at the [beginning of 2021](#). To be mentioned also the restart of a previously existing cash transfers destined to families with children in schools: the "[Because We Care](#)" cash grant accompanied by a uniform grant was launched in July 2021 and then extended to children attending private schools in September.

<sup>27</sup> Via the [First Supplementary Estimates](#) of Expenditure for the 2021-2022 budget, the Government proposed to provide additional financial support to the health sector workers who are to receive [incentive compensation](#).

<sup>28</sup> A [new](#) Income Support Programme started in July 2021 received 3,733 applications (1,886 approved). Claims were processed daily until the cut-off date of 15 September 2021. Such development, paired with the provision of an additional EC\$3 million to support the Poverty Alleviation Programme, would allow for an addition of some 500 persons should their socio-economic situation warrant it, and with the provision of additional resources (EC\$7 million) to further capitalize the Severance Payment Fund in 2021 and facilitate the payment of severance claims.

<sup>29</sup> [New](#) cash transfer programme targeting people who had been made redundant because of COVID-19 or who enjoyed reduced income as a salaried worker or as a small and medium enterprise (SME)/small self-employed person received a temporary allowance of SRD1500 per month. A second tranche was disbursed in April 2021 (Source: Budget 2020-22 p40). In addition, una tantum payments to civil servants of one thousand Surinamese dollars (about 40 euros) (every month for a year) with extra money allocated to health sector workers were [announced](#) in July. Allowances such as old-age provision, child benefits and other social benefits will also increase from June 2021, while employees in the private sector will get a financial bonus allowing them to pay less in [taxes](#). Food vouchers and the extension of the social safety net are [included](#)



7. **Recapitalization of social security and unemployment insurance.** Somehow related to the choice of expanding monetary transfers, it is worth mentioning that some countries decided on recapitalization of their social security schemes whose finances were depleted by the massive disbursement and/or lower income during 2020. Antigua and Barbuda<sup>30</sup> and Barbados<sup>31</sup> are examples. Along the same lines, and possibly pushed by concerns regarding financial sustainability and the impact of future shocks (including national disasters), several governments started to at least explore the feasibility of establishing a fully-fledged unemployment insurance system. Studies and discussions in this regard, were initiated in Dominica, Jamaica and Saint Lucia (with direct support by ILO), British Virgin Islands and Grenada.
  
8. **Other transfers/provisions directly targeting individuals.** While direct cash transfers were a widespread measure during 2021, they were not the only ones designed to expand disposable income and allow financial relief. Some alternative emergency relief measures originally set up in 2020 were extended into 2021 and some new ones were implemented. Aruba<sup>32</sup> and Bermuda<sup>33</sup> opted for facilitating withdrawal from accumulated pensions. Guyana<sup>34</sup> increased the Old Age Pension with effect from 1 January 2021 with the goal of benefitting over 60,000 persons. While somehow reduced in number and coverage, food or in-kind transfers remained a popular measure, at least at the beginning of 2021. The Bahamas<sup>35</sup>, Barbados<sup>36</sup> are examples. Interestingly, trade unions also directly engaged in similar undertakings. Antigua and Barbuda<sup>37</sup>, The Bahamas and Jamaica are relevant cases. Other measures extending support along the emergency response started in 2020 included utility concessions (Saint Lucia<sup>38</sup>, Trinidad and Tobago<sup>39</sup>) and loan repayments concessions (Trinidad and Tobago<sup>40</sup>) or reduction in Value Added Tax (VAT) from certain basic food items (Trinidad and Tobago).<sup>41</sup>
  
9. **Public investment to support job creation.** In line with the policy response adopted globally, public investment in the shape of capital spending geared to stimulate job growth was an almost universally adopted measure across the Caribbean during 2021. The monetary amount of investment varied substantially as well as the modality. Notably, in certain countries, reliance on public private partnership was higher than in others, especially concerning tourism-related

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in the 2020-2022 budget. Allowances such as old-age provision, child benefits and other social benefits will also increase from June. Employees in the private sector get a financial bonus (i.e. relief) in that they temporarily have to pay less taxes.

<sup>30</sup> The 2021 [Budget speech](#) clearly indicated that the Government paid into the Social Security and will continue to “help bridge the gap created by those private sector contributors who are unemployed at this time”. In addition, a [loan](#) by the Caribbean Development Bank will serve the purpose.

