42. Country profile: Seychelles



1. Development profile

The Seychelles is comprised of 115 tropical islands located in the Indian Ocean, to the northeast of Madagascar. Only 10 of the islands are inhabited. 90 percent of the population lives on Mahe, the largest island.¹ After a decades-long struggle against France, Great Britain gained control of the islands and governed them until 1976. After independence, the government pursued socialist policies until a new constitution was written in 1993. President France-Albert Rene held the office from 1977 until he stepped down in 2004. His vice president took over and was elected to a new five year term in 2006.²

The Seychelles "has social indicators comparable to many Organization for Economic Co-operation and Development (OECD) countries and emerging market economies".³ In the mid 1970s, welfare policies were introduced with the goals of: minimizing income and gender inequality; subsidizing housing for both poor and large families; providing free and universal health care access; free, universal education of a high quality; providing a guaranteed, minimum income for the elderly, the unemployed and those people living in poverty; and a subsidy for transport facilities for the elderly and students.⁴ Thanks in large part to these efforts, the Seychelles' social indicators are some of the highest of the small state, middle-income countries and is ranked 50th on the 2007-2008 Human Development Index, which is the highest of any African nation. The country is also on target to meet most of the Millennium Development Goals.⁵

Per capita income in the Seychelles, USD 8,960, is seven times higher than it was at independence and has landed the nation in the category of "upper-middle income country".⁶ The tourism sector has fueled

¹. Seychelles: Country Brief. (n.d.). Retrieved from World Bank:

http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/AFRICAEXT/SEYCHELLESEXTN/0,,menuPK:367517~pagePK:141132~piPK:141107~theSitePK:367495,00.html

². Seychelles. (2010, April 8). Retrieved from US Government, CIA: https://www.cia.gov/library/publications/the-world-factbook/geos/se.html

³ Seychelles: Country Brief. World Bank.

⁴ Ibid.

⁵ Ibid.

⁶ Seychelles. US Government, CIA

growth, employing 30 percent of the labour force and earns more than 70 percent of hard currency earnings.⁷ The second largest industry is manufacturing which has recently contracted due to a decrease in tuna production- the Seychelles is home to the Indian Ocean Tuna Bounty the world's largest tuna processing company.⁸ This downturn is the result of lower world prices for tuna, smaller catches and decreased demand in Europe.aeo The public sector plays a large role in the economy and employs 40 percent of the workforce.⁹

The Seychelles is a highly indebted nation with the total public debt stock to GDP ratio estimated at 140 percent in 2008.¹⁰ In 2008, the Government managed to restructure its debt in order to create a sustainable situation. As part of its economic recovery plan, the Government abolished exchange rate restrictions, reduced subsidies to the public enterprise sector, minimized inefficient spending, and replaced indirect product subsidies with a means-tested social safety net.¹¹

Socioeconomic indicators ¹²		
Population (millions)	0.09	
GNI per capita, PPP (current USD)	19,650	
GDP (current USD) (billions)	0.83	
GDP composition by sector (%)	Agriculture – 2 Industry- 22 Services- 75	
GDP growth rate (%)	2.8	
Percent below poverty line (%)	n/a	
Inflation (%)	25.3	
GINI index	n/a	
Adult literacy rate (%)	91.8	
Life expectancy (years)	73	
Child dependency ratio	n/a	
Elderly dependency ratio	n/a	
HIV prevalence (%)	n/a	
Overseas development aid per capita (current USD)	32	
Net official development assistance (USD Millions)	12	

⁷ Seychelles. US Government, CIA

¹¹ Ibid.

