



# Voices of the Vulnerable in the Pacific -Summary Note

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### **-Prepared for UN Secretary General Update Report**

#### **Background**

Poverty in the Pacific Islands context does not generally mean hunger or destitution, but rather means “an inadequate level of sustainable human development which includes lack of access to basic services, lack of opportunities to participate in the socioeconomic life of the community, and a lack of adequate resources to meet the basic needs of the households and customary obligations to the extended family, community, and church”<sup>1</sup> The Increasing monetization of Pacific societies poses many families with a continuous struggle to meet essential daily living expenses, particularly those that require cash payments. Even families in the most remote rural or outer islands villages have to find cash for everyday needs, whether it is for school fees, utilities, essential store goods, or social or church obligations. The overall poverty profile at the national level is summarized in the table 1 below.

Table 1: Pacific Islands National Basic Needs Poverty Incidence-Population<sup>2</sup>

Country	National	Urban	Rural	Year
Fiji	34.4	31.8	38.1	2002/03
Kiribati	21.8	24.2	22.0 (8.9 for Line & Phoenix)	2006
Marshall Islands, Republic	20.0			1999
Micronesia, Federated States of	29.9	33.9	28.7	2005
Palau	24.9	26.2	28.9	2006
Samoa	20.3	23.3	17.9	2002
Solomon Islands	22.7	32.2	18.8	2005/06
Tonga	22.3	23.6	22.8	2002
Tuvalu	21.2	27.6	17.5	2005
Vanuatu	15.9	32.8	10.8	2006

Approximately one in four to five households or one in three to four of population are estimated to be living below the national basic needs poverty lines. An estimate of additional number of people who are vulnerable to falling into poverty has been calculated based on the proportion of the population with per capita expenditure less than 10% above the Basic Needs Poverty Line. In Kiribati, for example, the number of vulnerable population would be 2,907 in South Tarawa and 1,325 in rural Gilberts, representing, 7.4 % and 3.4% of population respectively. Additionally 7.0% in Line & Phoenix would also be vulnerable to falling into poverty.<sup>3</sup> Although rural Gilberts had less incidence of poverty, depth of poverty was estimated to be high (9.9) as compared to South Tarawa (8.5) and the average poor household in Kiribati would need to have an increase of about 10 percent or more in its real income to move out of poverty. The rapid increases in the prices of imported fuel and foods is shown in the retail price index in mid-2009 being almost 25% above its end 2006 level, alongside the low or zero rate of economic growth posed the additional pressure to push the already struggling families into poverty. Price increases, particularly rice and cereal products which feature prominently in the diets of households in Kiribati posed increasing risk to health and standards of nutrition.<sup>4</sup> Depth of poverty, the amount by

<sup>1</sup> Abbott, D and Polland, S (2004)

<sup>2</sup> Protecting Pacific Islands Children and Women during Economic and Food Crises, 2009, UNICEF/UNDP, -Table slightly modified.

<sup>3</sup> Kiribati, Analysis of the 2006 Household Income and Expenditure Survey, March 2010, Kiribati NSO and UNDP PC

<sup>4</sup> Kiribati, Analysis of the 2006 Household Income and Expenditure Survey, March 2010, Kiribati NSO and UNDP PC

which the average poor household falls below the basic needs poverty line is estimated to be higher in some PICs such as Fiji (11.2) and Federated States of Micronesia (9.3).

Therefore, as illustrated above, in the Pacific, poverty is becoming increasingly prevalent and the concern is not only that the vulnerable (or at risk) population who lives just above the poverty line becomes the new-poor but also that already poor populations are becoming increasingly poorer and pushed further into the vicious cycle of poverty.

The global economic crisis has seen the Pacific region lose ground in its efforts to reduce poverty. ADB estimated that an additional 50,000 people in the region will be living below the poverty line in 2010 because of the crisis.<sup>5</sup> In addition to the estimated 18,000 children under five who die every year in the Pacific region, a further 5,600 Pacific children under five years are estimated to be likely to die by 2015 if the economic crisis persists.