<sup>31</sup> The measure followed a five-fold increase in unemployment benefit claims coming out of the COVID-19 pandemic and is intended to specifically target one of the funds of the national insurance scheme - the Unemployment Benefit Fund which finances the country’s longstanding unemployment insurance scheme. More details [here](#).

<sup>32</sup> As part of the 2020 tax relief plan, the beneficial policy concerning the savings and provident fund scheme for the years 2020 and 2021 for employees was approved. It covers funerals, home purchases, children’s studies, and other emergencies.

<sup>33</sup> As part of an economic relief package for persons affected by the COVID-19 pandemic, the Government implemented a one-time withdrawal for members from certain occupational pension plans that are younger than age 65 (the normal retirement age) and who are not yet retired. Eligible beneficiaries were/are able to request withdrawals from their account [balances](#).

<sup>34</sup> See [here](#) for details.

<sup>35</sup> [Extended](#) the food assistance programme by late March 2021.

<sup>36</sup> [Distributed](#) 60,000 care packages for families in need during the January-February 2021 lockdown.

<sup>37</sup> The Antigua and Barbuda Workers’ Union implemented a [food voucher distribution](#) during June 2021.

<sup>38</sup> The [Electricity Assistance Programme](#), seeking to provide temporary relief to specific households, covered the October 2020 - March 2021 span.

<sup>39</sup> The 2022 budget subsidises a 25 per cent rebate on electricity bills below a certain threshold.

<sup>40</sup> Several extensions to the [moratorium](#) on the regulatory treatment of payment deferrals or restructured loans due to COVID-19 measures. Latest one for the period 1 May 2021 to 30 September 2021.

<sup>41</sup> Included within the [2022 budget](#). Trinidad and Tobago also continued, throughout 2021, to distribute food boxes to vulnerable families and it was pointed out within the 2022 Budget Statement, such distribution was complemented by other social support programmes.

investments. Notwithstanding, a certain degree of uncertainty in linking public investment to COVID-19 policy response (as those are part of regular allocations for each Caribbean country and not necessarily part of what in 2020 was labelled as ‘stimulus packages’) there appear few distinctive elements. *First*, the mere fact to be able to allocate extra resources – *above the historic trend* – to this type of expenditure is noteworthy when considering the dire situation of public finances.<sup>42</sup> Timely release of funds from international financial institutions (IMF<sup>43</sup>, the World Bank<sup>44</sup>, the Inter-American Development Bank<sup>45</sup> and the Caribbean Development Bank<sup>46</sup>) certainly facilitated the process. <sup>47</sup> *Second*, COVID-19 response investments (or plans to invest) in key job generating projects/industries followed a quite homogeneous path across all countries, with the lion share being represented by road infrastructure and housing and often earmarked under “shovel ready” projects. Examples include The Bahamas<sup>48</sup>, Bermuda<sup>49</sup>, Belize<sup>50</sup>, Dominica<sup>51</sup>, Jamaica<sup>52</sup>, Saint Lucia<sup>53</sup>, Saint Vincent and the Grenadines<sup>54</sup>, Suriname<sup>55</sup>, and Trinidad and Tobago<sup>56</sup>. *Third*, public investments did not necessarily feed into pre-existing public employment programmes (PEPs)<sup>57</sup> by extending their budget or scope. Extension of *existing* PEPs was an uncommon response measure during 2020, and new investments over 2021 seem to remain intended as ad hoc temporarily measures. *Fourth*, overall, it may be argued that environmental sustainability was probably not the leading criterion to decide upon capital investment and publicly financed projects.

10. **Support to business and private sector.** During the first three quarters of 2021, measures geared toward providing emergency support to business and private sector kept being a priority. The modality of implementation differed greatly between countries and in several instances, support to businesses was not limited to COVID-19 relief measures. Schemes, programmes and support services, operating before the pandemic, maintained a critical role. By the same token of capital investments, it is hard to univocally categorize these programmes/budgetary allocations as part of the COVID-19 response or fitting without a more ample development strategy. It is also beyond the scope of this brief to catalogue all the initiatives which materialized in 2021, especially considering that several stemmed from development cooperation projects initiated by

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<sup>42</sup> See Pineda et al. (2021) “Latin American and Caribbean countries must adopt a pro-growth fiscal strategy to avoid falling into a debt trap” [here](#) for a thoughtful overview of the vulnerability of the Caribbean economies according to the main fiscal indicators when compared with the rest of the LAC countries and sub regions.