⁸. *Companies Push Hard to Halt Tuna Collapse*. (2010, February 9). Retrieved from Medilnks: http://medilinkz.org/news/news2.asp?NewsID=30140

⁹ Seychelles. (n.d.). Retrieved from African Economic Outlook. http://www.africaneconomicoutlook.org/en/countries/east-africa/seychelles/#/structural_issues

¹⁰ Seychelles: Country Brief. World Bank

¹² Country Data. (n.d.). Retrieved from World Bank: http://www.worldbank.org/data/countrydata/countrydata.html

Remittances as % of GDP	1.9
2009 Human Development Index (HDI) Ranking	57

2. Vulnerability analysis

2.1 External shocks

The Seychelles experienced a drop in GDP of 9 percent in 2009 due to a decline in tourism.¹³ A rise in global commodity prices combined with a substantial debt burden depleted stocks of foreign exchange and caused the Government to miss external debt payments in 2008, "In August 2008, due to low reserves (two weeks of import cover), the government defaulted on the EUR 54.7 million external promissory note payment and subsequently, Seychelles defaulted on a coupon payment due on the USD 230 million Eurobond. After the default, Standard & Poors (S&P) lowered the foreign currency sovereign credit ratings to 'SD' (Selective Default)."¹⁴ Essential commodity prices increased by 50 percent from 2007 to 2008 and the price of oil imports tripled. A lack of foreign exchange limited the country's ability to buy manufacturing inputs.¹⁵

2.2 Foreign aid and remittances

Per capita remittances amount to USD 129 compared to the Sub Saharan average of USD 26 per capita and the Seychelles is receives the 17th largest amount of remittance inflows of any African country. ¹⁶ As a result of the 2008 global financial crisis, remittances are expected to decline and, subsequently; GDP growth will decline 0.5 percent to 0.8 percent.

3. Monitoring and evaluation

There are currently no institutions in the Seychelles that are tasked with monitoring and evaluating of programmes within the country. Because of this, institutions and agencies must undertake their own M&E operations when working in the country.

¹³ Seychelles. US Government, CIA

¹⁴ Seychelles: Country Brief. World Bank

¹⁵ Ibid.

¹⁶Human Development Report. (n.d.). Retrieved from http://hdrstats.undp.org/en/countries/country_fact_sheets/cty_fs_SYC.html

4. Social assistance programmes overview

*All currency conversions are based on 17th February 2010 Rates:

- 1 SCR = 0.07847
- 1 EUR = 1.369 USD
- 1 GBP = 1.57161 USD.¹⁷

	Programme name	Old Age, Disability and Survivor ¹⁸
Programme# 1: universal and social insurance system	Programme name	 Old Age, Disability and Survivor¹⁸ Old-age pension (social security fund): 2,200 rupees (USD 172.64) a month is paid. Benefit adjustment: Benefits are reviewed and adjusted annually according to changes in the cost of living. (Benefits were last adjusted in November 2008.) Old-age benefit (Seychelles pension fund): The monthly pension is based on a percentage of the insured's average monthly earnings in the last 5 years before retirement, according to four earnings classes. If the insured has paid voluntary contributions to the fund, these may be used in the pension calculation or refunded as a lump sum with interest.
	Programme components	 The maximum pension (including the social security fund old-age pension of 2,200 rupees (USD 172.64)) is 8,100 rupees (USD 635.62) a month (December 2006). Old-age settlement (Seychelles pension fund): A lump sum is paid equal to the total of the insured's and the employer's contributions plus 6% interest. The average lump sum is 18,000 rupees (USD 1412.48).
amme# 1: u		 Migration allowance (Seychelles pension fund): A lump sum is paid equal to the total of the insured's and the employer's contributions plus 6% interest.
Progra		 Disability pension (social security fund): 2,100 rupees (USD 164.79) a month is paid. Partial disability (earnings-tested): The full pension is reduced according to earnings. The pension is paid until retirement age after receiving sickness benefits for at least 6 months. Dependent's supplement (income-tested): 900 rupees (USD 70.62) a month is paid for an adult and 800 rupees (USD 62.78) a month for each child. The combined disability pension and dependent supplements must not exceed 80% of the insured's previous earnings. Benefit adjustment: Benefits are reviewed and adjusted annually according to changes in the cost of living. (Benefits were last

