

Poverty and household welfare in Trinidad and Tobago: Evidence from the Survey of Living Conditions (SLC) 2005¹

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Abstract

Although Trinidad and Tobago was classified recently as a high income country, it has pockets of extreme poverty. We undertake this study to determine the rate of poverty and examine the determinants of poverty and household welfare based on the rich dataset – the Survey of Living Conditions 2005 – which was employed to collect socio-economic information both at individual and household level. The research objectives of this study were undertaken by constructing consumption aggregates to estimate poverty and using a quantile regression model to identify significant correlates that policy could target. Initial findings seem to indicate that the poverty level is higher than existing estimates, and that socio-economic and demographic characteristics play a significant role in household welfare.

Key words: poverty rate, quantile regression, Trinidad and Tobago

JEL classification:

1. Introduction

The Trinidad and Tobago (T&T) economy has enjoyed positive growth since 1994, which has largely been due to growth in the energy sector. Despite the rapid expansion of the economy, poverty and the alleviation of poverty still remain a persistent problem that needs to be solved if this country is to realise its goal to become a developed country by 2020. Our first objective is to estimate the poverty rate using a poverty line calculated by another study of poverty in T&T. Our second, and main objective, is to determine the factors that impact on household welfare in T&T. The estimated poverty rate is used as a guide in explaining the

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variations in household welfare observed in the results of the model. Both objectives of this research are carried out by employing cross section data from the Survey of Living Conditions (SLC) conducted in 2005.

In 2008, the World Bank, in its grouping of countries according to income, classifies T&T as a high income country⁴. As in most countries, and maybe at a higher incidence than would be expected for a 'high income' country, poverty exists in T&T and the reduction of poverty is an important enough problem to feature in the Vision 2020⁵ development strategy for T&T. T&T is rich in energy resources and there has been booming oil prices within the last few years, but portions of the population remain poor. Perhaps it is not such much that resources are a problem, but rather the difficulty lies in the efficient use of such resources. For instance, according to the European Union Mid-term Review on Trinidad and Tobago (2004), T&T has been attempting to alleviate poverty through a special program (Poverty Reduction Programme) but establishment of the program has been slow. This is one example which indicates that there needs to be a closer investigation of the targeting and delivery system of programs such as these.

There are two main reasons why a study such as this is very important at this time. Firstly, there are very few published studies that examine poverty in Trinidad and Tobago, which makes it essential that a study such as this one be undertaken so as to determine the variables that impact on welfare and therefore, a household's experience with poverty if welfare is low. It is expected that the results of this investigation would serve as a guide to policy analysis and the development of targeted poverty intervention and reduction strategies. Secondly, it appears that the good macroeconomic performance of T&T is not reflected in certain aspects in the economy. A recent IDB study on 'growth and competitiveness in Trinidad and Tobago' concludes that T&T could suffer from 'Dutch disease' as it once did after the boom

⁴ The World Bank classifies countries with a GNI per capita of 11,456 or more as a high income country. (Country classification available at: <http://go.worldbank.org/K2CKM78CC0>)

⁵ Vision 2020 is a development strategy which identifies policies and areas to advance the T&T economy, the principal goal of which is to achieve sustained growth and become a developed economy by the year 2020. The plan has five key pillars, and poverty reduction is one of the goals of the second development pillar: Nurturing a Caring Society.

(1974-1982) and during the bust (1983-1993) periods, once the high energy prices currently being experienced decrease⁶. This signals that policies need to be put in place to circumvent the experience of the population in the years following the boom.

The following section of the paper gives a brief description of the data collected through the Survey of Living Conditions (2005). Section 3 describes the methodology, and the results are discussed in Section 4. Section 5 concludes the paper.

2. Data

In this study data from the Survey of Living Conditions (SLC) 2005 is used to examine poverty in Trinidad and Tobago. The SLC is a national survey which was conducted during the months of June, July and August of 2005. The months chosen are generally standard months when there are no celebrations, festivals or special events. The fieldwork and data entry were conducted by the Central Statistical Office of Trinidad and Tobago. The questionnaire was administered to 3,621 households.

Data for the SLC 2005 was obtained under ten (10) main sections: Housing and Amenities Schedule, Characteristics of Household Members, Socio-Demographic Situation of Households, Health/Injury/Disability, Education, Economic Activity/Employment, Training, Income and Benefits, Safety and Crime and Expenditure.