The economic crisis hit countries when they were recovering from the effects of a spike in the price of fuel and food during 2007. The once-in-the-century economic Tsunami hit the Pacific Islands during 2008-2009 which proved that Pacific Islands Countries were already integrated to the global economy. Republic of Marshall Islands (RMI) declared a State of Economic Emergency on July 3<sup>rd</sup>, 2008. Rising fuel and food prices were already draining away the foreign reserves, further constraining the national budgets of the island economies. The impact of the Global Economic Crisis on Pacific countries were felt mainly through **reliance on tourism and exports of primary agricultural products such as timber, copra, import of foods and basic goods, remittances from seafarers and overseas migrant workers, and foreign aid**. In some countries such as PNG, rising commodity prices were beneficial but in most cases were not. **Kiribati** economy is projected to have contracted by 0.7% in 2009 as global demand weakened and affected the demand for seafarers, copra prices and returns on offshore **Revenue Equalization Reserve Fund (RERF)**. The value of Kiribati RERF fell by 25% below 1996 benchmark level of A\$4,500 in real per capita terms and **Tuvalu Trust Funds** was reported to be 13% below its maintained value<sup>6</sup> and constrained their government expenditure further. **Remittances** fell in 2009 by almost 20% in real term in **Tonga**, by 18% in **Samoa** and affected household income. Kiribati, RMI and Tuvalu were also highly dependent on food imports. Food imports made up 36% of total food expenditure in Kiribati whereas in South Tarawa (capital of Kiribati), food import dependency was around 61%<sup>7</sup>. **Solomon Islands** experienced dramatic fall in GDP growth in 2009 due to the impact of the Global Economic Crisis on demand for **logging** (decline by 33%), **copra export** (by 39%) and **fish** (by 25%), particularly from China and other Asian companies. Even a cushioned country such as Vanuatu estimated to grow only by 3.8% in 2009, well below the average 6.5% growth experienced in the previous 5 years.<sup>8</sup> It should also be noted that particular section of Fiji, Samoa and Tonga were also heavily affected by Cyclone, Tsunami and Floods happened in 2009 and 2010 and these effect deepened existing vulnerabilities and placed more people at risk of becoming more vulnerable.

Through the abovementioned transmission channels, Pacific Island countries experienced rises in unemployment, falls in household income, increases in school drop-out rates, and pressures to meet daily expenditures such as food, education and medical costs. In the worse cases, child labour and

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<sup>5</sup> Pacific Economic Monitor, November 2009, ADB

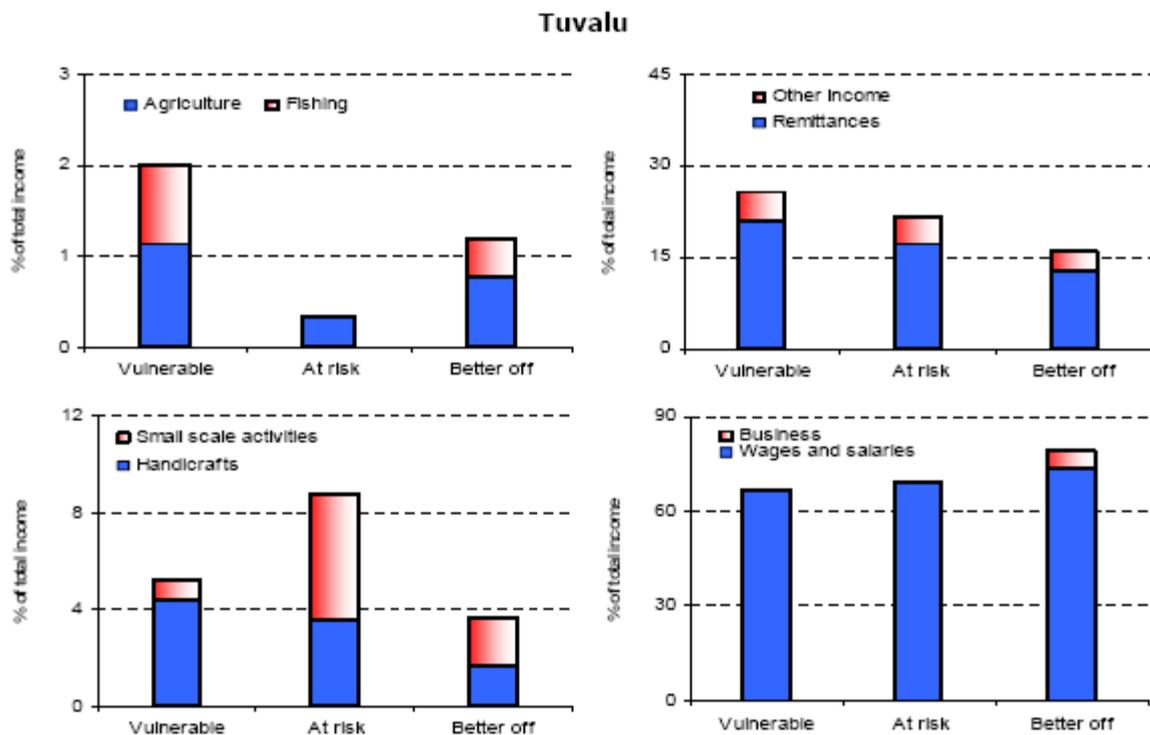
<sup>6</sup> Pacific Economic Monitor, February 2010, ADB