<sup>43</sup> See [here](#) for summary information.

<sup>44</sup> [Bahamas](#), [Dominica](#), [Grenada](#), [Guyana](#), [Jamaica](#), [Saint Vincent and the Grenadines](#), [Saint Lucia](#), [Sint Maarten](#).

<sup>45</sup> See [here](#) for summary of 2020 lending by policy area and country.

<sup>46</sup> See [here](#) for summary of 2020 lending by policy area and country.

<sup>47</sup> To be noted, however, that loans and grants distributed over 2021 to Caribbean countries by these institutions targeted different policy areas, including health, social security and private sector support, education, financial system reform, and climate resilience. Not earmarked budgetary support was overall limited.

<sup>48</sup> See section “**public and private sector investments**” within the [2021 budget](#).

<sup>49</sup> Within the Government’s short-term economic stimulus programme launched in December 2021, few infrastructure projects were [identified and sponsored](#). By September 2021, 10 have been completed while 11 were ongoing with an estimated [40 new jobs created](#).

<sup>50</sup> [Prime Minister’s Budget Speech for Fiscal Year 2021-2022 – Government of Belize Press Office](#).

<sup>51</sup> Several rehabilitation projects were [launched](#) including the Roseau Enhancement Programme the rehabilitation of the Waitukubuli Trail.

<sup>52</sup> Via the [First Supplementary Estimates](#) of Expenditure for the 2021-2022 budget, the Government proposed to provide additional funds (JM\$1 billion) to Ministry of Economic Growth and Job Creation [for repairs and maintenance of secondary roads](#). Additional JM\$4.5 billion were also allocated to the Southern Coastal Highway Improvement Project.

<sup>53</sup> Concessionary loan-funded major capital expenditure projects were an integral and substantial part of the [recovery strategy](#) which led to commencement of several capital investment projects even in the midst of the pandemic.

<sup>54</sup> The 2021 Budget [targeted](#) investment in community construction projects, intensified road rehabilitation, and the repair of police stations, community centres, schools and clinics are all examples of the type of short-term job creation activities that can ameliorate otherwise severe losses.

<sup>55</sup> Several projects were included in the 2020-2022 budget, see table 4.3 in [Herstelplan 2020-2022 \(gov.sr\)](#).

<sup>56</sup> Includes several infrastructure projects as highlighted in the [2022 budget statement](#). From an employment generation perspective, interesting is the undertaking under the “Urban Upgrading and Revitalization Programme”. See [here](#) for a complete overview.

<sup>57</sup> Intended as long-standing, Government’s direct employment creation activities via an employment programme, rather than through the civil service.

development partners or international financial institutions.<sup>58</sup> The programmes cited below are examples of the extension of existing ones or new initiatives developed, with the intention of the policy maker to specifically respond to private sector requirements emerging from the pandemic.

11. **Financial support, concessions and facilitations** were a popular measure throughout the Caribbean. In many cases, countries renewed the support introduced with the emergency stimulus packages of 2020, introducing some (more or less sizable) modification reflecting the different needs highlighted by the private sector, willingness to expand coverage and /or fiscal space. Reduction or abolition of taxes and duties, deferral of payments, earmarking of new funds for loans and grants to be disbursed via local mechanism, and at times targeting specific sectors, were part of the response packages in Aruba<sup>59</sup>, Antigua and Barbuda<sup>60</sup>, The Bahamas<sup>61</sup>, Barbados<sup>62</sup>, Belize<sup>63</sup>, Cayman islands<sup>64</sup>, Dominica<sup>65</sup>, Grenada<sup>66</sup>, Guyana<sup>67</sup>, Jamaica<sup>68</sup>, Montserrat<sup>69</sup>, Saint Lucia<sup>70</sup>, Saint Kitts and Nevis<sup>71</sup>, and Trinidad and Tobago.<sup>72</sup>

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<sup>58</sup> See [here](#) for instance for Trinidad and Tobago.