In this study the entire section on expenditure was used since consumption was calculated by aggregating household expenditure on food and non-food items. In the expenditure section households were to give information on the consumption of 140 food items and 20 non-food items during a four-week period. Included in the questions on food and some non-food items were questions asking about items received as gifts and home produced goods. Items not included in the analysis from the expenditure section are taxes and other financial transactions.

⁶ Economic growth in Trinidad and Tobago has averaged 7.7 percent per year since 1994, however the energy sector represents 45% of GDP at present, making T&T vulnerable to oil price shocks.

Data for housing was taken from the 'housing and amenities schedule'. Households were asked to state their rent or, if the property was owned, its imputed rent was calculated from the value of its mortgage or the expected rent per month. Expenditure on utilities was also extracted from this section and included spending on water, electricity, telephone and internet services.

The dataset used is very rich and there is information on most aspects of expenditure. However, we could not include the consumer durables listed in question 25 (page 6) of the questionnaire. The information is documented as a stock i.e. consumers were asked if they owned certain items and how much of the items they owned. There was no information on cost or when the item was acquired, which is needed to calculate the use value of the product to the household. Expenditure on consumer durables that were recorded in the 'expenditure' section of the SLC were included in the consumption aggregates.

The SLC data was presented for distribution in five (5) separate databases: households, individuals, food expenditure, non-food expenditure and annual and quarterly expenditure. Each of the expenditure databases and the database containing households has a common household identifier, and the database containing individuals has a within-household personal identifier.

We use expenditure data, as opposed to income data, to estimate the poverty rate and to conduct our analysis on welfare. We use this consumption-based measure of poverty and welfare for two key reasons: First, information on income is generally sensitive, and households tend to understate income. Second, expenditure, and the subsequent consumption that it allows, is a more even measure of welfare through time than income, especially in economies where there is seasonal income or a substantial informal economy. Trinidad and Tobago has a large informal economy⁷ and it may be difficult to accurately estimate income from such activity or even to assign income values to the earnings of business involved in informal activity.

⁷ The informal sector was estimated to be between 14% and 36% during the 1970-1999 period with the potential to keep growing (Maurin et al. 2005)

To determine the variables that influence welfare we regress the log of total expenditure on several explanatory variables. The explanatory variables used in this study relate to the socio-economic and demographic characteristics of the household. The variables include the household size, age and the ethnicity of the head, the education level of the head and the industrial sector in which the head of the household worked. We also use regional dummies to investigate the impact of geographical location on the welfare of the household.

3. Methodology

3.1 *The Poverty Rate*

Before employing the data to estimate the poverty rate, we prepared the data and constructed consumption aggregates for all households based on international guidelines, as detailed in a paper by Deaton and Zaidi (1999) (Appendix 1). We used fairly disaggregated price indices to make adjustments for cost of living differences across regions of T&T⁸, and finally, we used an equivalence scale formulated for the Caribbean population (Appendix 2) to adjust for the differences in consumption due to the demographic composition of households.

For this study we adopt a poverty line to estimate the proportion of persons that are poor. Various methods have been used to construct poverty lines (Ravillion and Bidani 1994, Deaton 1997, Ravillion, 1998). Poverty lines can vary and are considered to have a degree of arbitrariness in their construction.

The most common measure quoted in the wider poverty literature is the head count index. The head count ratio is simply the fraction of people in poverty. It ignores the degree of poverty and would be unaffected by a policy that, for instance, makes the poor even poorer. We move away from relying on defining a poverty line to analyse poverty and employ the quantile regression technique to determine factors that impact on household welfare, and, ultimately, on poverty.

⁸ Regional cost of living price indices were obtained directly from the Central Statistical Office of Trinidad and Tobago, as this data is not published.

3.2 The Quantile Regression Technique

There are some cases where, using Ordinary Least Squares (OLS) with its concentration on the conditional mean, may offer knowledge of the relationship among the variables being investigated. However, there are instances when focus on the entire distribution is more necessary, especially where there are policy implications and conclusions to be drawn. These drawbacks can be addressed by a concept introduced by Koenker and Bassett (1978) called quantile regression. To date, quantile regression modelling has been used in a wide range of fields such as economics, education, ecology and finance. Specifically, in the case of poverty and welfare studies, focus is on the left tail of the distribution and this procedure is less sensitive to outliers and is more robust than OLS in the presence of heteroscedasticity. The quantile regression procedure minimizes the sum of errors rather than the sum of the squared residuals (errors), as is the case with OLS. If the error disturbances are heteroskedastic then the asymptotic standard errors estimated may be inconsistent. One of the ways to deal with this is to use bootstrap standard errors. In this study 300 bootstrap replications were performed to obtain bootstrap standard errors.