¹⁷Currency Converter. (n.d.). Retrieved from OANDA: http://www.oanda.com/currency/converter/

¹⁸ Table text from *Social Security Programs Throughout the World: Africa 2009.* (n.d.). Retrieved from United States Government, US Social Security Administration: Office of Retirement and Disability Policy: http://www.ssa.gov/policy/docs/progdesc/ssptw/2008-2009/africa/mauritania.html

	adjusted in November 2008.)
•	 Disability benefit (Seychelles pension fund): The monthly pension is based on the insured's average monthly earnings in the last 5 years before being assessed by the medical board as incapable of work. Disability settlement (Seychelles pension fund): A lump sum is paid equal to the total of the insured's and the
	employer's contributions plus 6% interest.
•	 Spouse pension (social security fund): The monthly pension is 1,350 rupees (USD 105.94) for an eligible widow or a dependent widower and is paid for up to 1 year. A widow(er) who does not qualify for a pension receives a limited benefit for up to 20 working days. Dependent's supplement (income-tested): 900 rupees (USD 70.62) a month is paid for an adult and 800 rupees (USD 62.78) a month for each child. Orphan's pension (social security fund): Each full orphan receives 1,050 rupees (USD 82.40) a month.
•	 Funeral grant: A lump sum of 1,600 rupees (USD 125.55) is paid. Benefit adjustment: Benefits are reviewed and adjusted annually according to changes in the cost of living. (Benefits were last adjusted in November 2008.)
•	 Survivor benefit (Seychelles pension fund): If there are no eligible surviving children, the spouse's pension is equal to 80% of the deceased's pension and is paid for life (70% if the surviving spouse was at least 10 years younger than the deceased). If there are eligible surviving children, the spouse's pension is equal to up to 50% of the deceased's pension; if the deceased had elected to pay a higher pension to surviving children, the spouse's pension will be reduced accordingly but must not be less than 25% of the deceased's pension.
•	 Orphan's pension (Seychelles pension fund): The minimum monthly pension is equal to 40% of the deceased's pension (if the deceased had elected to pay a higher pension to surviving children, up to 75% of the deceased's pension is paid); full orphans receive 80%. The pension is split equally among all eligible orphans and paid to the child(ren)'s guardian.
•	 Death benefit (Seychelles pension fund): One month of the deceased's pension is paid.
•	 Preretirement death benefit (Seychelles pension fund): A lump sum is paid equal to the total of the deceased's and the employer's contributions plus 6% interest.

	Social security fund:
	 All citizens residing in Seychelles territory and resident foreign
	employees who contribute to the Seychelles pension fund.
	 Special systems for the employees of three companies in the banking
	and industrial sector. (Employees of these companies are also
Brogramma covorago	covered under the Seychelles pension fund, below.)
Programme coverage	
	• Seychelles pension fund:
	• All full-time and part-time employees in the public and private
	sectors.
	 Voluntary coverage for self-employed persons.
	Exclusions: Casual workers.
	 Old-age pension:
	 Old-age pension (social security fund): Age 63 and has resided in
	Seychelles for at least 5 years immediately before the date of
	retirement. (The residency requirement may be waived by the
	Minister of Finance under special circumstances.)
	 The pension is not payable abroad.
	 Old-age benefit (Seychelles pension fund): Paid from age 60 but no
	later than age 63. The insured must have at least 10 continuous years
	of contributions to the social security fund or the Seychelles pension
	fund immediately before retirement or a total of 20 years of
	contributions to the social security fund.
	 The pension is payable abroad.
	 Old-age settlement (Seychelles pension fund): Paid if the insured
	does not qualify for the old-age benefit.
	• Migration allowance (Seychelles pension fund): Paid if the insured is
	emigrating permanently.
	Disability pension:
	 Disability pension (social security fund): Must be assessed with a loss
Beneficiary	of at least 66.7% of earning capacity and have resided in Seychelles
determination process	for at least 5 years. A reduced pension is paid for a loss of earning
determination process	capacity of between 50% and 74%. (The residency requirement may
	be waived by the Minister of Finance under special circumstances.)
	 Dependent's supplement (income-tested): Paid for a family whose
	income is less than the official family subsistence level. The
	supplement is paid under certain conditions for each dependent child
	and for one adult who must be the spouse, a person caring for the
	insured person, or a dependent adult with a disability not receiving
	any other benefits.
	 The pension is not payable abroad.
	 Disability benefit (Seychelles pension fund): Must be younger than
	age 63 and assessed as incapable of work by a medical board
	appointed by the Seychelles pension fund. The benefit is paid after
	6 months of receiving the social security fund disability pension.
	• The pension is payable abroad.
	• Disability settlement (Seychelles pension fund): Paid if the insured
	does not qualify for the disability benefit.
	Survivor pension:
	• Spouse pension (social security fund): The deceased had resided in
	Seychelles for at least 5 years.

