POVERTY AND STATISTICS IN TRINIDAD AND TOBAGO: AN INTRODUCTION

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Early in 2005, national media attention in Trinidad and Tobago was drawn to the UNDP statistics on poverty presented in the Human Development Report 2004 (HDR 2004). According to that report, approximately 12% of the population of Trinidad and Tobago was living on less than US$1 a day and 39% on less than US$2 a day (HDR 2004: 147). These figures were particularly disconcerting given Trinidad and Tobago's current economic position. Since the beginning of this decade, Trinidad and Tobago has been experiencing a kind of economic boom, largely due to its position as a producer of petroleum and increasingly natural gas for the world market.

According to that same report, Trinidad and Tobago had a per capita GDP of US$9700 (HDR 2004) and was located in the High Human Development Category. Nevertheless the poverty levels reported were considerably higher than those of other countries in the region such as Mexico and Jamaica where 26% and 13% of the population respectively, live on less than US$2 a day, comparable to levels in Venezuela (32%) and lower than those in, for instance, El Salvador (58%), Nicaragua (80%) and Honduras (44%) (HDR 2004: 147).

These UNDP figures generated reactions of disbelief, shock (dis)agreement and embarrassment simultaneously. While some responded with criticisms, others saw it as a confirmation of their own everyday observations. The high levels of poverty appeared to be contradictory to the perceived buoyant economic situation in the country, and the government's stated commitment to poverty reduction in its Vision 2020 Programme. But the data also raised several questions. Questions were raised regarding the methodological and statistical validity of the UNDP statistical indicators; the equitable distribution of energy revenues and there were also concerns about the implications of these figures for broader political and macroeconomic strategies in Trinidad and Tobago and the Caribbean. Generally the need for meaningful qualitative and quantitative information on socio-demographic characteristics and the quality of life of Trinidad and Tobago's poor was expressed.

1 This was the second time that a Human Development Report had caused embarrassment to the Trinidad and Tobago government. In 2001, the national HDR which reported that a significant proportion of children of school age were not attending school was rejected by that administration.

2 Vision 2020 – The government's programme for development up to the year 2020, produced through collaboration with representatives of private sector and civil society.
The Centre for Gender and Development Studies, a multidisciplinary academic and outreach unit, of The University of West Indies, St. Augustine, was of the opinion that the above questions and issues needed further exploration and discussion. In this context a special panel discussion was organised as part of its lunchtime seminar series on March 11th 2005. Panellists were Dr. Ralph Henry (KAIRI Consultants), Ms. Lynette Joseph-Brown (independent consultant) and Mr. Harold Wall (Geographic Information Systems [GIS] specialist at the Central Statistical Office of Trinidad and Tobago [CSO]). Each shared their vision on the validity of current statistics on poverty as well as the actual levels and experiences of poverty in Trinidad and Tobago. Professor Norman Girvan, professorial research fellow at the UWI Institute of International Relations acted as discussant and Professor Rhoda Reddock chaired the session. The quality of the presentations and subsequent reactions from the audience encouraged us to take this discussion further by publishing selected contributions along with additional relevant pieces. This special issue of Caribbean Dialogue is the result of this effort.

Poverty and “Development” after World War II: Changing Perspectives

The indicators used to measure poverty and the methods we employ to generate information on these indicators are closely related to the concepts and definitions of poverty. These in turn highly influence existing ideas, approaches and policies aimed at reducing or eradicating poverty. In the past five decades since World War II, concepts of poverty and development have changed considerably as a result of shifting scientific, political and economic paradigms. This section provides a brief overview of the major trends in thinking about poverty and development since World War II and the indicators and methods used to assess poverty.

In the immediate post-war period, Keynesian thinking dominated economic policy in the Economic North – Western Europe and to a lesser extent, North America and through colonial policies, the then colonial world. Central to these ideas was the recognition of the role of the State in mediating between capital and labour and in protecting the interests of the most vulnerable. It was on this basis that programmes of social welfare were introduced in the North and programmes of social development and welfare in the South.

In the colonies, movements toward self-government and independence were emerging. In the Anglophone Caribbean, in response to the widespread labour disturbances of the 1930s, the West Indian Royal Commission’s Report of 1945 highlighted the need for a colonial development policy that considered the needs of the poor and vulnerable, including women. But the 1950s and 1960s was also the period of the Cold War and the ideological, political and economic battles between the ‘western
capitalist world' and the 'eastern socialist-oriented world.' The field of development economics emerged in Britain, with little connection to fields such as human geography which emphasized the diversity and uniqueness of countries and regions. The 'underdeveloped' world was considered a more or less homogenous group and the development envisaged was based on that which existed in the so-called 'developed' countries of the North. Moreover, the nation-state was the main analytical frame of reference and perceived as a major actor in realizing progress and economic growth (Schuurman 2000: 8).

