

GUATEMALA

The Country Yet to Shine

Where we are

Finance

Low Government Consumption & Public Investment

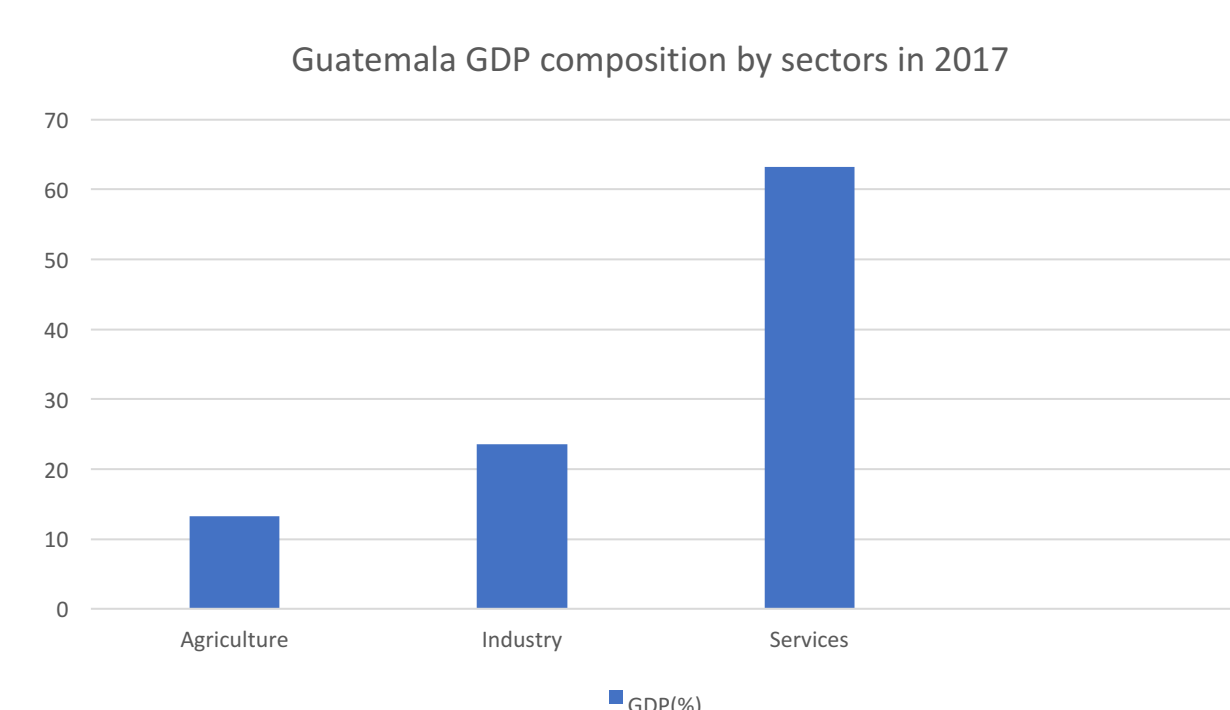
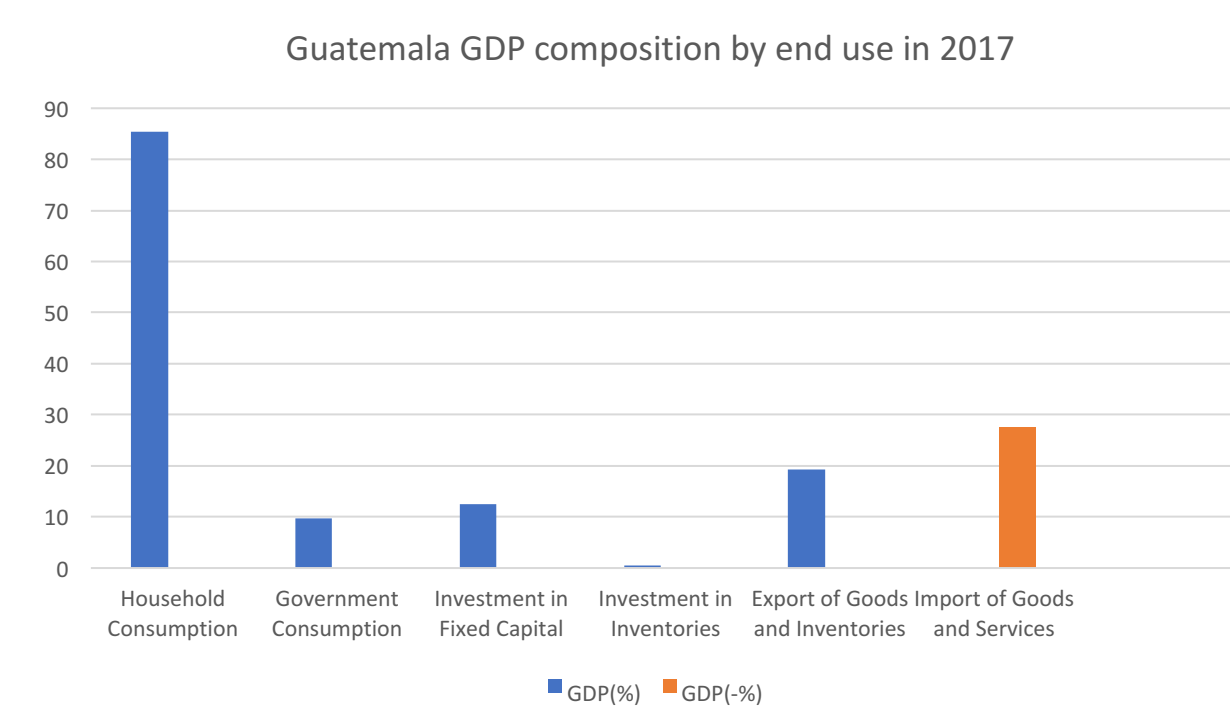
- Limited government budget and spending
- Low taxation

