



# **Bahamas Living Conditions Survey 2001**

## **Summary**

**Department of Statistics  
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## Who are the poor in The Bahamas?

The face of Bahamian poverty is largely masked by the country's low poverty rate of about 9%; indeed, only some 5% of households fall below the annual poverty line of \$2,863 per person. Distribution and rates of poverty vary dramatically throughout the archipelago. While most poor people—nearly 76%—live in the densely populated, urban areas of New Providence and Grand Bahama, the poverty rate there is less than the national rate. By contrast, in the sparsely populated region known as Other Family Islands, where less than 6% of the poor live, the poverty rate is nearly 21%. Moreover, poor rural residents struggle harder than the urban poor to meet basic human needs (see chapter 2).

### FACTS ON BAHAMIAN POVERTY

- Nearly 75% of all poor Bahamian households have five or more members.
- Households headed by widows, females, Haitian nationals, and those in common-law relationships have poverty rates above the national average.
- Households headed by single female parents comprise 45% of all poor households.
- Poor people are more likely to be employed in private enterprise or the informal sector.
- About 42% of poor household heads have completed some secondary schooling.
- Older, retired household heads on a pension or who receive remittances from non-residents are vulnerable to poverty.
- About 34% of poor youth, ages 19–24, are out of school and unemployed.
- More than 50% of the country's poor are children 14 years of age or younger.

#### Poor children are . . .

- Less likely to have an early childhood education.
- More likely to repeat a grade in primary school.
- Less likely to attend college or university.

#### Housing conditions

- 58% of poor families rent, rather than own, their homes.
- 54% has no piped water.
- 33% lacks access to a flush toilet.
- 50% crowds more than three people into each bedroom.

# Executive Summary

## OVERVIEW

Quality of life in The Bahamas is an intricate balance of social, economic, cultural, and geopolitical factors. The dynamic interplay of demographic, health, and educational characteristics influences access to the country's community and social services, housing, and employment opportunities. Participation in these sectors, in turn, affects expenditure and living standards, thereby determining households' relative wealth or poverty and societal cohesiveness.

To better understand how the interplay of socioeconomic forces affects residents' well-being and to bring about improvements for the country's poor, The Government of the Commonwealth of the Bahamas (GOBH) undertook the first-ever Bahamas Living Conditions Survey (BLCS). Conducted in 2001 by the Department of Statistics and Ministry of Health, the Survey analysed both monetary and non-monetary factors that determine overall household well-being. Taken together, the findings that emerge from these analyses provide an overall picture of the state of living conditions in The Bahamas.

Utilizing the results of the 2000 Census as the bases for a sample frame,<sup>1</sup> The BLCS aimed at slightly more than 2,000 households, randomly selected throughout the country, representing about 2% of total households. The islands of the archipelago were grouped, by population size, into four regions. Per-capita expenditure was categorized into quintiles and deciles (see Technical Appendix). The quintiles were utilized in the analysis presented in this report.

The Survey focused on eight interrelated issues: demography and migration, poverty, household expenditures, health, education, employment, access to community services and social programmes, and housing.

## HIGHLIGHTS OF THE FINDINGS

### *Demography and Migration*

As discussed in chapter 1, The Bahamas is characterized by extreme regional disparities in population distribution, which mirror large regional disparities in living standards.

Residents of New Providence and Grand Bahama (Region 1), who enjoy the highest standard of living, comprise 85% of the country's population of just over 300,000. Sixty-nine percent of the population live in New Providence alone. Of those in the wealthiest expenditure quintile, some 91% live in Region 1, compared to 7% in Region 2 (Abaco, Andros, Eleuthera) and only 1% each in Regions 3 (Exuma and Long Island) and 4 (Other Family Islands). Whilst 77% of persons in the poorest quintile—those whose per-capita expenditure is less than \$3,968—live in Region 1, their proportion is lower than that of the overall population (85%). Conversely, in the other three regions, the proportion of persons in the poorest quintile is higher than their share of the overall population. For all regions except Region 1, at least 50% of the population—more than 59% in Region 4—have a per-capita expenditure of less than \$5,948.

Standard of living varies greatly amongst nationalities. Bahamians, who represent 89% of the population, comprise nearly 88% of those in the wealthiest quintile and just over 84% in the poorest quintile. Haitians, who represent only slightly more than 6% of the total population, account for more than 14% of those in the poorest quintile and only about 1% of those in the wealthiest (i.e., those whose per-capita expenditure is \$13,447 or higher). Within recent immigrant groups, nearly 84% of Haitians have a per-capita expenditure of less than \$8,524, whilst 91% of those from the UK, U.S., or Canada and 56% of those from other Caribbean countries have a per-capita expenditure of \$8,524 or higher.