In that context, poverty was defined as a lack of income and reflected in the measure - per capita Gross National Product (GNP), while development was defined in terms of growth in GNP, per capita GNP as well as levels of industrialization and urbanization. Poverty in the South was perceived as the result of underdevelopment, something that would disappear with 'development'. With the emergence of modernization theory in the discipline of sociology, social and psychological factors such as entrepreneurial attitude were also identified as defining characteristics of development and modernization. Ideas derived from development economics and modernization theory, formed the base for most poverty reduction and development policy until the late 1970s.

Modernization and development theories propagated the view that the former colonies would and should follow the same development path as industrialized countries. In doing so they could become ‘developed’ as well. The main vehicles to realize economic growth prescribed in the 1960s were macro-economic policies such as import-substitution industrialisation supported by well functioning state institutions. The benefits of economic growth were expected to trickle down resulting in the reduction of poverty and inequality among large groups in society (Hershberg 2002: 3).

In the late 1960s, scholars such as Johan Galtung in the North, as well as others in Latin America and the Caribbean in the South, began to criticise existing development theory and the results of two decades of modernization. These included the Latin American Dependency (Dependencia) School which could be further sub-divided into the liberal dependendistas or critical developmentalists, such as Raul Prebisch who more or less stayed with the 'development' paradigm and the radical dependendistas like André Gunder Frank who critiqued development more fundamentally, seeing underdevelopment as the other side of development. The former caused by the latter. In similar vein there was the Caribbean Plantation Economy School including Lloyd Best, Kari Polanyi Levitt, George Beckford and Norman Girvan who, to varying degrees, saw the structural organisation of the plantation as the model of continuing inequitable economic and trade arrangements in this region.

There were also Marxist oriented critiques from Latin America and the Caribbean including Walter Rodney’s classic – *How Europe

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5 It was in this context that countries of the Economic South formed the non-aligned movement and defined themselves as a “The Third world” in an effort to resist the conflict between the ‘East’ and the ‘West’, the ‘second’ and the ‘first’ worlds.

6 Caribbean development economist W. Arthur Lewis was an important contributor in this area.
Underdeveloped Africa and the work of the World Systems School of Immanuel Wallerstein, Herb Addo and others. The discourse on Core and Periphery came out of the World Systems approach which was closer to the radical dependency approach.

Most of these theorists argued that the so-called underdeveloped countries were not on a path towards development; therefore their current situation of impoverishment was not a transitional phenomenon. Rather they argued with varying degrees of radicalism that the so-called processes of development were the very processes which were resulting in poverty and social inequality. These development/modernization policies had benefited small elites and contributed to economic growth in the northern and western centres of capitalism, while the majority of the populations in the former colonial world remained poor. These countries provided the industrialised countries with cheap labour and raw materials, which helped to sustain their levels of wealth. Furthermore the so-called developed countries perpetuated a state of dependency through various investment and trading policies which set and enforced the rules of international trade making it difficult for countries to resist.

From the late 1970s into the early 1980s development thinking shifted away from the above-described grand theories and from the large-scale state-oriented modernization paradigm. Experiences in the earlier two decades had highlighted the diversity among the so-called Third World and the impacts of culture, history and distinct economic strategies and approaches. Furthermore, the unconditional belief in growth as a means to reduce poverty and inequity was questioned because despite economic growth, gaps between rich and poor countries had become larger and increasingly the devastating effects of economic growth on the environment were visible (Schuurman 2000: 9; Hershberg 2002: 4). Development initiatives in this time focused more and more on reaching the poorest of the poor and on redistribution with growth. Bottom up approaches, such as the basic needs approach became increasingly popular, including aspects of decentralization, food, shelter, housing and health. As a consequence ‘the micro level’ became more important as a level of intervention. The importance of non-state actors such as NGOs for channelling development aid also grew.

With the rise of economic neo-liberalism as the hegemonic paradigm since the 1980s, the private sector and market forces played an increasingly important role as channels through which poverty reduction had to be realized. Most importantly there was a shift in macro-economic policy away from the Keynesian emphasis on growth with social welfare and a strong economically active state. In the neo-liberal approach, economic growth becomes once more the central focus of development, and the state is re-oriented away from direct economic involvement to become the servant of the private sector, now perceived as the main engine of economic growth.