Low Private Investment

- High crime rate leading to unstable and unfavourable economic environment
 - >>More than 86 reported murders each week in year 2016
- Corruption of the government causing investors to lose confidence
 - >>2017 Corruption Perceptions Index: 28/100
 - Ranked: 143/180 countries

Low Cost Effectiveness in current Agricultural Sector

- Accounts for 13.5% of national GDP
- 31% of the labour force works in the agricultural sector



Education

LOW teaching quality, especially in rural area

- Lack of literacy materials; classroom equipment

Quality teachers tend NOT to go to rural schools

- Low pay to rural teachers: \$250USD/month
- No guide/teaching materials for rural teachers i.e. teachers pay for own teaching materials
- Same requirements for teaching in cities & rural area

Discriminative subject choices in schools

- State schools: teaching / book-keeping
- Private schools: computer / mechanics etc.

Barriers to poor student from attending school

- Monetary: uniforms, books, transportation etc.
- Non-monetary: go to work ; take care of siblings

6.3 year of schooling in average

Health

Basic health requirements by WHO:

- Health Equity, Affordability and Accessibility

Health inequality:

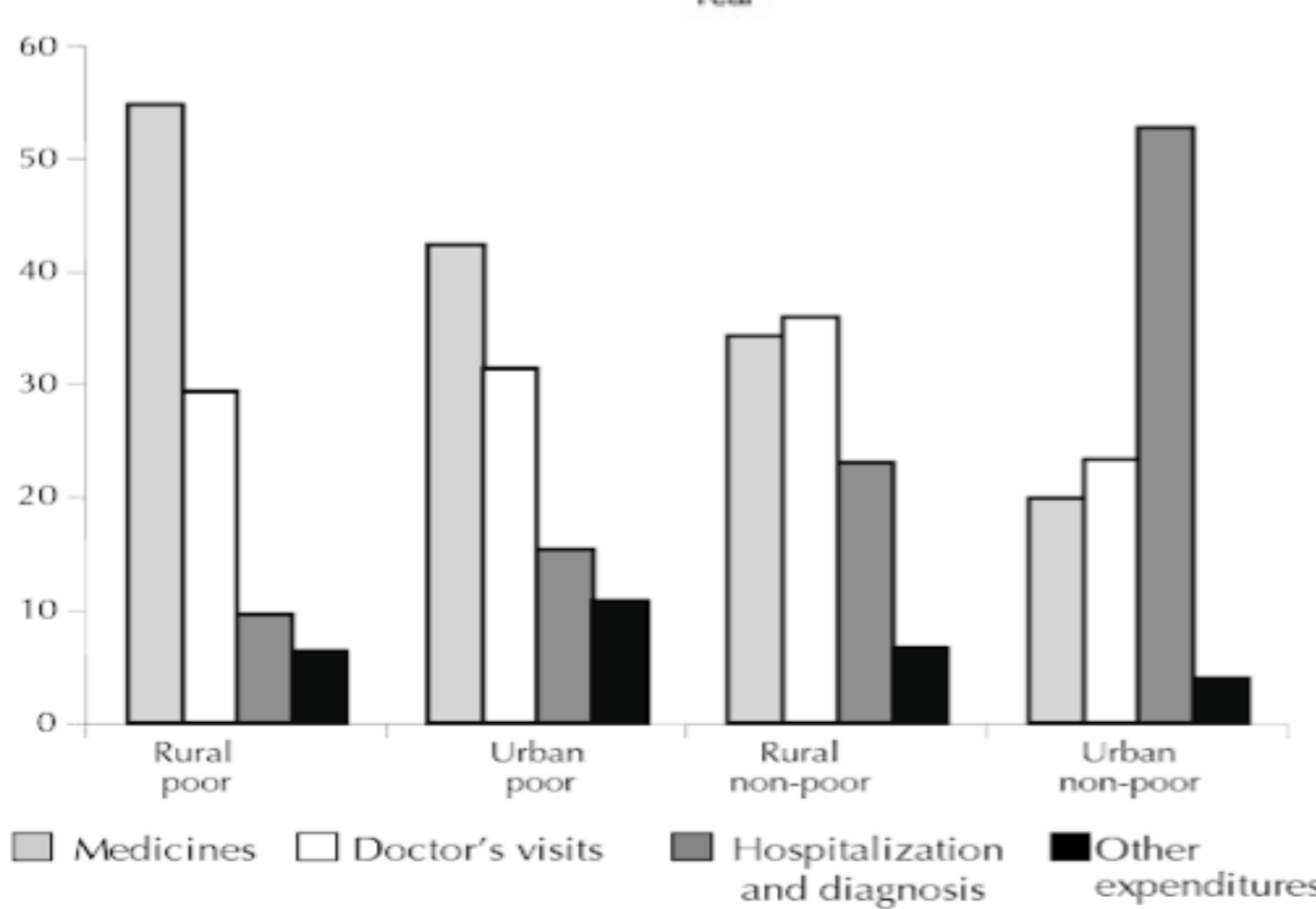
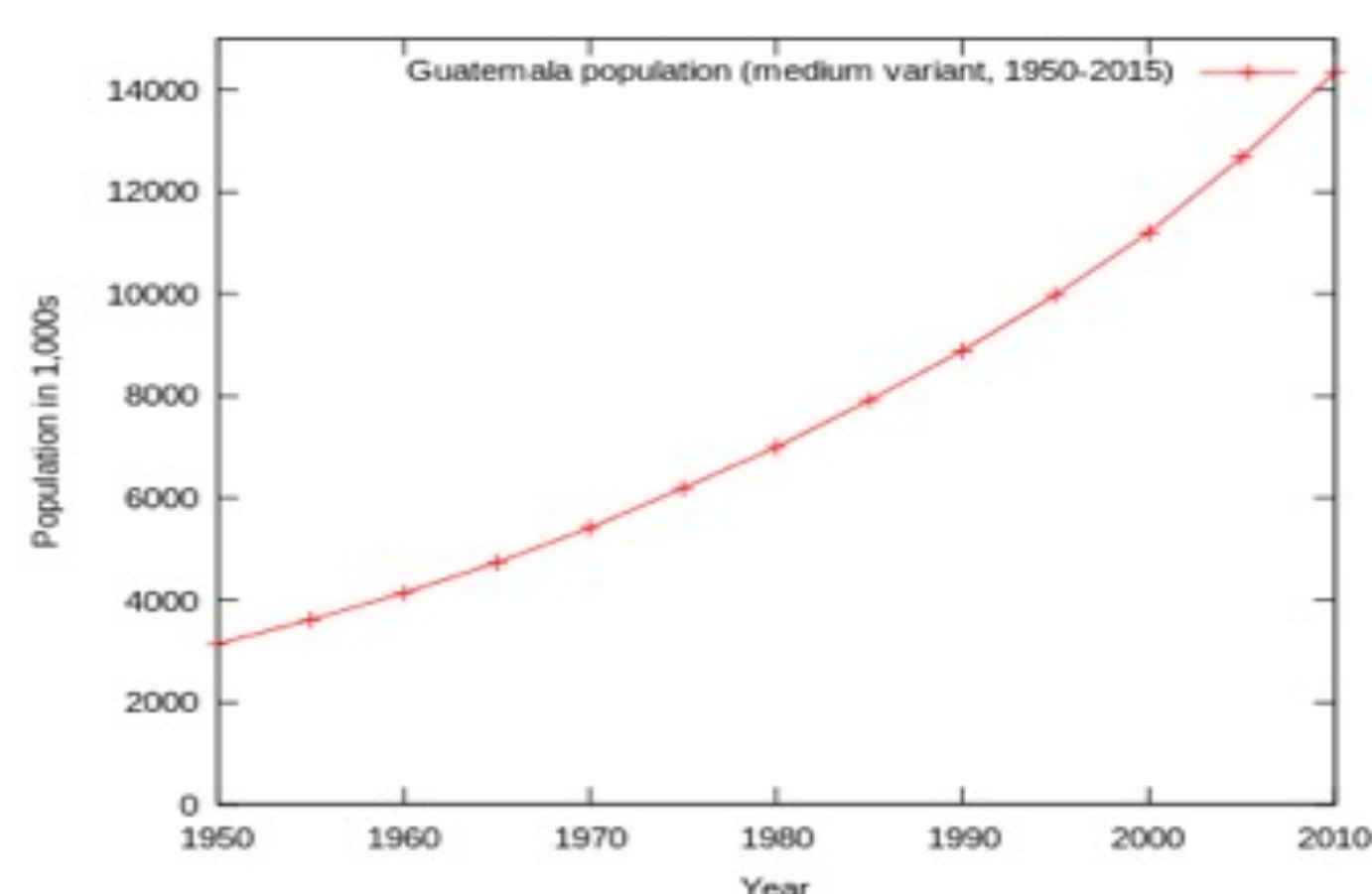
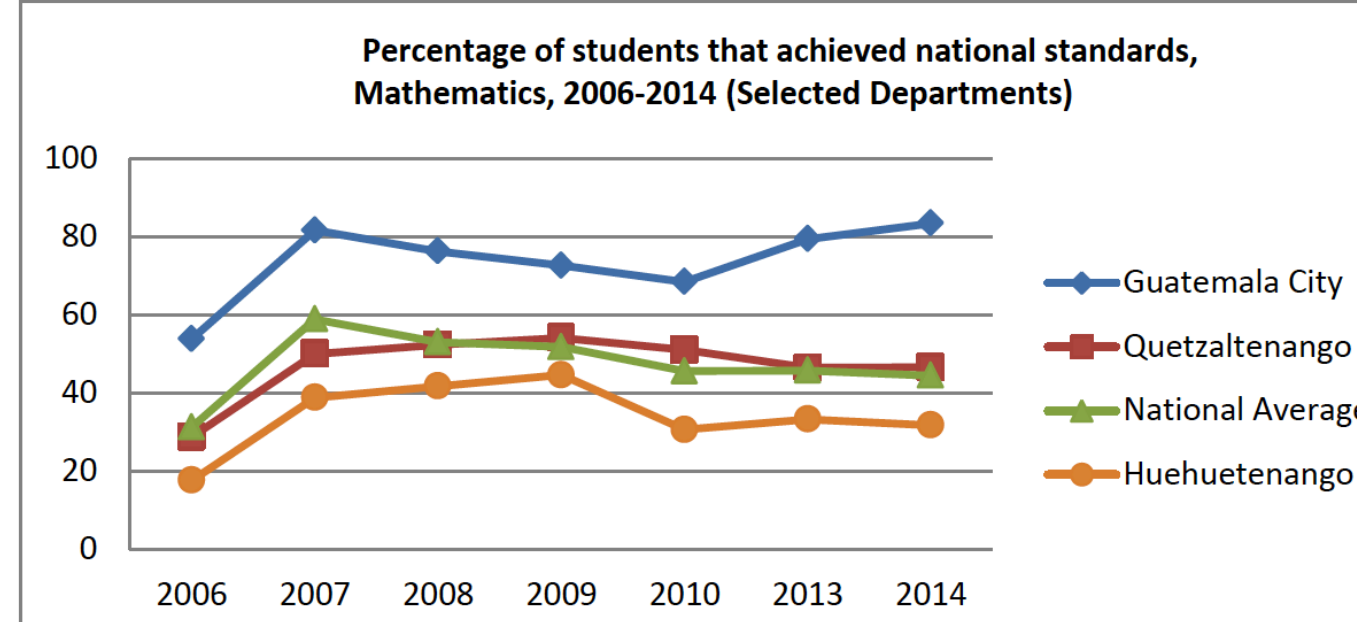
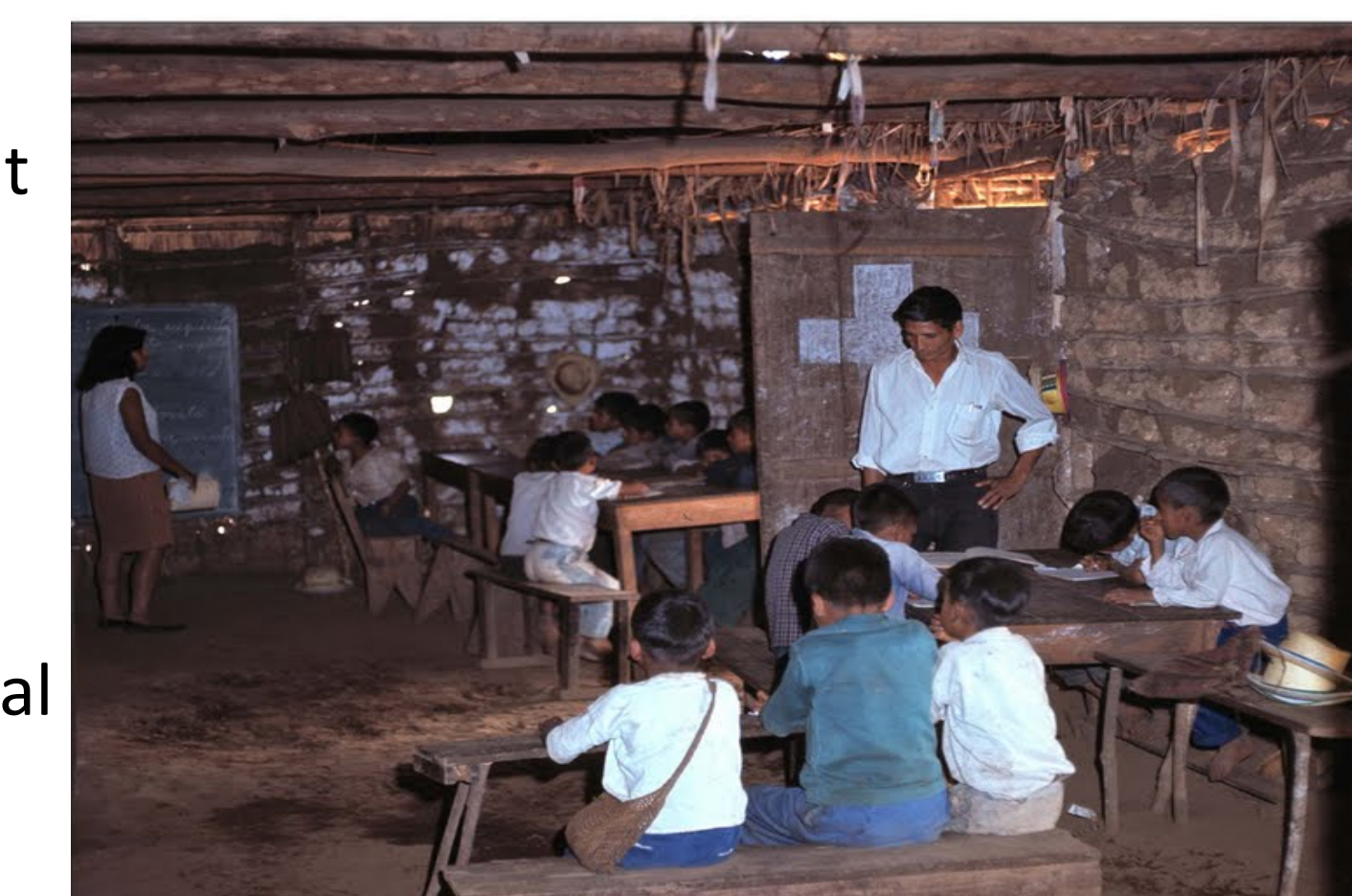
- Civil war – discrimination