<sup>7</sup> Protecting Kiribati, Analysis of the 2006 Household Income and Expenditure Survey, March 2010, Kiribati NSO and UNDP PC Pacific Children and Women during Economic and Food Crisis, UNICEF/UNDP

<sup>8</sup> Pacific Economic Monitor, February 2010, ADB

exploitation started and gender based violence increased. (refer to *Voices of Vulnerable from Tonga-Box 1*) The compounding effects of those external shocks posed the greatest degrees of hardship and poverty particularly among the youth who already faced with little employment opportunity, elderly, those with special needs (refer to *Voices of Vulnerable from Fiji -Box 3*), people who had no regular income, and those with no access to adequate land to grow food for consumption or sale such as urban poor. The below Graph 1 shows a profile of vulnerable and at risk population in Tuvalu. Above 60% of the vulnerable households' income was derived from wages and salaries (most likely casual or low skill workers), 20% from remittances, 5% from handicrafts and 1% each from fishing and farming. Remittance from seafarers was particularly important in the vulnerable low income households in outer islands when formal sector jobs were scarce. Workers in formal sector who tend to be the better-off were also at risk of becoming "working poor", particularly those who engaged in the low-skilled jobs, often found in agriculture, construction, trade and some personal services. Those industries are also most affected by the effect of crisis. For example in Samoa, contraction of the economy was caused by the manufacturing industry and affected the employment in the sector during 2009.<sup>9</sup> The vulnerable households in Samoa were hardest hit as they lost job in country and started to receive decreased amount of remittance (18% decrease as mentioned above) from abroad which formed the important part of their income.

**Graph 1. Household Income distribution by Source (% of total income)**



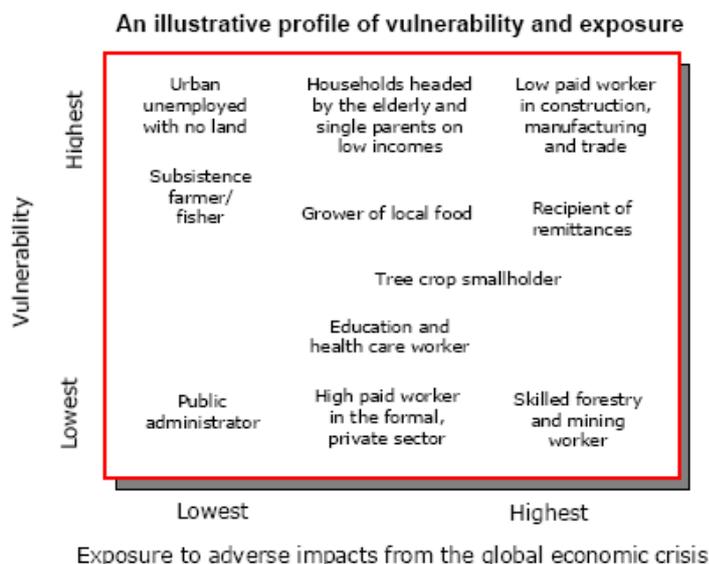
Note: The vulnerable are those living below the national poverty lines. Those at-risk have incomes only just above the national poverty line. Sources: Samoa Household Income and Expenditure Survey 2002 and Tuvalu Household Income and Expenditure Survey 2005.

(Source: Pacific Economic Monitor, February 2010)

The illustrative profile of vulnerable population in the Pacific is described below Graph 2. (Source: ADB and UNDP estimate).

<sup>9</sup> Pacific Economic Monitor, Feb, 2010, ADB

**Graph 2. Illustrative profile of vulnerability and exposure in the Pacific**



Sources: ADB and United Nations Development Programme staff estimates.

Pacific governments with very limited revenue bases had also been challenged to maintain and improve the quality care and education for all. Solomon Islands government froze expenditures and cut goods and services expenditure by 35% across the board to stabilize the cash position during 2009. However, this curtailed the delivery of essential social services, manifested itself in the decrease or cessation of outreach to remote communities and transport of the sick, alongside schools expense on credit to meet their on-going costs.<sup>10</sup> Even where budget allocations on social services were increasing, the percentage share was declining and the real value of the government contribution excluding donor funding to those expenditure was also declining. Moreover, majority of spending went to public service payroll further straining operational expenditure.

Pacific government crisis response decisions and its prioritization were based on fragmented data and information particularly in regard to the social impact of those economic shocks on the most vulnerable population. Therefore, UN agencies in the Pacific had proposed and supported six countries (Kiribati, Solomon Islands, Tonga, Tuvalu, Vanuatu (2009), and Fiji (2010)), identified as the most vulnerable<sup>11</sup>, to invest in the early warning vulnerability data systems to rapidly capture and release quantitative and qualitative data regarding the impacts of the crisis on the vulnerable people.

