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Belize: Economic Stagnation, Unemployment Blamed for Worsening Living Conditions

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Nearly 50% of all Belizeans are considered poor, as revealed by the Country Poverty Assessment (CPA) 2009 report, published last month by the Ministry of Economic Development, Commerce, Industry, and Consumer Protection.

The study found that, between 2002 and 2009, the number of people living below the poverty line increased from 34% to 43% of the population, meaning that about 140,000 Belizeans are now considered poor and their food security is in danger.

One of the worst affected areas is the Corozal District, where 19.9% of the population lived below the poverty line in 2002, a figure that has increased to 46.5%. However, poverty in the Toledo District fell from 67% in 2002 to 51%, meaning that it maintains its position as the country’s poorest district with the highest levels of indigence.

The report adopted a broad definition of poverty, including failure to meet the minimum wage; lack of basic needs such as water, roads, adequate housing, basic education, and health services; and the resulting effects, such as insecurity, vulnerability, and inequality.

The reasons identified for this surge in poverty include a decline in key agricultural exports such as bananas, sugarcane, and citrus fruits, as well as in the garment and oil industries. Added to this, with important industrial growth areas such as San Pedro and Placencia grinding to a standstill, there is little "trickle-down" impact.

The global financial crisis has also led to economic stagnation with a barely noticeable GDP growth and rising unemployment. Severe flooding in several regions of the country in 2007 and 2008 has also been blamed for Belize’s decline in growth.

The CPA has three components. The first is the Living Standards Measurement Survey (LSMS) of over 2,000 households, designed to provide information on the poverty level in Belize and changes since 2002.

The second is a series of Participatory Poverty Assessments (PPAs), research that targets communities and vulnerable groups in an effort to provide more in-depth information on local perceptions of poverty and hardship—the difficulties faced, assistance received, and recommendations for improvement.

The third component is an institutional analysis, comprising interviews and roundtable discussions with some 70 government departments, nongovernmental organizations (NGOs), and private-sector organizations with the aim of gathering similar information as that of the PPAs but from the perspective of policymakers and implementers.
The CPA’s purpose, explains Yvonne Hyde, chief executive officer of the Ministry of Economic Development, Commerce, Industry, and Consumer Protection, is to issue recommendations for the government to prioritize.

**Human development takes a hit**

Overall, the study concludes that poverty has increased for all groups—young and old, urban and rural, male and female heads of households—and that poverty is "more likely to be associated with rural populations, large households, less-educated heads of households, occupations based on low skill levels, and deteriorating housing conditions."

However, on a more positive note, the study points out that "most Belizeans are not poor," as housing conditions have improved across the country, ownership of many durable goods has increased, and "there is little evidence of many being subject to prolonged hunger."

Compared with its regional neighbors, Belize has the highest levels of poverty in the Caribbean, compared with countries such as Antigua, Dominica, St. Lucia, Trinidad and Tobago, but is on par with Mexico and has significantly lower levels of indigence and poverty than Guatemala and Honduras.

Belize’s development rating in the 2009 UN Development Programme (UNDP) Human Development Index (HDI) report was 93 of 177 countries, keeping it in the upper region of the parameters for mid-development countries. However, it is still some way from breaching the chasm between it and the "high-development" rated Panama and Costa Rica.

Several remaining Central American countries are clustered together between 100 and 115, leaving Belize rather on its own in the region in terms of development, not booming but not doing too badly either. The main indicators used for development in the report are life expectancy, literacy, education, and standards of living. Of all the Central American nations, Belize is in third place for life expectancy and per capita GDP, which stands at US$6,734.

For adult literacy, it has a poor showing of second to last, just ahead of Guatemala—despite having the highest figure for the region for combined gross enrollment ratio for primary, secondary, and tertiary education. Belize has high drop-out rates, partly because of the enduring poverty in the region, which persists despite its stability and growth.

**To what extent is the government to blame?**

The study admits that most of the factors that have adversely affected Belize’s economy in recent years—such as the global financial crisis and severe floods—have largely been outside the government’s control.

Nevertheless, it states that the government could have made greater efforts to tackle corruption and the influence of party politics on development programs and taken more active measures to stimulate industrial growth as well as improve the country’s physical and social infrastructure.

It is important to note that UN agencies have identified poor governance and the weakness of Belize’s public institutions as clear obstacles to development. Historically, most power has resided with the central government, though the situation has improved since social unrest in early 2005 kick-started a number of changes.