	• Eligible survivors are a widow aged 45 or older or with a dependent
	child younger than age 16 (or age 25 if a student), a dependent
	widower, and full orphans.
	 The pension ceases on remarriage or if the widow(er) cohabits with a partner.
	 A widow who does not qualify for a pension receives a limited
	benefit for up to 20 working days.
	 Dependent's supplement (income-tested): Paid for a family whose
	income is less than the official family subsistence level. The
	supplement is paid under certain conditions for each dependent child
	and for one adult who must be the spouse, a person caring for the
	insured person, or a dependent adult with a disability not receiving
	any other benefits.
	• The pension is not payable abroad.
	 Survivor benefit (Seychelles pension fund): The deceased was
	insured.
	 Eligible survivors are a widow(er) or partner with whom the
	deceased lived for at least 3 years. The surviving spouse must have
	resided in Seychelles for at least 5 years (may be waived in special
	circumstances). Eligible surviving children must be younger than
	age 18 (age 25 if a full-time student).
	• Death benefit (Seychelles pension fund): Paid to a surviving spouse or
	other dependent if the deceased was older than the retirement age.
	 Preretirement death benefit (Seychelles pension fund): Paid to a
	named survivor in the absence of an eligible surviving spouse and
	children and if the deceased was younger than the retirement age.
	 Survivor benefits are payable abroad.
	Insured person:
	 Social security fund: 2.5% of monthly earnings; household workers
	pay 50 rupees (USD 3.92) a month. (5.4% of the combined insured
	person and employer monthly contribution to the social security
	fund is transferred to the Seychelles pension fund.)
	 The contributions to the social security fund also finance sickness and metamity benefits and work injury benefits
	maternity benefits and work injury benefits.
	 Seychelles pension fund: 25 rupees (USD 1.96) a month. Additional voluntary contributions are possible. (In addition, 5.4% of the
	combined insured person and employer monthly contribution to the
	social security fund is allocated to the Seychelles pension fund.)
	 There are no maximum earnings for contribution calculation
Finance	purposes.
	Self-employed person:
	\circ Social security fund: Contributions are made through the tax system.
	 Seychelles pension fund: Voluntary contributions of 100 rupees a
	month. Additional voluntary contributions are possible.
	 There are no maximum earnings for contribution calculation
	purposes.
	Employer:
	 Employer: Social security fund: 20% of gross monthly wages; 50 rupees a month
	for each household worker. (5.4% of the combined insured person
	and employer monthly contribution to the social security fund is