The Structural Adjustment Programmes of the 1980s and 1990s which cutback state expenditure on education, health and social services and today’s emphasis on (micro) entrepreneurship and micro-credit as a means of employment and poverty reduction, reflect these neo-liberal values. In this context much of the responsibility for poverty alleviation, no longer eradication, has been shifted to non-governmental organisations (NGOs), now perceived as part of the private sector by the
Feminist activists along with others in the environmental and fair trade movements have been central to national and international networks and organisations which have challenged these neo-liberal economic policies. These policies, they argue, by shifting state resources from the people to the private sector, have heightened income disparities within countries and between the North and the South. The Human Development Report 2005 for instance reports that over the past two decades internal inequality in 72% of the countries for which data are available (73) has risen, both in the North and the South, and in situations of high and low growth (HDR 2005: 55-56). The international anti-globalization movement and its resistance to the World Trade Organization (WTO) and related neo-liberal trade policies have been extremely important in continuing efforts to re-define economic policy and put poverty and social inequality centre stage in international trade negotiations.

Civil Society and Poverty Alleviation

While there has been an emphasis by the World Bank, and the United Nations on strengthening civil society through capacity building of civil society organisations, local government and NGO’s, this has been primarily with a focus on poverty alleviation. Many civil society organisations have resisted this role as the handmaiden of economic neo-liberalism and have organised globally and locally against it through public education, advocacy, lobbying and ‘global campaigns’ enlarging the role of supranational movements and organisations. This however is not the case for all such organisations as many see it as an opportunity to “stay in business” and so incorporate neo-liberal values into their policies and projects. This is especially so in a context where other sources of funding which would support advocacy and public education become less available. Still others adopt strategic alliances with bilateral organisations such as the World Bank, with the hope of influencing their decisions. This overall strategy has led to a proliferation of ‘development’ NGO’s dependent on external funding, in an increasingly difficult economic climate. Some may become so involved in positioning themselves that they start to compete, losing efficiency, harming each others’ work and sometimes losing sight of their original objectives.8

Post-Modernism and Post-Development

Since the late 1980s, poverty and development thinking has also been influenced by post-structuralism and related approaches such as the anti-development or post-development movements.9 On the one hand, these approaches refute large, all-embracing

7 The World Bank (2000) defines NGOs as “private organizations that pursue activities to relieve suffering, promote the interests of the poor, protect the environment, provide basic social services, or undertake community development” (Operational Directive 14.70).

8 See the discussions on the role of NGO’s in the aftermath of the Tsunami disaster in 2004. For instance in The Financial Times of December 22, 2005 (Hugh Williamson), Tsunami Agencies caused waste and confusion.

9 Movements critical of economic liberalism and of the focus on growth and consumption within conceptualizations of development.
theories and policies and direct attention to the meso- and micro levels of economy and society as the suitable locations for development of theory, policy and action. Furthermore the more radical of these approaches build on the 1970s radical dependency theories in their critique of the hegemonic Eurocentric understanding of development itself. The concepts of poverty and development, they argue, are set by the “developed nations” themselves and are based on their historical experiences and perceptions which are very distinct from those in the economic South. They also agree that the Western world and not the developing countries were the greatest beneficiaries of the development strategies that have been employed (Potter 2000: 12-20). These trends they conclude, led to what has been termed an impasse in development studies (Schuurman 2000).

Development policy today is diverse. Poverty reduction remains important and policy tends to focus on small-scale localised strategies. Overall we can say that neo-liberalist values such as deregulation, privatisation and liberalisation have had a huge impact on current development models. On the other hand, post-modern values such as diversity, small scale participation and individual empowerment also play a role (Potter et al., 2004).

In what ways have definitions of poverty changed since the late 1970s when rather narrow static definitions of poverty as a lack of income and access to basic needs ruled? In summary we can say that current definitions focus on the complexity and dynamic character of poverty and diversity of “the poor”. In particular, the recognition of the relationship between gender and poverty and the fact that women are often the majority of the poor, has also been important during this period. The recognition of the feminization of poverty in this period has not lost its meaning over time: the Human Development Report 2005 for instance stresses that “gender disparities are among the deepest and most pervasive of inequalities” (UNDP 2005: 61).