Based on the extant literature on poverty, we use a number of household, economic and demographic variables as possible determinants of welfare and explore household consumption expenditure⁹ for specific quantiles of the welfare distribution. Quantile regression permits us to obtain a comprehensive view of the relationship between the welfare distribution and the explanatory variables. We are able to examine the characteristics of households at the lower quantiles and those at the higher quantiles. We use four (4) quantiles in this paper: the 10th, 25th, 50th and 75th. This permits us to focus on the impact of characteristics for poor households at the lower end of the distribution (lower quantiles) and for the relatively better off households at the high end of the distribution (higher quantiles). Table 1 provides summary statistics of the explanatory variables used in the model.

⁹ Deutsch and Silber (2005, p.170) compared 4 different methods to analyzing poverty and reported that “.....the impact on poverty of many of the variables is not different from the one that is observed when poverty measurement is based only on the income or the total expenditures of the households.”

Table 1: Summary Statistics of Explanatory Variables used in the Model

Explanatory Variable	Mean	Std. Dev.	Min	Max
Area of Residence of Household: (<i>Base category: Tobago</i>)				
Port of Spain	.0363256	.1871084	0	1
San Fernando	.0462779	.2100967	0	1
Borough of Arima	.0263734	.1602511	0	1
Borough of Chaguanas	.0536425	.2253221	0	1
Borough of Point Fortin	.0164212	.127095	0	1
St. George	.3443471	.4751786	0	1
Caroni	.0894705	.2854359	0	1
Nariva-Mayaro	.0330414	.1787536	0	1
St. Andrew-St.David	.0458798	.2092347	0	1
Victoria	.1517715	.3588171	0	1
St. Patrick	.1080812	.3104984	0	1
Sex of Head of Household (Male)	.4937891	.4999863	0	1
Age of Head	40.57895	18.3446	15	99
Size of Household	4.450836	2.243904	1	15
Years of Education (Head)	11.22437	12.04682	0	45
Ethnicity of Head (<i>Base Category: Other</i>)				
African	.4122686	.4923111	0	1
Indian	.3661232	.4818103	0	1
Chinese	.0046974	.0683861	0	1
Syrian/Lebanese	.000829	.0287837	0	1
Caucasian	.0046974	.0683861	0	1
Mixed	.2094501	.4069724	0	1
Industrial Sector where Head of Household is Employed (<i>Base Category: Water and Electricity</i>)				
Agriculture, Hunting, Forestry and Fishing and Mining and Quarrying	.3492678	.4768046	0	1
Manufacturing	.072672	.2596332	0	1
Construction	.0107765	.1032631	0	1
Wholesale and Retail Trade, Restaurants and Hotels	.1127383	.3163164	0	1
Transport, Storage and Communication	.0873169	.2823379	0	1
Financing, Insurance, Real Estate and Business Services Community, Social and Personal Services	.0558165	.2295988	0	1

We report the poverty rate and discuss the results of the quantile regression model in the next section of the paper. For comparison purposes we also report the Ordinary Least Squares (OLS) estimates for the effect of the variables on the log of household expenditure.

4. Results

4.1 *The Poverty Rate*

Using the equivalence scale calculated for the Caribbean region, the poverty rate estimated in this study indicates that 22% of the population is poor¹⁰. To obtain this estimate we adopted a poverty line of TT\$665 per individual per month, which was calculated in another study (Kairi Consultants Limited 2007). The poverty line is that amount of expenditure (welfare) that differentiates poor households from non-poor households. For instance, using the Caribbean equivalence scale and a poverty line of US\$2.75 per day (adjusted for purchasing power parity), we calculated a poverty rate of 26% for Trinidad and Tobago. The poverty rate is very sensitive to the value calculated or set for the poverty line, and because poverty lines vary, across time and space, it makes the issue of poverty comparisons very complex.

4.2 *The Quantile Regression Model*

Results of the quantile regression are presented in Table 2. The fit of the model is estimated by Pseudo-R² for the four quantiles, which is shown at the end of Table 2. The signs on the parameters were expected and there were no counter-intuitive results. The OLS estimates are presented in the last column of the table.

¹⁰ This contrasts with a figure of 17%, which was reported by Kairi Consultants Limited (2007). The disparity between the rates is possibly due to the way total household expenditure is computed and/or different ways of treating data (see Szekely et al. (2000)).