National Steering Committees comprised of Ministry of Finance and Planning, line ministries and National Statistics Office (and in some countries includes donor agencies and NGOs) were set up in each of five countries by October of 2009. Three sentinel sites covering both urban and rural areas were selected in each of those countries. The particular areas that were considered to have been most impacted were selected based on the existing analysis, such as poverty incidence data, data on major economic activities, employment and unemployment status, education and health outcomes

<sup>10</sup> ADB Staff Mission Report

<sup>11</sup> Protecting Kiribati, Analysis of the 2006 Household Income and Expenditure Survey, March 2010, Kiribati NSO and UNDP PC Pacific Children and Women during Economic and Food Crisis, UNICEF/UNDP

and access to social services in the area alongside local knowledge of the government and NGOs on the existing vulnerabilities of the communities.<sup>12</sup>

Health and education facilities, police post, communities and households at different levels of service provision capacity and mandate (hospital, health centers, clinic; Early Childhood Education, primary and secondary schools) were selected. National consultants are deployed with trained local enumerators to conduct the facility based survey, key informant interviews with community leaders and activists, household pulse survey and focus group discussions with men, women, youth and children. The first field enumeration was undertaken late 2009 and early 2010 to produce outcome in time for the *High level Pacific Conference on the Human Face of the Global Economic Crisis* held in Port Vila, Vanuatu. (The conference took place on 10-12 of February, 2010.) In the Conference, high-level political commitment to the needs to set-up real-time early warning community based data collection system was endorsed alongside targeted social protection measures and effective expenditure management system to protect the most vulnerable among other initiatives.

### **How and when the impacts were first reported**

The impact of the Global Economic Crisis was reported between mid 2008 throughout 2009, first being in July 2008 in RMI, early 2009 in Solomon Islands, in April in Fiji. The reports were made through various sources such as government press release, donor-government meeting (e.g. Core Economic Working Group in Solomon Islands) coordinating the work on public financial management, ADB Economic Monitor, Central Bank alert on high inflation rate and external liquidity risk as well as Reserve Bank depreciation announcement. However, the impact reports were limited to the macroeconomic figures and in some cases with subsequent media release covering the concerns expressed on the social impact of these macroeconomic measures on the poor. The actual voices of vulnerable were only reported through the sentinel site initiative launched in 2009 and media outreach made consciously by UN and development partners such as AusAID as lead up and follow-up to the High-level Conference from late 2009 to 2010. The voices of vulnerable (included in the report) were therefore captured through interviews and Focus Group Discussions taken place late 2009 to early 2010.

### **Characteristics of people affected**

As mentioned above, sentinel sites were selected in both rural and urban setting to capture different impact on both populations. The vulnerable populations in urban areas were sampled mostly from the squatter settlements. **Honiara urban squatter settlement in Solomon Islands, Popua and Patangata in Tonga, Ohlen in Port Vila, Vanuatu and Funafuti urban residents** (Funafuti was not squatter settlement) represented the people who were migrated from outer-islands for more opportunity and they lives in the densely populated land without proper land demarcation or allocation by the Ministry of Lands. Therefore, most of them did not have access to land to grow food nor necessary skills to obtain a regular job. They often lived in the house with temporary housing materials (e.g. timber, sago palm leaves), water sources are often shared with other community members. Although schools and health facilities existed nearby due to its closeness to the capital town, the infrastructure within the communities were often limited. For example in Patangata in Tonga, there was no government primary school despite the fact that there were 70 households with 341 people residing in the area. Primary school children from Patangata must walk about 2km every day to get to nearby village. The main hospital was 8-9 km away and it was the

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<sup>12</sup> It is important to note that this sentinel sites data collection is not a statistically significant sample survey, rather it was intended to take pulse of the social condition of the communities which were considered to be most vulnerable to the exogenous shocks.

nearest government health services available. Access to improved water and sanitation also remained as a challenge. For example, Popua in Tonga and Koa Hill in Solomon Islands were both located close to ocean or river and residents are vulnerable to flooding after heavy rain. This also affected their ability to cultivate land even when they had access to land. In Popua, majority of residents relied on the neighbours' tank for water supply. In Kiribati, access to improved water in South Tarawa has become increasingly an issue as sea-rise also pollutes/salinate water lenses where there is already a pressure due to crowding. (*Refer to the Voices of Vulnerable from Kiribati-Box 6*)

The below provides the snapshot of households surveyed. It is important to note that the number presented here is not representative nationwide as the sample is small and was drawn focusing on the vulnerable population in country. Rather the data below intends to portrait some of the characteristics of vulnerable population in PICs.