Poverty is acknowledged to consist of multiple and interacting economic, social, infrastructural and environmental factors and to be imbedded in complex local realities (Bebbington 1999; Moser 1998; Sen 1999; World Bank 2000; Baud 2004). In order to capture the process of people moving in and out of poverty, concepts that incorporate these themes, particularly deprivation and vulnerability, have gained increased attention. Within institutions such as The World Bank, for instance, through the work of Deepa Narayan, changes in perceptions of poverty and the way poor people themselves are looked upon have also occurred. Images of the poor as passive victims have been replaced by an understanding of them as individuals, actively trying to influence their situation through multiple strategies and interactions with the institutions around them. Much more room is given to the perceptions and views of poor people themselves on poverty and development. Current ideas on poverty acknowledge the diversity and inequality among poor households. For example, differences resulting from the status of the household head; the stage in life-cycle; ethnicity; size of household and the number of able-bodied members to non-

10 These have been particularly important in the fields of human and economic geography.
able-bodied members. But feminist scholars have also highlighted the differences within households, for example with regard to gender, ability and age (Kabeer 1994). Realizing access to resources and assets is considered fundamental for poverty reduction and the interaction of households with enabling or undermining structures and institutions is considered crucial in this regard. In this current macroeconomic context, many of these principles are represented in the livelihoods approach which has become increasingly popular both as a tool to assess and reduce poverty (see for example Rakodi and Lloyd-Jones 2002 and Moser 1998).

These changes in the conceptualization of poverty are also reflected in the way poverty is assessed. Earlier poverty indicators such as GNP per capita and its later successors such as income, consumption and poverty lines have received much criticism. One of these critiques addresses the fact that these measurements ignored the complexity of poverty. Lack of income or consumption is not the only characteristic of poverty and therefore does not totally capture the meaning of being poor. Another critique considered their incapability to show the distribution of wealth within groups in society and within households (Rakodi and Lloyd-Jones 2002; Kabeer 1994). Furthermore the unproblematic relationship that was assumed between income and consumption on the one hand and aspects of well being on the other was condemned. A final critique addresses the assumptions made in calculation of poverty lines (McGee and Brock 2001), which is further addressed in Joseph-Brown’s paper in this issue.

Similar to the developments in definitions of poverty, measurements of poverty have also become increasingly complex as both Henry’s and Janssen’s paper will show. From the 1970s and 1980s measurements were expanded to encompass social issues such as health, nutrition, education and housing. Later gender equity, environmental quality and political and human rights were incorporated. This resulted in a large number of different indicators pointing at either one or some other aspect of poverty. As almost every country would realize positive results on at least one of these poverty indicators, it became possible to prove development statistically in every country of the world. The post-1990s has also been characterised by the emergence of composite measurements. The best known being the Human Development Index, developed by the United Nations which summarizes the achievements of a country on three main dimensions of Human Development: a long and healthy life (expectancy at birth is the indicator), knowledge (adult literacy and gross enrolment ratio) and a decent standard of living (GDP per capita- PPP US$). Over the years related measures of human development have emerged for instance by adding indicators on gender equity and poverty.iii These have however been critiqued for growth as GDP per capita still continues to be an important component.

In addition to a shift in indicators, the methods used to collect data on poverty have changed as well. There has been a change from collection of data only at macro-level to data collection at the level of individuals, households and communities. Furthermore participation of citizens in defining poverty and in data collection

11 These are – The GDI – gender-related development index; GEM – Gender Empowerment Measure and HPI – Human Poverty Index.
has increased considerably and is reflected in the World Bank’s participatory research initiative entitled *Voices of the Poor*. However, the expansion of poverty and development indicators has not silenced critics who argue that development is still portrayed as a linear process with its ultimate end being the Western ideal (Potter et al., 2004:9-11).

**Poverty and Statistics in Trinidad and Tobago**

In this issue the authors presented expand on these discussions in various ways. In her contribution, Lynette Joseph-Brown addresses the controversial question of data collection by discussing the use of the measure - PPP$ (Purchasing Poverty Parity). This indicator was developed in order to allow for international comparison of real incomes. After describing the method used by the World Bank to determine PPP$, Joseph-Brown elaborates on criticisms of both the concept of PPP$ itself as well as the methods used to establish it. These criticisms converge with the critique on conventional approaches to poverty assessment that were described earlier. Joseph-Brown elaborates on three main criticisms, namely that the conception of poverty used by the World Bank is arbitrary, that the perceived precision of the data is false since extrapolations are made from limited data and finally that international consumption as the base for assessing purchasing power equivalence is flawed as local conditions, and consumption patterns are not taken into consideration. The discussion presented leads Joseph-Brown to reject the notions of precision and authority usually attached to poverty figures based on PPP$. She concludes by calling for increased statistical literacy and for the collection of a range of social and economic data in Trinidad and Tobago itself. With these data, more appropriate assessments of macro-statistics on poverty such as those based on PPP$ can be made. Furthermore, based on these data more suitable poverty-alleviation programmes can be developed and their effects monitored.