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ntary pension program.
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Programme Name	Sickness and Maternity ¹⁹
Programme #2: social insurance system. cash sickness and maternity benefits only. budden bude	 Sickness benefit: The employer pays the full salary for the first 2 months and is reimbursed 80% of the amount paid or 2,000 rupees (USD 156.94), whichever is less; thereafter, the social security fund pays up to 1,800 (USD 141.25) a month for up to 130 working days. Dependent's supplement (income-tested): 900 rupees (USD 70.62) a month is paid for an adult and 800 rupees (USD 62.78) for each child. Benefit adjustment: Benefits are adjusted periodically according to changes in the cost of living. (Benefits were last adjusted in November 2008.) Maternity benefit: The employer pays the full salary for 2 weeks before and 8 weeks after the expected date of childbirth and is reimbursed 80% of the amount paid up to 1,800 (USD 141.25). For a prolonged incapacity that is the result of pregnancy or childbirth, a sickness benefit is paid. Dependent's supplement (income-tested): 900 rupees (USD 70.62) a month is paid for an adult and 800 rupees (USD 70.62) a month is paid for an adult and 800 rupees (USD 70.62) a month is paid for an adult and 800 rupees (USD 70.62) a month is paid for an adult and 800 rupees (USD 70.62) a month is paid for an adult and 800 rupees (USD 70.62) a month is paid for an adult and 800 rupees (USD 62.78) for each child.

¹⁹ Ibid.

	November 2008.)
	 Workers' Medical Benefits: Medical benefits: No statutory benefits are provided. Medical services are available in government clinics and hospitals under the National Health Plan.
	 Dependents' Medical Benefits: Medical benefits for dependents: No statutory benefits are provided. Medical services are available in government clinics and hospitals under the National Health Plan.²⁰
Programme coverage	 Universal. Means Tested.²¹
Beneficiary determination process	 Cash sickness and maternity benefits: There is no minimum qualifying period. Dependent's supplement (income-tested): Paid for a family whose income is less than the family subsistence level. The supplement is paid under certain conditions for each dependent child and for one adult who must be the spouse, a person caring for the insured person, or a dependent adult with a disability not receiving any other benefits.
Finance	 Insured person: See source of funds under Old Age, Disability, and Survivors, above. Self-employed person: Contributions are made through the general tax system. Employer: See source of funds under Old Age, Disability, and Survivors, above. Government: None.
Legal framework	 First law: 1979. Current law: 1987 (social security), implemented in 1988, with 1990 and 1994 amendments.
Administrative framework	 Ministry of Finance administers the social security fund program. Directed by a chief executive officer, the Social Welfare Agency administers income-tested benefits.

²⁰ Ibid.

²¹Campling, L. Purvis, M. and Confiance, H. Social Policy in the Seychelles. (n.d.). Retrieved from UNRISD.

	Programme name	Work Injury ²²
Programme #3: social insurance system	Programme name	 Temporary Disability Benefits: For an assessed degree of disability of at least 50%, 1,800 rupees (USD 141.25) a month is paid for up to 130 working days. The degree of disability is assessed by the medical board established by the Ministry of Health. Dependent's supplement (income-tested): 900 rupees (USD 70.62) a month is paid for an adult and 800 rupees (USD 62.78) for each child. Benefit adjustment: Benefits are adjusted periodically according to changes in the cost of living. (Benefits were last adjusted in November 2008.)
		 Permanent disability pension: If the insured has a total disability, 1,300 rupees (USD 102) a month is paid until retirement age after receiving a temporary disability benefit for up to 130 working days. The disability is assessed by a medical board set up by the Ministry of Health. Partial disability: A percentage of the benefit for a total disability is paid according to the assessed degree of disability. Dependent's supplement (income-tested): 900 rupees (USD 70.62) a month is paid for an adult and 800 rupees (USD 62.78) for each child. For a court award, the cost of compensation paid to an insured person for an incapacity for work is split equally between the employer and the social security fund. Benefit adjustment: Benefits are adjusted periodically according to changes in the cost of living. (Benefits were last adjusted in November 2008.)
		 Workers' Medical Benefits: Free medical care is provided as required. Benefits include medical and surgical care, hospitalization, medicines, appliances, and transportation. Survivor pension: 1,800 rupees (USD 141.25) a month is paid to the widow(er) if the deceased provided at least 75% of family income. The widow(er) must not be gainfully employed or self-employed. The pension ceases on remarriage or if cohabiting with a partner. Benefit adjustment: Pensions are adjusted annually according to changes in the cost of living. (Benefits were last adjusted in November 2008.)