**Table 2: Results of the Quantile Regression
(OLS results show for comparison)**

Explanatory Variables	10th Quantile	25th Quantile	50th Quantile	75th Quantile	OLS
Area of Residence of Household: (Base category: Tobago)					
Port of Spain	0.634*** (0.207)	0.553*** (0.140)	0.440*** (0.105)	0.447*** (0.084)	0.504*** (0.077)
San Fernando	0.917*** (0.195)	0.715*** (0.113)	0.488*** (0.109)	0.521*** (0.080)	0.619*** (0.072)
Borough of Arima	0.888*** (0.256)	0.828*** (0.121)	0.571*** (0.106)	0.498*** (0.107)	0.617*** (0.092)
Borough of Chaguanas	0.631*** (0.188)	0.540*** (0.117)	0.302*** (0.095)	0.324*** (0.076)	0.432*** (0.072)
Borough of Point Fortin	0.411* (0.214)	0.314** (0.144)	0.123 (0.130)	0.138 (0.119)	0.306*** (0.095)
St. George	0.653*** (0.178)	0.453*** (0.092)	0.211*** (0.078)	0.173*** (0.059)	0.334*** (0.054)
Caroni	0.673*** (0.191)	0.547*** (0.099)	0.291*** (0.089)	0.271*** (0.088)	0.427*** (0.066)
Nariva-Mayaro	0.444** (0.196)	0.320*** (0.109)	-0.026 (0.100)	0.004 (0.104)	0.138* (0.082)
St. Andrew-St.David	-0.029 (0.250)	0.078 (0.119)	-0.143 (0.096)	-0.008 (0.091)	-0.012 (0.073)
Victoria	0.345* (0.184)	0.231** (0.105)	0.065 (0.084)	0.089 (0.076)	0.178*** (0.060)
St. Patrick	0.241 (0.182)	0.103 (0.104)	-0.086 (0.090)	-0.068 (0.072)	0.040 (0.062)
Sex of Head of Household (Male)	0.125*** (0.038)	0.166*** (0.040)	0.157*** (0.026)	0.174*** (0.030)	0.168*** (0.026)
Age of Head	0.007*** (0.002)	0.006*** (0.001)	0.005*** (0.001)	0.007*** (0.001)	0.006*** (0.001)
Size of Household	0.094*** (0.008)	0.091*** (0.008)	0.091*** (0.007)	0.086*** (0.008)	0.090*** (0.006)
Years of Education (Head)	0.002* (0.001)	0.003*** (0.001)	0.006*** (0.002)	0.009** (0.004)	0.004*** (0.001)
Ethnicity of Head (Base Category: Other)					
African	-0.457*** (0.165)	-0.061 (0.226)	-0.035 (0.209)	0.002 (0.215)	-0.099 (0.256)
Indian	-0.215 (0.167)	0.087 (0.228)	0.114 (0.212)	0.130 (0.219)	0.054 (0.256)
Chinese	0.296 (0.266)	0.372 (0.273)	0.346 (0.333)	0.383 (0.376)	0.397 (0.303)
Syrian/Lebanese	-1.349 (1.726)	-1.443 (1.866)	1.680 (1.696)	2.314 (1.476)	0.800* (0.465)
Caucasian	0.147 (0.427)	0.869** (0.385)	0.818*** (0.279)	0.627** (0.245)	0.578* (0.306)

Explanatory Variables	10 th Quantile	25 th Quantile	50 th Quantile	75 th Quantile	OLS
Mixed	-0.307* (0.168)	0.010 (0.229)	0.031 (0.211)	0.099 (0.218)	0.006 (0.256)
Industrial Sector where Head of Household is Employed (Base Category: Water and Electricity)					
Agriculture, Hunting, Forestry and Fishing and Mining and Quarrying	-0.290*** (0.059)	-0.291*** (0.052)	-0.234*** (0.042)	-0.260*** (0.045)	-0.262*** (0.034)
Manufacturing	-0.192** (0.079)	-0.198*** (0.059)	-0.111* (0.060)	-0.085 (0.060)	-0.141*** (0.047)
Construction	0.387* (0.202)	0.391*** (0.110)	0.212*** (0.062)	0.066 (0.118)	0.234** (0.110)
Wholesale and Retail Trade, Restaurants and Hotels	-0.209*** (0.057)	-0.234*** (0.058)	-0.238*** (0.038)	-0.329*** (0.042)	-0.265*** (0.040)
Transport, Storage and Communication	-0.030 (0.077)	-0.012 (0.050)	-0.082 (0.052)	-0.103** (0.051)	-0.085** (0.043)
Financing, Insurance, Real Estate and Business Services Community, Social and Personal Services	-0.004 (0.135)	-0.031 (0.064)	-0.059 (0.065)	-0.060 (0.075)	-0.052 (0.052)
Constant	6.270*** (0.248)	6.475*** (0.254)	7.097*** (0.239)	7.393*** (0.256)	7.014*** (0.267)
Pseudo R2	0.1260	0.1109	0.1107	0.1102	0.19
Observations	3604				