Unaffordability:

- Uneven distribution of foreign aid
- Corruption
- No money down the chain

Inaccessibility:

- Specialized healthcare needs of few
- Only pregnant women allowed treatment- “Men cannot be sick”



Source: Ministerio de Salud Pública y Asistencia Social (in press).

Where there is light

Where we can be



Road to Prosperity

Levy Heavier Income Tax

- Increase government revenue
- Induce public investment from government
- Alleviate wealth disparity
 - >>Average Gini Coefficient of 50 in year 2013 and 2014

Reform on the General Comptroller and Introduce the Ministry of Transparency

- Introduce concurrent auditing
- Monitor civil servants and make prosecutions when corruption is found

SR: Improve effectiveness in growing profitable agricultural products by education

LR: Shift economic focus to professional services

Income tax table for 2018

| Taxable income bracket | | Total tax on income below bracket | Tax rate on income in bracket |
|------------------------|---------|-----------------------------------|-------------------------------|
| From GTQ | To GTQ | GTQ | Percent |
| 0 | 300,000 | 0 | 5 |
| 300,001 | Over | 15,000 | 7 |



| | Net chargeable income | Rate | Tax |
|--------------|-----------------------|------|-------|
| | \$ | | \$ |
| On the First | 45,000 | 2% | 900 |
| On the Next | 45,000 | 7% | 3,150 |
| | 90,000 | | 4,050 |
| On the Next | 45,000 | 12% | 5,400 |
| | 135,000 | | 9,450 |
| Remainder | | 17% | |



Road to Wisdom

Financial support

- Reactivate cash transfer policy “Mi Familia Progresar”
- Monetary subsidy to student with full attendance
- Monetary subsidy to teachers in rural schools