<sup>59</sup> Via the [Fiscal Relief 2](#) package 13, new incentives to reactivate and stimulate our economy and rolled out mostly in 2021. Interestingly, amongst those includes a deduction of 300 per cent for training and untaxed training cost reimbursement in 2020, 2021, and 2022).

<sup>60</sup> The Entrepreneurial Development Programme (EDP), which originally started in 2019 and provides loans with favourable financing terms and duty free concessions for equipment and other supplies directly related to the start-up of these enterprises, was modified to ensure that micro-business loans can be [made available to individuals directly affected by the pandemic to start their own businesses](#). These loans have been extended without the requirement for collateral.

<sup>61</sup> Within the [2021 budget](#) BS\$35 million were earmarked for financing of micro, small and medium enterprises (MSMEs) via the Small Business Development Centre (BS\$250 million over the next 5 years).

<sup>62</sup> Financial assistance for [small businesses](#) rolled out-with pauses- over 2021 as well.

<sup>63</sup> Under the aegis of the Central Bank, the COVID-19 Emergency Business Financing Program mentioned during the [2021 Budget statement](#) (April 2021) is to provide low-cost liquidity to small, medium and large enterprises potentially benefitting 200 businesses and thousands of workers.

<sup>64</sup> In February 2021 a one-time payment of three thousand dollars (KY\$3,000.00) was [approved](#) as a stipend to business owners who applied to Phase II of Government's micro and small business grant programme and were not successful. (Feb 2021). In addition, the Cayman Islands Farmers Assistance and Relief Measures (CI FARM) programme, which was launched back in December 2020, was [extended](#) to June 2021.

<sup>65</sup> In addition to the EC\$23.2 million allocated to cushion the negative impact of COVID-19 on the MSMEs, which included measures such as the extension of the tax payment and filing due dates and access to a special highly concessional loan, the Government engaged to provide to the AID Bank the amount of EC\$30.0 million over a three-year period, for lending to micro, small and medium sized businesses. These funds will be loaned at an interest rate of one per cent. See 2020-2021 [Budget presentation](#).

<sup>66</sup> See [here](#) and [here](#).

<sup>67</sup> GY\$250 million [budgeted for 2021](#) to replenish the Small Business Development Fund.

<sup>68</sup> An increase in the loan grant portfolio to benefit MSME was [announced](#) in June 2021. The [SERVE](#) (September 2021 to March 2022) programme, financed by the Ministry of Finance and the Public Service in partnership with the Development Bank of Jamaica, is an example of the expanded offer of credit to MSMEs.

<sup>69</sup> Announced within the 2021-2022 budget is the roll out of a [loan facility](#) equivalent to five hundred thousand dollars (EC\$500,000) to assist micro, small and new innovative businesses. Also, in February 2021 it was announced an extension to cover potential new beneficiaries of the [EC\\$10k one-off grant available for businesses](#).

<sup>70</sup> Support included the [repurpose](#) the Climate Adaptation Financing Facility (CAFF) to include a loan/grant sub-facility (the Business Recovery Programme) which aimed to assist micro, small and medium-sized enterprises affected by the COVID-19 pandemic as well as those battling the unavoidable effects of climate change. The focus of the grants included food security and adoption of digital technologies. Several other assistance measures and concessions were initiated in 2020 and pursued in 2021 as part of the [economic recovery and resilience plan](#), including the working capital injection programme.

<sup>71</sup> The Government approved a series of renewed concessions including extension of the COVID-19 Relief Construction Stimulus package for three more months up to 31 March 2021. [Additional ones](#) were approved in July 2021, including the waiver of commercial rent for six months (July to December 2021) for small businesses which lease space from the Government through the Ministry of Tourism and Transport.

<sup>72</sup> The 2022 budget, presented on 5 October 2021, includes several provisions to support businesses. Those include horizontal ones such as 100 per cent guarantee for SMEs loans (intended to stimulate business which are particularly unable to qualify for Government assistance during 2020-2021) and vertical ones such as reductions in tax rates for exporters of local products or for business involved in technology solutions and digitization. Amongst the latter, notable also is the TT\$300 million earmarked for the agricultural stimulus package fund.