²²Table text from *Social Security Programs Throughout the World: Africa 2009.* United States Government.

	Employed persons.
Programme coverage	 Exclusions: Self-employed persons.
Beneficiary determination process	 Work injury benefits: There is no minimum qualifying period. Dependent's supplement (income-tested): Paid for a family whose income is less than the official family subsistence level. The supplement is paid under certain conditions for each dependent child and for one adult who must be the spouse, a person caring for the insured person, or a dependent adult with a disability not receiving any other benefits.²³ Temporary Disability Benefits: For an assessed degree of disability between 50 - 74% loss of earning capacity²⁴, Permanent Disability Benefit: If assessed as having lost 75% or more of earning capacity²⁵
Finance	 Insured person: See source of funds under Old Age, Disability, and Survivors, above. Self-employed person: Not applicable. Employer: See source of funds under Old Age, Disability, and Survivors, above. Government: None.
 First law: 1970 (employer liability). Legal framework Current law: 1987 (social security), implemented in 1988. 	
Administrative framework	 Ministry of Finance administers the social security fund program. Directed by a chief executive officer, the Social Welfare Agency administers income-tested benefits.

²⁵ Ibid

²³ Ibid.

²⁴ Campling, L. Purvis, M. and Confiance, H.

	Programme name	Unemployment ²⁶
		 Home Carer Scheme: The provision of home care for the elderly Provides care for the elderly and the chronically ill and contributes to reducing unemployment among, predominantly, young women.
		 Unemployment relief Scheme: 6 months at approximately 1,900 Rupees (USD 149.10) per month Youth Training Scheme: 2 year at between 1300 and 1500 Rupees (USD 102.01 & USD 117.71) per month
system	Programme components	 Skill Acquisition Program: 1 year at 1300 rupees (USD 102.01) per month Refund Fiscal Incentives:
Programme# 1: universal and social insurance system		 Apprenticeship Scheme: 1 to 4 years at 1300 rupees (USD 102.01) per month Polytechnic Allowance: 1 to 3 years duration 1st year students receive 600 rupees (USD 47.08) per month 2nd year students receive 700 rupees (USD 54.93) per month 3rd year students receive 800 rupees (USD 62.78) per month 4th year students receive 1400 rupees (USD 109.86) per month
mme# 1: un		 EX A Level Student Allowance: 1 year at 1325 rupees (USD 103.98) per month Youth Hostel Student Allowance:
Progra		 Home Carer Scheme: 2164 discretionary benefit payments by number of beneficiaries in 2006
	Programme coverage	 Unemployment relief Scheme: 170 recipients in 2008
		 Youth Training Scheme: 60 recipients in 2008
		 Skill Acquisition Program: 60 recipients in 2008
		 Refund Fiscal Incentives: 50 recipients in 2008
		Instructor Sponsorship:

²⁶Table text from *Social Security Programs Throughout the World: Africa 2009.* United States Government.

²⁷ Campling, L. Purvis, M. and Confiance, H.

	o 20 recipients in 2008
	Apprenticeship Scheme:
	o 100 recipients in 2008
	Polytechnic Allowance:
	 1250 recipients in 2008
	EX A Level Student Allowance:
	 70 recipients in 2008
	Youth Hostel Student Allowance:
	 130 recipients in 2008
Administrative	 Under the 1980 Unemployment Fund Act, the social security fund provides
framework	subsistence income for unemployed persons.