Whereas Joseph-Brown examines the macro-statistical indicators on poverty, the article by Ralph Henry discusses poverty in Trinidad and Tobago by analysis of data produced at the national level. Using information on expenditure of households in food and non-food items in the Household Budgetary Survey of 1997/1998, to establish a poverty line, Henry found that approximately 24% of the population of Trinidad and Tobago was living below the poverty line. In this paper, Henry stresses that it is not so much the estimate of poverty itself “but the dynamics of poverty identified in data beyond the estimate that...provide better insights into the...issues faced in attacking poverty”.

In addition to the distribution of levels of poverty in Trinidad and Tobago, by gender, age, geographical location and ethnicity Henry examines coping strategies important to the Caribbean poor, namely migration and remittances, participation in the informal sector, the underground economy as well as the effects of the main interventions made by the state. Despite some success in short term reduction of...

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12 This was first presented in the World Bank’s *World Development Report* of 2001.

13 Similar critiques have been raised about the government’s mission for Trinidad and Tobago to achieve ‘developed country status’ by the year 2020. Although the Vision 2020 document attempts to localise it, the unqualified use of this term, has been seen as problematic.
poverty (largely financed from revenues of oil and gas), Trinidad and Tobago has not experienced sustainable poverty reduction. This, according to Henry, could be realized through improvements in the quality of its workforce, preparing it for the knowledge economy of the 21st century. Henry concludes that much more qualitative and quantitative information on the “reality faced by the poor and the perspectives they draw out of that reality in developing their own coping strategies is needed”.

With this last claim, Henry opens the floor to the article by Trix Janssen on Youth livelihoods and Poverty in The Beetham. Janssen, uses the more qualitatively inclined livelihoods approach to analyze the meaning and impact of poverty on livelihoods of youth in a deprived urban area. Janssen puts the perspectives and perceptions of the youth themselves centre stage. She describes the characteristics of human, financial, physical, natural and social assets available to these youth and the processes through which they realize access to these assets. Furthermore she depicts a detailed picture of how youth mobilize their assets in acquiring a livelihood and how they perceive and cope with the adverse conditions around them. Janssen, confirms Henry’s claim in this issue, of the failures of the Trinidad and Tobago’s education system and how their lack of skills together with issues of stigmatization and lack of adequate social and cultural capital, prohibit acquisition of regular formal employment. This has resulted in a continuum of livelihood strategies comprising temporary jobs, hustles and criminal activities. According to Janssen, in order to deal with their adverse situation, Beetham youth have developed a subculture with distinct norms and values from those in mainstream society. Janssen supports those theorists who argue that poverty does not only mean an absence of income, but in the case of the Beetham youth entails irregular and low waged labour; lack of access to education, financial services and a physical and socially unhealthy environment; stigmatization and low self-esteem. Finally she urges the government to use an integrative approach in addressing poverty that goes beyond the surface manifestations of crime and unemployment and tackles deeper underlying causes.

The first two papers in this issue critically assess the various statistical methods developed to measure poverty both in terms of their statistical correctness as well as their ability to reflect the dynamics and meaning of poverty. In his commentary, Norman Girvan, an important member of the Caribbean plantation economy school of the 1970s, reconfirms these criticisms and points to the philosophical and ethical difficulties underlying the use of poverty-lines. Poverty lines, he notes, do not reflect the reality of deprivation which entails much more than a lack of income. This is clearly demonstrated in the article by Janssen where the author gives a detailed picture of the complexity of poverty including the perceptions of their situation by the poor, others perception of them and the analysis of coping mechanisms.

We see this issue of Caribbean Dialogue as contributing to a larger discussion among academics, policy makers, government officials, civil society organisations and the poor themselves. We hope that it would make a

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14 The Beetham Gardens is a low income residential settlement close to the central commercial district of the capital, Port of Spain and the garbage disposal site and landfill. It emerged as a squatter settlement but later low-cost state supported housing was introduced.
valuable contribution to debates on strategies for more accurately measuring and reducing poverty in Trinidad and Tobago and beyond. Furthermore we hope that these papers could contribute to a more critical reading of existing poverty data and review of current poverty reduction initiatives.
References