Educational reform & improvement

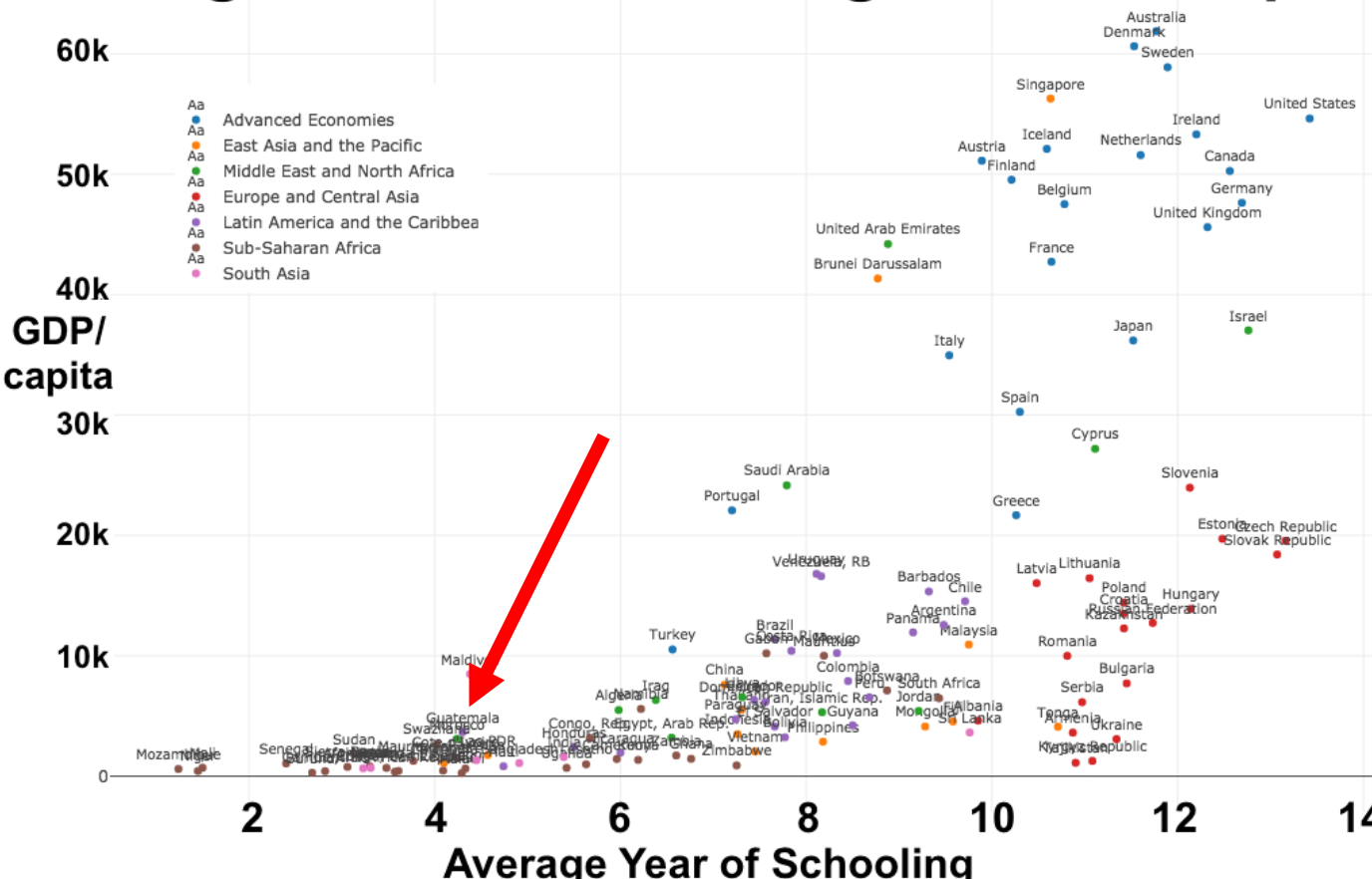
- Increase diversity of subjects learnt in state schools, including:
 - Vocational subjects: tourism, accounting etc.
 - Modern large-scale agriculture
- Extend the compulsory free education

Long-term investments

- Build dorms for students in need
- Implement computers in all schools



Average Years of Schooling and GDP/capita



Road to Fitness

Health equity:

- ‘Sensitization program’ - social accountability.
- According to National Institute of Health (NIH) an increase by 22%. (Report from India)