Forty-five percent of households in the poorest quintile have six or more members, compared to slightly more than 1% of those in quintile 5. Female headed households (FHHs) account for a greater proportion of households with six or more members than do male headed households (MHHs). Moreover, the share of FHHs is highest in the poorest quintile (50%) and lowest in the wealthiest (33%). As mentioned in chapter 2, female heads require higher levels of schooling than their male counterparts to reduce the risk of poverty.

## Poverty

The poverty line represents the minimum expenditure necessary for an individual to satisfy basic needs over a specific reference period (e.g., per day). This cost is estimated in two stages. In the first stage, the minimum expenditure needed to purchase a nutritionally adequate diet is calculated. This amount is often referred to as the *food poverty line*. In the second stage, the minimum required cost of non-food items, such as clothing and shelter, is estimated. The sum of these two estimates equals the poverty line. In chapter 2, the minimum amount of money necessary to purchase an adequate low-cost diet with allowances for non-food needs was estimated at \$7.84 per person per day, which translates into an annual poverty line of \$2,863 per person.

On this basis, the national poverty rate for The Bahamas is 9.3%, which is lower than Barbados (13.9%) and the United States (12%). The rate is slightly lower in Region 1 (8.3%), but significantly higher in the other regions, with the highest rate found in Region 4 (21%). Notwithstanding this finding, given the distribution of the population, 76% of all poor people live in Region 1.

Nearly 75% of all poor households have five or more members, and 45% of all poor households are headed by single female parents. Moreover, 50% of the country's poor are children, 14 years of age or younger.

## Household Expenditure

As discussed in chapter 3, the average per-capita food expenditure is about \$8.41 per day, of which 34% is spent on food eaten away from home. Food expenditures vary with living standards in predictable ways—that is, the share of total expenditure on food items declines as living standards rise. Rent (actual or imputed) represents the largest non-food expenditure and is uniformly above 32% for households across the spectrum of economic well-being.

## Housing

Chapter 8 highlights that households in the lowest quintile, whose average monthly housing expenditure is \$1,374, have a housing quality index (HQI) of only 69; by contrast, those in the highest quintile, with an average monthly expenditure of \$4,393, have an HQI of 86. Households in the two poorest quintiles have significant levels of overcrowding. In terms of construction materials,

the wealthiest and poorest quintiles differ significantly. In quintile 5, 81% of dwellings are made of concrete block or slab, compared to only 43% of those in quintile 1, which are more likely made of wood or stucco. Ninety-six percent of households in the wealthiest quintile live in dwellings with running water, compared to only 62% of those in the poorest quintile.

Shelter costs (mortgage and rent), along with real property tax, account for the highest percentage of expenditure on household operations across all regions and quintiles. Shelter costs represent more than 61% of household operating expenses and more than 24% of total consumption expenditure. Households in the poorest quintile spend nearly 67% of household operating costs on shelter, whilst those in the wealthiest quintile spend more than 60%. Households in quintile 1 have an average mortgage expense of about \$474, compared to nearly \$1,440 for those in quintile 5. Households in the poorest quintile spend more than 26 cents out of every consumption dollar on mortgage or rent, a higher proportion than for any other quintile.

## Health

With regard to chronic and non-communicable diseases, The Bahamas has characteristics similar to those of industrialized countries. As discussed in chapter 4, the prevalence of self-reported diabetes outside Region 1 is of special concern and may be related to elevated levels of adult obesity and low consumption of complex carbohydrates. Nearly 1 out of every 10 persons has a self-reported history of hypertension. The proportion of self-reporting increases by quintile—from 6% in the lowest to 13% in the highest—which may reflect a tendency of wealthier individuals to seek health care.

The Survey found that 14% of children 2–10 years of age are overweight and 6% are underweight. As mentioned in chapter 2, the policy response to this phenomenon depends on its underlying causal mechanism. Adolescents (individuals 11–20 years of age) living in households with overweight adults are four times more likely to be overweight or at risk of becoming overweight than those not living in such households. Overweight and obesity problems worsened progressively with age. Amongst adults 21–60 years, 34% are overweight and a further 32% obese. Overweight prevalence is higher amongst males (37%) than females (32%). Conversely, obesity is more prevalent amongst females (37%) than males (24%).

As wealth increases, the proportion of visits to public-health facilities decreases, whilst visits to local private practitioners or those abroad increase, indicating that private providers are the preferred choice. In terms of health insurance, about 51% of respondents report having coverage; only 20% of those in the poorest quintile have coverage, compared to 75% of those in the wealthiest quintile.