Overall, the urban vulnerable population resided in the squatter settlement of the capital of the country and, therefore, the access to land and livestock was much lower compared to rural residents. This posed them further vulnerability to the impact of high commodity price or decreased income as they did not have land to cultivate to supplement lack of food or income.

**Table 1. Snapshot of vulnerable population surveyed**

	Have land for agriculture	Have Livestock	Access to Improved water	Access to improved sanitation
<b>Urban</b>				
-Honiara (Solomon Is.)	47%	0%	63%	87%
-Ohlen (Vanuatu, Port Vila)	30%	17%	96%	93%
-Funafuti (Tuvalu)	60%	83%	100%	70%
-Patangata/Poupa (Tonga)	28%	-	100% (*1)	86% (*2)
<b>Rural</b>				
-Buala (Isabel, Solomon Is.)	100%	100%	100%	83%
-Gizo (Western, Solomon Is)	61%	27%	100% (*3)	88%
-Fanafo (Santo, Vanuatu)	93%	100%	100%	0%
-Sulphur Bay (Tafea, Vanuatu)	96%	63%	78%	93%
-Nanumea (Tuvalu)	93%	93%	100%	73%
-Hihifo (Tongatapu, Tonga)	81%	-	100%	100%

\*1: The households surveyed 20% (2/10HH) have access to owned cement or rainwater collection facility and majority uses neighbours and therefore, the urban households particularly was vulnerable during the drought.

\*2: The most common Pit latrine with slab type facilities in urban settlement remains concerns as these facilities are subject to common flooding at times of high tide and rainy season.

\*3: 9% of Gizo vulnerable Households used combination of improved and unimproved drinking water source.

“-“ : Data not available

On the other hand, the rural vulnerable population were subsistence farmers or fishermen and had little access to formal employment and thus cash opportunity. In Buala in Isabel province of Solomon Islands relied on the income from copra and cash crops and ethnic minority –Gilbertese from Kiribati –suffers high unemployment (95%) and relied on fishing and selling food crops for income. Their children did not have education due to lack of school facilities and they also counted on the health outreach services from main Gizo hospital. Nanumea & Nukufetau Islands in Tuvalu were outer islands with high incidence of poverty and characterized by the high number of female headed households and children. They relied on the income mainly drawn from fishing and remittances. As they are also isolated from the capital of Tuvalu, the rise in fuel prices poses extra pressure on the price of imported goods. The residents of Sulphur- Bay, Tanna in Tafea Province of Vanuatu suffered from water contamination due to volcanic activity and those in Hihifo of Tonga

heavily depended on remittances, suffered cash income opportunity and were vulnerable to environmental factors such as cyclone and flooding. Residents in Fanafo in Santo of Sanma Province of Vanuatu were forced to travel more than an hour by vehicle on the rough road to reach closest main health facilities in Luganville.

Notably, majority of urban population and even rural population in most of the Pacific owned mobile phones. For example, mobile phone ownership was 93% in both urban and rural areas in Tonga and 82% on average in Vanuatu.

### Transmission channel

The impact on people began to emerge during 2009 in many of the Pacific Island Countries. The household pulse survey was conducted in 400 households (approximately 3000 people) across five countries-Kiribati, Solomon Islands, Tonga, Tuvalu, and Vanuatu- at the end of 2009 and beginning of 2010. The survey revealed that majority of the households' usual food budget were not sufficient to buy their food and that they worried more than the time last year that food would run out before they were able to obtain money to buy food. The main reasons reported were price increase or decreased income. For example in Tonga, 73% of vulnerable population said that their usual food budget was not sufficient to buy their food and majority of them reported decrease of income as the main reason.<sup>13</sup> On the other hand, in Solomon and Tuvalu, majority (52-55%) of vulnerable households said the same. However, they saw the increase in the price of foods as the main reason of difficulty. In the remittance-dependent countries such as in Tonga and Tuvalu (82% of households in Tonga surveyed said remittance main source of income; 67% in Tuvalu), majority of vulnerable households reported that the amount of remittances had decreased compared with the time last year.

**Table 2: Impact on Food budget**

Country	Do not have sufficient food budget	Worry more that food will run out
Kiribati	43% (Urban: 60%; Rural: 33.5%)	62% (Urban: 70%; Rural: 57-59%)
Solomon Islands	55% (Urban: 40%; Rural: 43-78%)	66% (Urban: 50%; Rural: 43-97%)
Tonga	73% (Urban: 79%; Rural: 67%)	69% (Urban: 82%; Rural:56% )
Tuvalu	52% (Urban: 30%, Rural 80%)	73% (Urban: 63%; Rural: 87%)
Vanuatu	52% (Urban: 90%; Rural 27-40%)	22% (Urban: 20%; Rural: 7-40%)

Source: Country reports from 4 PICs, 2009/10

In those same countries, about half of the households surveyed reported the changes in the condition of employment since last year. In Tuvalu out of those households, half of them reported that the head of households had lost job (*refer to the voices of vulnerable from Tuvalu Box 2*).<sup>14</sup> Vulnerable households were facing more pressure to make ends meet as source of income started to fluctuate. The community members also perceived that competition for causal labour had been increasing due to accelerated rate of decreasing employment opportunity.