12. **Business support and retention clauses.** In few instances, stimulus measures supporting businesses implemented in 2021 maintained an employee retention condition. This was the case in most Dutch-speaking Non-Metropolitan Territories of the Caribbean<sup>73</sup> which all continued to implement the 2020 payroll support measures (Aruba<sup>74</sup>, Curacao<sup>75</sup>, Sint Maarten<sup>76</sup>). Along a slightly different line, Saint Kitts and Nevis approved within the 2021 budget, a 24 per cent reduction of the Corporate Income Tax rate, from 33 per cent to 25 per cent until June 2021, conditional on the retention of at least 75 per cent of their employees. In The Bahamas, the Employment Incentive Programme allows businesses to apply for a VAT tax credit to cover the salaries of up to 10 new employees brought onto their payrolls as of July 1st<sup>77</sup>.
13. **Entrepreneurship development and startups.** Virtually all countries of the region continued to provide support during 2021 in the form of technical guidance for new entrepreneurs and startups most commonly via national enterprise development agencies. Such support was common across all countries and often targeted specific sectors considered critical within the framework of the recovery process. Among the noteworthy examples of initiatives most specifically linked to the COVID-19 response was the Cayman Islands' new business incubator which launched on 24 March 2021<sup>78</sup>. Another remarkable example was observed in Guyana where attention to the highly impacted youth turned into substantial allocations for training and for stipends for the staff of the Youth Entrepreneurship and Apprenticeship Programme and to provide grants under the Youth Innovation Programme.<sup>79</sup>
14. **Broad labour market policies or programmes.** A summary assessment of the recovery strategies and stimulus packages decided upon and started in 2020 suggests that labour market policies and their main elements were embedded within broader frameworks and not standing alone as such. All of the latter included a mix of (mostly) labour demand/retention supporting measures, labour supply enhancing ones<sup>80</sup> with very limited or no attention to intermediation.<sup>81</sup> In few instances, broad national strategies included some specifically designed new "training plus" labour market programmes such as the Barbados Employment and Sustainable Transformation Programme

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<sup>73</sup> Dutch-speaking Caribbean Non-Metropolitan Territories countries benefitted throughout 2020 and 2021 from the Dutch Government budgetary financial support disbursed in different tranches.

<sup>74</sup> In Aruba, the Government introduced the salary subsidy in June 2020. The salary subsidy was a financial support for local businesses that have been financially affected by the COVID-19 pandemic in the form of revenue loss of more than 25 per cent. The Government gave each employer subsidy based on their monthly loss of revenue, to pay their employees a maximum of 60 per cent of their salary and up to the limited amount of monthly AWG5,850. The financial aid given to employers was exclusively for payments of employees' salaries and associated fees, such as taxes and social contributions for which employers are responsible. Such scheme was then extended (at least) until [February 2021](#) while [IMF](#) (page 11) reported that budgetary allocation for extension until the end of 2021 was incorporated in the 2021 budget.

<sup>75</sup> The salary subsidy introduced in 2020 in Curacao "Temporary Emergency Measure Bridging Work for the Preservation of Work (NOW)" was intended to provide temporary support to companies affected by the COVID-19 pandemic. To be eligible, firms must have suffered from revenue loss of at least 25 per cent due to the COVID-19 pandemic. The compensation varied between 20 per cent and 80 per cent of their maximum wages, depending on the revenue loss. Another condition to be eligible included not to dismiss employees and the commitment of keep on paying wages. Over the course of 2021, the subsidy [was maintained](#) although the amount disbursed was reduced progressively over time.

<sup>76</sup> In Sint Maarten, the business payroll support was extended at least until [August 2021](#). It does provide support for local businesses that are facing revenue losses due to the COVID-19 pandemic and to assist in the prevention of lay-offs. Eligible employers/qualifying businesses will receive from the Government up to 80 per cent of the payroll for a maximum period of three months.

<sup>77</sup> See [here](#) for details.

<sup>78</sup> See [COVID-19 Support for Small Business](#).

<sup>79</sup> See [Budget speech](#) 2021.