Standard errors in parentheses (provides robust results (see Koenecker and Hallock 2001)

* significant at 10%; ** significant at 5%; *** significant at 1%

In terms of geographical locations and in comparison to households located in Tobago, the results show strong positive regional patterns in consumption, except for the counties of St. Patrick and St. Andrew- St. David, where no quantile was significant in either of these counties. Location in these two counties had no impact on welfare levels. However, households situated in the areas with significant positive coefficients would find it beneficial to live in those areas. In most of the other regions households had significantly lower consumption at the higher quantiles, indicating that households tend to be consumption poor at the higher quartiles. The counties of Nariva-Mayaro and Victoria have a positive relationship with consumption at the two lower quartiles. The area with the weakest association to consumption (and significant) was the county of Victoria, while the strongest association was in the city of San Fernando. Of note is that there is not enough information in the SLC data to examine households' access to services and infrastructure, nor is there knowledge of community characteristics (health

services, schools, recreation facilities) to do a more comprehensive analysis of welfare according to regional location.

With regard to the sex of household head, the results show that male headed households have a positive association with welfare, which increases as we move from poorer households to richer households. Many studies have shown that male headed households tend to fare better than female headed ones (Barros et al. 1997) since female headed households have less access to resources and tend to also face discrimination (World Bank, 1991). This points to the constant need to include gender specific policies in formulating policies aimed at poverty alleviation.

Age has a weak positive association with the household's standard of living. The results indicate that the age variable was significant in all of the quantiles - this suggests that older head of households are associated with higher household welfare and by inference less poverty. This result can probably be attributed to measures such as the minimum monthly retirement pension of \$1,000 implemented in 2004. To strengthen the relationship between age and welfare there is a greater need for social safety nets and other such measures to target older persons, especially as a means to prevent them from slipping over the poverty threshold in the future. Such actions become even more important in light of the aging population in Trinidad and Tobago.

Household size was significant and positively related to household consumption across all quantiles, with the weakest association at the 75th quantile. This is in sharp contrast to most of the results obtained in other studies, where larger households are more susceptible to falling into poverty than smaller households (Lanjouw and Ravillion, 1995). A possible explanation could be related to the composition of households. Larger households could mean that there more persons in the household who can contribute to the economic welfare of the household. A closer examination of this variable, disaggregated according to age and composition of the household, indicates that over 60% of households are comprised of persons who could be economically active (aged between 18-60 years) within those households.

The level of education of the head is significant at all quantiles of the distribution, but with a weak association. As we move from the 10th quantile to the 75th quantile we see that

the coefficient increases and it is at its highest level at the 75th quantile, signifying that education has a stronger effect on the welfare of richer households. For rich households, every year of education increased welfare by 9%, whereas for poor households it increases welfare by only 2%. Measures need to be put in place for education to play a greater role in pulling households out of poverty. Over the past two decades there have been significant increases in secondary school enrollment and participation at the tertiary level. Of note is that an evening university has been established at the major university and another tertiary level institution has been put into operation. However, there appears to be deficiencies associated with the quality of education offered. In the World Bank's "En Breve" (2005), it is suggested that high spending in education is not proportionate to educational outcomes in the Caribbean and that the quality of education could be the issue. It might be useful for a more in depth investigation into issues like quality, access and dropout rates in Trinidad and Tobago.

It is clear from the results that ethnicity does impact on consumption levels and by inference on poverty status. The variable for ethnicity while significant at few quantiles indicates that Afro-Trinidadians and Mixed Trinidadians were represented in the poorest quantile of the population with negative associations with the welfare distribution. We find that Syrian/Lebanese had a positive association with welfare at the top 25% of the welfare distribution, while Caucasians were in the top three quantiles with positive high levels of consumption. This suggests that Afro-Trinidadian and Mixed Trinidadian households do not enjoy high levels of welfare as do Syrian/Lebanese and Caucasians households. Results such as these indicate a need for further investigation into issues such as education level and skill endowments for the different ethnic groups.