In the export dependent country such as Solomon Islands, vulnerable population in Isabel reported shift in the households' selection of cash crop from Copra to Kava due to drop of Copra demand in export. They also reported that more people preferred to grow and sell Kava rather than going to

<sup>13</sup> Disaggregated figure in Tonga is 67 % in rural areas and 79% in urban areas. In Tuvalu, 80% in rural areas and 52% in urban areas.

<sup>14</sup> Note the sample size. 41 households (out of 70 households surveyed) experienced difference in workforce participation since 2008. Out of them 51.22% (21) have had household head lost jobs, 65.85% (27) reported to have less people working and 29.27% indicate to be more people engaged in subsistence activities.

fishing as margin of profit narrowed due to escalated price of fuel. More families engaged in gardening to obtain cash income rather than consuming them at home, resulting in poor nutrition intake for family particularly children. (Refer to the voice of vulnerable from Solomon Islands-Box 4)

Families in the Pacific were coping with the increased economic difficulty by; decreasing the variety of foods they eat; gardening or fishing; seeking support from friends or relatives; using savings or loans or selling or pawning assets. In Tonga, 89% of vulnerable families sought support from friends and relatives and 80% started planting food garden and fishing. 32% of vulnerable families resorted to sell or pawned household valuables and 30% of household started using savings. Across all PICs surveyed, using saving and seeking support from family and relatives were the most common followed by bank loans and subsistence farming. Tuvalu and Solomon Islands figure is shown in Table 3 and 4 below. It is also notable that 32% in Ohlen (urban), 55% in Funafuti (urban), and 30% in Buala and Gizo (rural) responded that they do “nothing”. Fortunately, in general, skipping meals had not become more frequent at this stage and impact on children missing school due to lack of food had not yet become prevalent.

**Table 3. Tuvalu (atoll country) –coping strategy**

	COUNTS			PROPORTIONS (%)		
	Funafuti	Nanumea	Total	Funafuti	Nanumea	Total
ECON14-17.						
Bank saving / loan (ECON14)	11	3	14	27.50	10.00	20.00
Frindes / Relative supports (ECON14)	5	12	17	12.50	40.00	24.29
Nothing (ECON14)	22	12	34	55.00	40.00	48.57
Other-small scale business (ECON14)	2	3	5	5.00	10.00	7.14
With savings / investment (ECON15)	28	16	44	70.00	53.33	62.86
savings / investment decreased (ECON16)	9	6	15	32.14	37.50	34.09
savings / investment increased (ECON16)	11	6	17	39.29	37.50	38.64
savings / investment - no changed (ECON16)	5	4	9	17.86	25.00	20.45
DK (ECON16)	3		3	10.71	0.00	6.82
Households with financial difficulties	20	24	44	50.00	80.00	62.86

(Source: Tuvalu outcome document, Gov of Tuvalu/UNDP/UNICEF)

**Table 4: Solomon Islands-coping strategy**

	Buala (Isabel)	Urban Honiara (GC)	Gizo (WP)	Total	
Measures used by households to ensure family food % of all households surveyed)					
o Food planting/fishing	100.0%	76.7%	100.0%	92.7%	92.7%
o Support from friends/relatives	53.3%	90.0%	13.9%	50.0%	50.0%
o Welfare assistance	33.3%	3.3%	0.0%	11.5%	11.5%
o Used savings	30.0%	70.0%	5.6%	33.3%	33.3%

(Source: Solomon Islands Outcome document, Gov of Solomon Islands/UNICEF)

In atoll countries such as RMI, Kiribati or Tonga, most of the urban poor facing the surge in commodity prices no longer had the luxury of going back to subsistence living. Many have no land or village to return to. Subsistence in Majuro, Ebeye and Tarawa became very difficult.<sup>15</sup>

Although general primary and secondary school enrollment and attendance has not yet been substantially impacted, those who were most vulnerable were the first who were pushed to child labour. (*Refer to the voices from Tongan girl in Box 1*) Though the number was small, there were cases of child labour particularly among boys across 5 PICs, except in Buala in Solomon Islands where girls were more exploited. 9.4% Girls (under 16 years) in urban settlement in Honiara (Solomon Islands) reported to be looking for work. Communities surveyed in Solomon Islands also reported increase in Commercial Sexual Exploitation (CSEC) due to increased difficulty in meeting daily expenditures. Bus fare, money for lunch and other school related expenses (e.g. uniform, stationary) for the vulnerable households affected attendance of children where access was already an issue. (Reported in Solomon Islands and Tonga). In Tonga, school principal in urban area reported that more children started to engage in fishing during school hours and miss time in school.