<sup>80</sup> Those have to necessarily include the sizable undertakings by all countries of the region aimed at coping with physical restraints and the need to shift to on-line modality of supply of educational and vocational training. Still, important to mention is that new training offers mushroomed over 2020 and 2021 as part of public recovery packages or private/development initiatives. Certainly too many to list, ILO (2020) may be referred to for a summary overview.

<sup>81</sup> See ILO (2020) for reference.

(BEST)<sup>82</sup> or the Saint Lucia Human Capital Resilience Project<sup>83</sup> launched as part of the general country strategy, “Resilience Plan: moving from pandemic to recovery”.

15. During 2021, a handful of countries included the design and execution of new and large in scope programmes within their response strategy. In Bermuda, the Ministry of Labour introduced a National Re-employment Strategy to provide training, career development and employment opportunities to better position unemployed Bermudians in their transition back into the workforce as we move beyond the pandemic.<sup>84</sup>In Sint Maarten, there are plans to renew the workforce development programme launched in 2020.<sup>85</sup> At the same time, some countries specifically focused on implementation of new institutionalized training programmes (Guyana<sup>86</sup>, Saint Lucia<sup>87</sup>). Also relevant are the undertakings by trade unions offering new training opportunities focused on addressing workers’ needs stemming from the evolution of the crisis. The case of Barbados Workers’ Union stands out.<sup>88</sup>
16. **Other measures.** Few other labour market/social protection measures adopted over 2021 across the region have been directly affected by the socio-economic situation and may affect the recovery process impact on employment and earning. The below paragraphs highlight some of them.
17. **Public sector employment.** Public sector wage freezes or reductions were common during 2020. In 2021, some countries - although not all<sup>89</sup>- pursued the trend. Antigua and Barbuda chose to officially maintain the wage freeze and continue to limit hiring except in cases where hiring is necessary.<sup>90</sup> In Belize, in July 2021, actual reduction of civil servants remuneration was approved via the PUBLIC SECTOR EMOLUMENTS AND ALLOWANCES REDUCTION ACT, 2021.<sup>91</sup> Partially different but certainly noteworthy is the case of Saint Lucia, where in October 2021, the Civil Service Association (CSA) and other affiliates of the Saint Lucia Trade Union Federation (TUF) agreed to defer payment of negotiated pay increases due for fiscal years 20/21 and 21/22, on the basis that the COVID-19 pandemic had seriously impacted Government revenues.<sup>92</sup> In terms of work arrangements, noteworthy is the case of Trinidad and Tobago where discussions about the development of a “Work from Home Policy for the Public Service” were initiated with the holding of a survey amongst the civil servants.<sup>93</sup>

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<sup>82</sup> See [here](#) for details.

<sup>83</sup> [Launched in 2020](#) It was aimed at creating an enabling environment for the enhancement of skills training offerings and re-skilling by utilizing TVET systems to create employment opportunities for the unemployed and displaced workers.

<sup>84</sup> See [here](#).

<sup>85</sup> See [here](#).

<sup>86</sup> The [2021 Budget includes](#) training provisions in robotics, oil and gas, climate change, the environment, information technology, and agro-processing, for the construction of the Hospitality Tourism Training Institute and for training programmes for women.

<sup>87</sup> The Skills for Youth Employment (SkYE) programme, supported by a grant from the UK Government and implemented in collaboration with the National Enrichment and Learning Unit, seeks to provide approximately 750 young persons with access to the Caribbean Vocational Qualification. Meaningful also is that the country planned to undertake a labour market needs assessment, as a prelude to the design and delivery of appropriate training, internship and apprenticeship interventions.

<sup>88</sup> The [Barbados Workers’ Union’s \(BWU\)](#) Frank Walcott Labour College launched an [online training platform](#) in April, 2021 and since then the College has been offering training to the BWU members and workers in Barbados in general. The courses target workers who lost their jobs or are underemployed due to COVID-19. The online courses are now part of the College’s curriculum, they start weekly and cover a wide range of topics including: (i) Effective Communication, (ii) Social Wellness, (iii) Introduction to Negotiations, (iv) Enhancing Communication, (v) Property Sales/Purchases, (vi) Coping with Mental Health in 2021, (vii) Grievance Handling, (viii) The Role of the Safety and Health Committee, (ix) Managing Conflict.

