

NATIONAL POVERTY ELIMINATION ACTION PLAN 2007-2011

ANNEX 1: SYNTHESIS OF METHODOLOGY FOR ESTIMATING POVERTY AND INDIGENCE LINES

This Annex draws heavily on the Introduction Chapter of the 2002 Poverty Assessment Report to synthesize the methodology applied by the Central Statistical Office to measure poverty in Belize. As indicated in the Executive Summary and Introduction of that Report, the statistics from which the estimates and indicators were calculated were collected through the Living Standards Measurement Survey (LSMS). In an attempt to mitigate against the typical reluctance to share information on incomes, the LSMS collected data on expenditures. The specific data collected was on individuals' expenditure on food and non-food items for two periods-seven (7) days and Thirty (30) days prior to the survey date.

Described in the methodology section of the above-referenced Chapter, *the main parameter on which the poverty indicators were established is the cheapest cost of a 2,400 calorie basket*. This level of caloric intake is indicated by the Caribbean Food and Nutrition Institute as the minimum daily food requirement per adult. The list of items comprising the basket used in the calculations reflected the dietary preferences of Belize, and the prices used were from the February round of price collections for the compilation of the Consumer Price Index. In addition, since minimum nutritional requirements vary by age and sex, expenditures' were determined by using the appropriate adult equivalents for household members. The report cites instances of the minimum requirement for a baby calculated at 27% of the adult requirement or 648 calories, and for a 14 year old girl set at 69.5% of the adult requirement or 1,668 calories.

As implied above, the indigent and poverty lines were established using the caloric intake, so that the *Indigent Line is the minimum cost of food requirement necessary for healthy existence*. The **Poverty Line** on the other hand is based on the minimum estimated cost of both basic food and non-food items that a household requires to meet its basic needs, and was derived by adding the non-food cost to the indigent line. The non-food cost estimated was based on the spending pattern of the food share of the poorest 40% of the population (as measured by the expenditure on food). The monthly indigence and poverty lines generated are reproduced in Table A below.

Table A: Indigence and Poverty Indicators for Belize per 2002 LSMS BZ\$

District	Minimum Cost of Daily Requirements /Daily Indigent Line	Monthly Indigent Line	Monthly Poverty Line
Corozal	3.41	102.30	192.32
Orange Walk	3.33	99.90	178.82
Belize	3.64	109.20	222.77
Cayo	3.03	90.90	150.69
Stann Creek	3.41	102.30	179.03
Toledo	4.29	128.70	236.81