The construction sector seems to be the only sector that benefitted from the expansion of the economy that started in 1994. An examination of the industrial sector where the household head is employed reveals that households heads employed in the Agriculture, Hunting, Forestry and Fishing and Mining and Quarrying' had a negative relationship with consumption in all four quantiles, signifying their disadvantage in working in these sectors and the resulting experience with being poor. Households employed in the manufacturing sector also tended to be poor, with significant coefficients in the lower two quantiles of the

distribution. Of note is the significant and positive effect of working in the construction sector, which was particularly strong at the lower and median quantiles of the distribution, however, with no significant result in the richest quantile of the population. Similar to heads employed in the Agriculture, Hunting, Forestry and Fishing and Mining and Quarrying' sector we observe a negative and significant effect for households employed in the Wholesale and Retail Trade, Restaurants and Hotels sector of the economy in all four quantiles. This result reveals that households in these industrial sectors have reduced welfare levels. The last two industrial sectors in Table 2 had no significant coefficients, except for 'Transport, Storage and Communication', which had a negative coefficient in the 75th quantile. These results point to the serious and urgent need for there to be greater focus in other sectors of the economy if T&T is to decrease the incidence of poverty, sustain its economic growth in the face of declining oil price and become more competitive¹¹. The comparator sector is 'Electricity and Water'.

An examination of the OLS results in the last column indicate that it does not allow an indepth analysis of welfare, as one could obtain from the quantile regression results. The results are close to the results obtained at the median quantile and so there is no information and consequently no analysis at the ends of the welfare distribution.

5. Conclusion

In this study a poverty rate of 22% was calculated for the population of Trinidad and Tobago. Additionally an attempt was made to advance our understanding of the determinants of welfare in Trinidad and Tobago by using the quantile regression technique. Broadly, we found that area of residence, household size, the age, ethnicity and years of education of the household head, and the industrial sector of employment of the head proved to impact on the welfare level of the household. Data limitations prevent us from conducting a comprehensive analysis of some of the results we obtained, for example, regional location and the lack of data on community characteristics.

¹¹ Trinidad and Tobago has been on a downward decline in global competitiveness since 2004. According to the Global Competitiveness Report released in October 2008, Trinidad and Tobago moved from the 82nd place to the 94th place out of 134 countries. Barbados is in the 47th place and Jamaica is in the 85th place.

Continued research and analysis of poverty and poverty monitoring in Trinidad and Tobago requires data. We are proposing that the SLC be conducted on an annual basis so that poverty and changes in poverty and general living conditions can be monitored. Adoption of this practice is liable to cost less to implement these surveys annually, than to initiate the process every four (4) years – the initiation costs alone are certain to be quite prohibitive. Further, the data should be made more accessible to researchers and other individuals interested in analysing the data. Quite recently, Osorio (2008) discussed the merits of free access to primary data and the benefits that governments could gain by making such data available in a standard and easily accessible format. He highlights benefits such as free consultancy analysis and the selection of policy options that could result from the various researchers undertaking the task.

The work in this research paper, while not adequate enough to facilitate the formulation of poverty reduction strategies, or targeted policy, it can serve as a general guide as to the direction of welfare trends. To carry out a more in depth examination of poverty and as an addition to this work we intend to calculate a group of poverty measures that explain the poverty gap and the intensity of poverty in Trinidad and Tobago.

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APPENDIX 1**Details of construction of the Consumption Aggregates used in this study**

Food and Non-Food Expenditure were taken from Section 10 of the SLC

Food Consumption

Included under this aggregate were expenditures on:

- Food purchased
- Food that is home-produced
- Food received as gift or in-kind payment
- Meals consumed outside the home

Non-Food Consumption

All items in section 10, except for 'Income tax and other taxes' and items under the label 'other'.

Housing**Information on Housing Expenses (including utilities) were taken from Section 1 of the SLC**

Rent or if the dwelling is owned by the household or received free of charge, an estimate of the annual rental equivalent was included in the consumption aggregate. Included here were utility expenses.

APPENDIX 2**Caribbean equivalence scales**

Age in Years	Men	Women
<1	0.270	0.270
1-3	0.468	0.436
4-6	0.606	0.547
7-9	0.697	0.614
10-14	0.825	0.695
15-18	0.915	0.737
19-29	1.000	0.741
30-60	0.966	0.727
61 plus	0.773	0.618

Source: Kairi Consultants Ltd. (2007) Analysis of the 2005 Survey of Living Conditions for Trinidad and Tobago.