In some cases, children were totally neglected of the proper care while mother works to supplement income (13.8% in Tuvalu). Petty crimes associated with economic reasons such as stealing of pigs in Tonga and stealing vegetables from gardens in Solomon Islands were reported to have increased. In Solomon Islands, youth crime such as illegal home brew and sale of alcohol also increased, and tension between different groups of people who had migrated to urban areas for work also rose.

Although Focus Group Discussion also found the positive effect on women such as the increased labour participation by women actually contributed to the shift in power structure within household, community members also assessed that the domestic violence had increased due to increasing unemployment and alcohol consumption, particularly in Solomon Islands and Tuvalu. In Tuvalu, head of household and male youths mistreating families were reported to be most common and little intervention provided by authority and community.

The survey showed that urban vulnerable population particularly in Honiara and Popua/Patangata Ohlen have seen greater difficulty in meeting the daily expenditure than last year, whereas rural areas, particularly in outer-islands in the rest of the PICs had not only faced greater difficulty in meeting expenditure but started to develop serious financial difficulties as compared to last year. The thin line of support that people in outer-islands or rural areas had in order to obtain cash seemed to have been seriously affected by the effect of the crisis. In urban areas, the impact on nutrition and hunger particularly among children are increasing concerns.

Country	Greater difficulty in meeting daily expenditure than last year (2008/09)	Serious financial difficulties as compared to last year (2008/09)
Kiribati	54% (Urban: 47%; Rural: 48-67%)	86% (Urban: 63%; Rural: 97-100%)
Solomon Island	63% (Urban: 88%, Rural 52-56%)	59% (Urban: 96%, Rural: 24-61%)
Tonga	77% (Urban: 90%, Rural: 63%)	64% (Urban: 66%; Rural: 63%)
Tuvalu	77% (Urban: 73%; Rural: 83%)	63% (Urban: 50%; Rural 80%)
Vanuatu	55% (Urban: 67%, Rural 8-90%)	43% (Urban: 33%; Rural: 4-91%)

Source: Country reports from 4 PICs, 2009/10

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Island Business (news article),

[http://www.islandsbusiness.com/islands\\_business/index\\_dynamic/containerNameToReplace=MiddleMiddle/focusModuleID=18111/overrideSkinName=issueArticle-full.tpl](http://www.islandsbusiness.com/islands_business/index_dynamic/containerNameToReplace=MiddleMiddle/focusModuleID=18111/overrideSkinName=issueArticle-full.tpl)

In Fiji and Tonga, there are other elements of instability which also contribute to the increased hardship of people. In Fiji, the December 2006 Coup d'état has affected the volume of investment and tourism. In Tonga, government's voluntary redundancy programme in 2006 when over 800 public servants including skilled teachers and health workers left the public service caused a shortage of teachers and health workers. Thus, this created additional stress to the health facilities and schools. Recent reductions in education expenditure<sup>16</sup> alongside the high salary: non-salary cost ratio (90% of budget allocated for salaries) left little room to cover operational costs for schools. The school in Patangata that was interviewed experienced water cuts due to unpaid bills and this forced the school to run programmes only a half-day. The principal also reported that he started to undertake additional work (e.g. mowing lawn) to address school financial constraints at school. Parents Teachers Associations (PTA) also started to fundraise more often than before.

### **Policy response by Governments**

As shown above, the vulnerable people in PICs has responded by using whatever resources they can obtain to fend themselves from the shocks of compounding effects of crisis. Some of the coping strategy such as using saving, pawning assets, using bank loans, and resorting in illegal activities would undermine the capacities of those already vulnerable to cope with the shocks in the future. Pulling children from school, and skipping meals particularly among children and pregnant women would have unequal consequences on the long-term development of child and ability of the vulnerable households to walk out of poverty.