### Education

The developed region of New Providence and Grand Bahama is the seat of tertiary education, as well as the majority of the country's pre-schools. As chapter 5 highlights, students from outside Region 1 depend almost entirely on Government-operated schools for their education. They are typified by lower attendance records and higher repetition rates, particularly in Regions 2 and 4. As discussed in chapter 2, high rates of repetition represent a significant cost to both society and individuals. Students from the poorest quintile have considerably lower representation in pre-school, are less likely to attend tertiary schools, and are more likely to exit the educational system without qualifications.

For enrolled children between the ages of 0 and 21 years, uniforms represent less than 8% of total educational expenditure for those in the wealthiest quintile, compared to more than 34% for those in the poorest. Uniforms are a substantial burden for households in Regions 3 and 4, where they account for more than 41% of total educational expenditure, compared to about 22% for the country overall.

### Employment

The Bahamas is a country of extreme worker inequality, both across and within regions. As discussed in chapter 6, the socioeconomic status of Region 1 workers outstrips that of all other regions. Not surprisingly, Region 1 workers' educational level and academic qualifications also surpass those of the other regions. With regard to overall living standard, low levels of academic achievement typify workers in the two lowest quintiles. Workers in quintiles 4 and 5 have the lowest unemployment rates, whilst their level and nature of participation in the labour force are higher. Employment opportunities outside Region 1 are more limited, with a significant proportion of self-employment in Regions 2, 3 and 4 at the subsistence level. Education at the tertiary level is needed to allow people from lower quintiles to move into the highest quintile, suggesting that action is required to ensure that tertiary-level education is made accessible and affordable to all.

### Access to Services and Programmes

As discussed in chapter 7, the archipelagic nature of The Bahamas makes it difficult to develop community services and social programmes that serve everyone equally. Uneven distribution of population and transportation—within and between islands—exacerbates the difficulty. To reach a hospital—located only on the two islands in Region 1—more than twice as many lower-expenditure residents (26%) as higher-expenditure ones (12%) must travel over water.

Whilst children from the lower-expenditure groups and households outside of Region 1 participate in the National School Lunch Programme (NSLP), coverage is low. As mentioned in chapter 2, at its present coverage level, the NSLP is unlikely to have a major impact on the poor.

### LOOKING AHEAD

The BLCS 2001 findings chart the difficulty of servicing all of the Commonwealth's residents evenly, given the archipelago's highly uneven distribution of population. Indeed, concentrated population patterns affect the cost-effectiveness of social policies. Given that 76% of all poor people live in Region 1, for example, serious efforts aimed at alleviating or reducing poverty must focus there; the data also reveal, however, that the proportion and depth of poverty are greater in more sparsely populated, rural areas. Thus, the challenge for policy planners is to avoid marginalizing any particular group while ensuring that the neediest are provided a social safety net. The mean gap or shortfall of a poor person from the poverty line is approximately \$873 annually, meaning that \$24 million will be required to lift all poor people to the line and eliminate poverty.

Across health, education, and housing sectors, similar data patterns emerge; that is, as household-expenditure quintiles rise, residents tend to shift from public to private or foreign health care and from Government-funded to private schools; they also tend to own, rather than rent, their homes. That the socioeconomic status of Region 1 workers far surpasses that of all other regions underlines the need to improve accessibility and affordability of services and programmes. Moreover, grappling with the social causes of low coverage rates for well-targeted programmes, such as the NSLP, call for further research. Finally, many successful programmes, such as the National Breastfeeding Campaign, have failed to influence the social behavior of citizens outside Region 1 on a large scale.

Clearly, to empower more citizens to assume greater responsibility for their health, the BLCS data imply that promotional campaigns must be targeted more evenly across all four regions. Similarly, the educational findings imply that new, more flexible ways of expanding education and training opportunities outside of Region 1 should be emphasized. Distance learning and adjusting academic calendars to enable rural children to participate in their families' seasonal businesses are two such examples.

Effective follow-on research and policy solutions will require forging appropriate linkages across and within sectors. For example, national occupational health-safety ini-

tiatives must include labour, education, and other social agencies and should require linkages to the workplace and school environment. Similarly, developing appropriate training programmes or other interventions oriented to the labour market will require coordinated research on the quality and relevance of secondary education. Finally, how welfare policy addresses the issue of affordable housing is critical to how the country addresses poverty and equity. The in-depth analysis of the social safety net called for in chapter 2 requires building on this study and conducting intersectoral analyses to assess the suitability of current programs, target populations, criteria, and benefit levels.