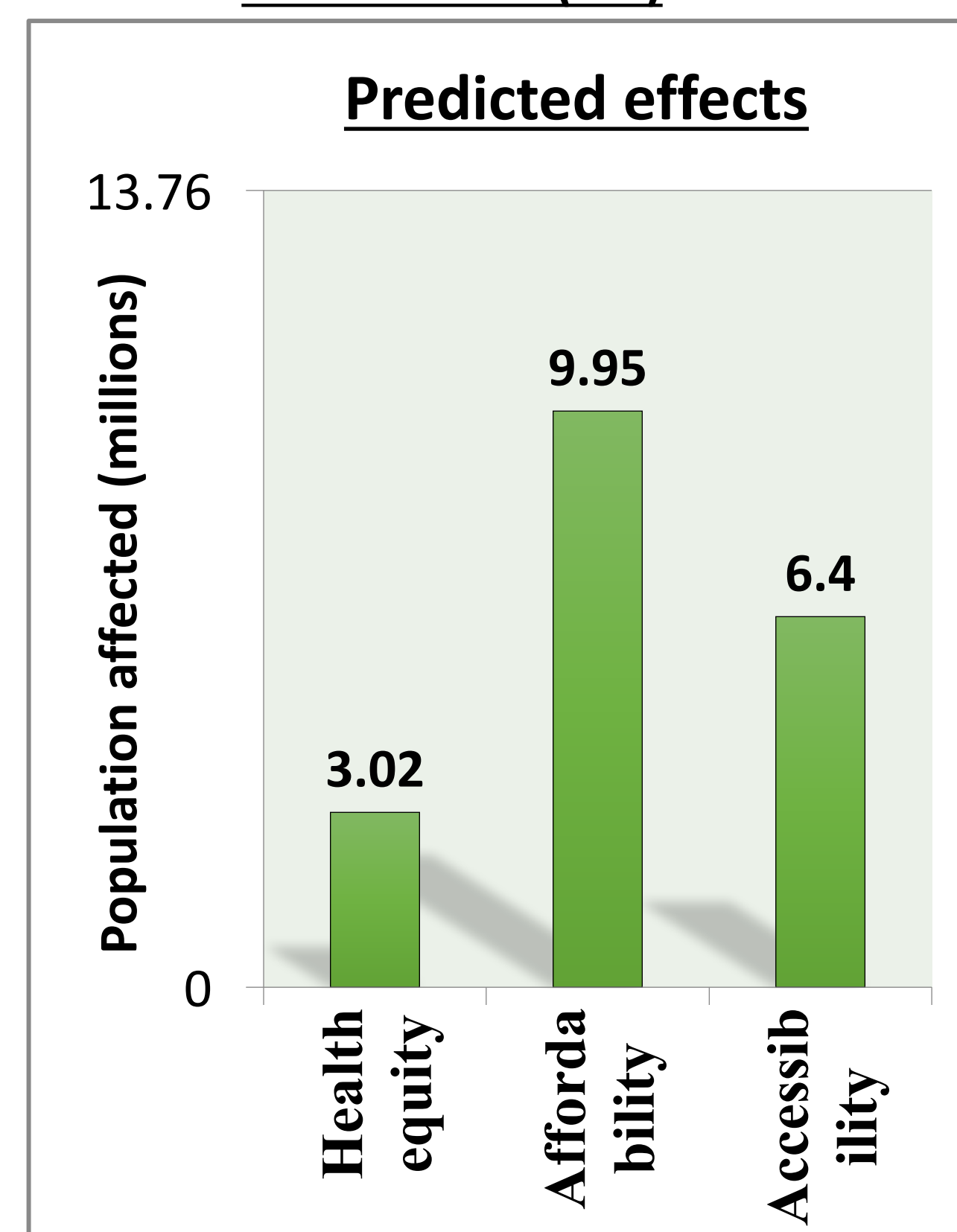
Affordability:

- Strict policies - “Corporate Social Responsibility”. Decrease in corruption + Increased affordability = nearly 78% increase in affordability.
- Preventable diseases.

Accessibility:

- Community-based Health Insurance, self-help groups. (North-east India, comparable to Guatemala)
- With current growth rate of population + impact assessment by NIH = 27% increase in accessibility.

Current poor population of Guatemala: 13.76 million (UN)



So Wing Lam(3035276610)---Education
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