<sup>89</sup> See for instance the case of [Jamaica](#) where 80 percent of public sector workers enjoy a newly signed (September 2021) wage and fringe benefit collective contract.

<sup>90</sup> The goal being to [achieve the objectives of the Government’s fiscal and growth strategy, or to deliver essential services](#).

<sup>91</sup> See [here](#) for full text.

<sup>92</sup> See [here](#).

<sup>93</sup> See [here](#) for some details.

18. **Changes in the minimum wage.** Barbados<sup>94</sup> and Dominica<sup>95</sup> chose to increase the national minimum wage. Discussions have taken place in the Bahamas, Jamaica, Suriname and Trinidad and Tobago, although no change (or establishment) was approved to date (10/2021).
19. **Occupational safety and health and vaccination policy.** Like in 2020, during the first part of 2021, the policy response from the part of government institutions, notably Ministries of Labour, included provision of widespread guidance concerning workplace occupational health and safety and protocols. This was a common feature across the English- and Dutch-speaking Caribbean and had to incorporate starting from the second quarter of 2021, discussions about legal treatment of vaccinated and unvaccinated workers. The latter quickly became a hot topic in the political agenda with quite a heterogeneous set of positions depending on the country, a handful of which opting for mandatory vaccination (or testing) of public sector employees. Antigua and Barbuda and the Cayman Islands being the only countries moving toward an (almost) universal mandate.<sup>96</sup>
20. **Institutional changes.** Jamaica launched a new COVID-19 Labour Market Task Force in December 2020.<sup>97</sup>

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<sup>94</sup> In [March 2021](#).

<sup>95</sup> The Cabinet of Dominica has taken the decision to increase the minimum wage in Dominica effective 1 September 2021.

<sup>96</sup> In Antigua and Barbuda regulations [were adopted](#) requiring all unvaccinated frontline workers and stakeholders providing direct services to arriving passengers and tourists to be tested for COVID-19 at least once every 14-day period (Public Health Act (Dangerous Infectious Disease) (Amendment) (No. 11) Regulations, 2021 which entered into force on 1 August 2021). A policy has been announced that this will be extended to all public sector workers as of 1 October 2021 as they will be required to be vaccinated or to produce a twice-monthly COVID-19 negative test, in order to be allowed into Government offices. [A statement from Cabinet](#), posted on the Facebook page of the Office of the Prime Minister confirmed the decision. In addition, on 8 October it also [was announced](#) that certain businesses within the private sector will now be required to adhere to a mandatory vaccination policy. In the Cayman Islands, a vaccination mandate was approved in October 2021, although the obligation covers only non-Caymans. See [here](#) for more details. Regarding the other countries, in Guyana a [Notice](#) was published requiring either proof of vaccination or a negative PCR test result within 7 days for entrance into any public building (including by workers), whether state or privately owned. This includes places of learning, supermarkets, stores, banks, places of worship, among others (Extraordinary Gazettes - 4th September, 2021 - Notice – COVID-19 Emergency Measures (No. 22)). Similar measures were adopted in Belize, requiring any person entering a public medical institution, Government office or the office of a statutory body (including workers in such institutions) to present proof of immunization, or a negative rapid test or PCR test every two weeks (Public Health (Prevention of the Spread of Infectious Disease) (COVID-19) (Amendment) (No. 9) Regulations, 2021). In Trinidad and Tobago, after initial [tripartite discussions](#) on vaccination policy for the workplace, a system of safe zones was established since 11 October requiring [certain establishments](#) that are open to the public to ensure vaccination for employees and patrons. A number of Governments have indicated that, as of September 2021, there were no plans for a vaccine mandate for public sector workers, including in [Trinidad and Tobago](#). In the latter country, however, tripartite discussions on vaccination policy for the workplace are [ongoing](#). In Jamaica, the Government indicated that there was no plan for a general vaccine mandate, but consideration was under way [regarding health workers](#), while in [Barbados](#), the Government indicated that vaccine mandates for nurses was not under consideration. In Saint Vincent and the Grenadines, an [amendment](#) of the Public Health Act making the COVID-19 vaccine mandatory for certain “frontline workers” is being [discussed via public consultation](#) (September 2021).

<sup>97</sup> The [Labour Market Task Force](#) will be a tripartite consultative body tasked with advising on recovery instruments.