Pacific Islands Leaders promised to put in place a number of measures to protect the vulnerable by 2011 during the *High level Pacific Conference on the Human Face of the Global Economic Crisis*. Measures to address the access to education and assistance for education related costs were promised by Kiribati, Fiji, Vanuatu, and Tonga. Review of social welfare system and improved early warning data and analysis were particularly highlighted by Tongan government. Fiji's Integrated Rural Development Initiative (IRD) and land reform, Kiribati and Solomon Islands' use of ICT to improve social service delivery alongside the improved health services to outer-islands and rural areas will contribute to addressing the rural accessibility and lack of opportunities. Increased welfare assistance and food voucher system has been already initiated by Fiji government. As the impact of crisis has come to the attention of the policy makers relatively recently, it would be too early to mention about the potential success or failure. There has been an increasing interest in understanding the extent to which the traditional supporting mechanism has eroded due to deepening monetization. Government, donor and development partners have started discussion on the potential benefit that formal social protection measures can bring in addressing vulnerability and further increasing productivity of the vulnerable population. It should also be noted that non-governmental organizations, communities and private sectors have also been playing and will play a significant role in addressing the vulnerability and empowering the communities through initiative such as mobile banking, financial literacy training, access to market and micro-financing.

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<sup>16</sup> Pacific Economic Monitor, February 2010, ADB

### Box 1: Voices of a Tongan Girl “Mele”

#### **I cannot go to school because parents cannot pay fee:**

Mele is a 15 years old girl who living in Patangata the urban settlement of Tongatapu, (the main island of Tonga). Many residents here are migrants from outer-islands such as Ha’apai and living in the uncertainty of land tenure. Mele lives with her mother in the house that shares bathrooms with her neighbours. As she finished primary and early secondary education, she explained how situation has changed since last year. She explained that she no longer able to continue going to school. “Only reason why I stayed away from school is that we cannot afford to pay the school fees and all related expenses for schooling. I was thinking of going back to school. My mother told me to stay (home), but I know it won’t help me. But right now, I got a job, which I will start on Monday (the next day of interview). My work is to make ice blocks so, the work I am going to do is basically to help my family with meeting basic needs. I feel that assistance should be given by the government to pay my fees so that I can go back to school and all the related school expenses “  
*(The interview took place in January 2010)*

### Box 2: Voices from Tuvaluan family (excerpt from Human Interest story, Funafuti)

#### **The Global Economic Crisis impact on Tuvalu Seafarers Remittance: the story of Tangata’s Family**

Fafine is a 28 year old woman, living in Niutao atoll, Tuvalu formerly known as the Ellice Islands. This Polynesian country is located in the Pacific mid way between Hawaii and Australia and is close to Kiribati (Gilbert Islands), Samoa and Fiji.

Her husband, Tangata, has been working as a seafarer in a German cargo ship since 2000. Getting married in 2005, they have been blessed with a beautiful three year old daughter, Catherine. From 2005, Fafine has been staying at home looking after their daughter and managing household chores when Tangata is out working and has always been dependent on the remittances sent by her husband.

Even though Tangata found the work on the boat difficult at first, because he had to leave his beloved wife and daughter, the job’s wages were satisfying. As a graduate from the Tuvalu Maritime Training Institute in Funafuti, Tangata was proud of being accepted to work in a cargo ship which is very often a dream job for many young men in Tuvalu. He also made good money from his job and could support not only his wife and daughter but also his younger brother who went to school in Motufoua, on Vaitupu atoll, the only secondary school in Tuvalu. He and his family had a better life compared to other families in Niutao who live on fishing. However things changed in December 2008. Returning home this time is different from the previous ones. This time Tangata went back home to Tuvalu without knowing if he would ever go back to work on the ship. His contract with the cargo ship was not extended. The Global Economic Crisis (GEC) has impacted global export-import activities and led to lower demand for seafarers from Tuvalu. (END)  
*(The interview took place in December 2009)*

### Box 3: Voices from Fiji

#### **“I don’t know if I can face more hardship”**

Emily knows what living in poverty feels like. The Fijian woman in her 60s has to manage on 60 FJD a month provided by the Social Welfare Office. Since her son died two years ago, she has not been able to work. Facing increasing living costs and lack of opportunities, Emily struggles every day to make ends meet

“The prices for food and bus fares have gone up. Now I can no longer buy biscuit or noodles. Before I used to buy 3 litres of kerosene, now I can only buy 2 litres. Today it is the 14th day of the month, and I have no more kerosene. Sometimes I have to collect firewood and cook on the fire outside the house. And some days I don’t eat,” Emily said.

Emily is not the only one facing hardship. Akuila’s life turned upside down when his left foot became infected and later amputated three years ago. The former brick layer has not been able to work since, and still he has not received any Social Welfare assistance. He is sitting on the floor in the dark while telling his story. There is no electricity in the house.

I never go anywhere because I cannot walk and I have no money for transport. I used to work as a brick layer, but now I cannot work because of my leg. So where should I get the money from? Sometimes people bring me bread or rice, and my family helps me. Sometimes I can go five days a month without eating. This has a huge impact on our lives”, Akuila said.

Social worker Tom Victor has been working with vulnerable people for many years. He now fears the impacts of the global economic crisis on these exposed groups, including the urban poor.

“It is very painful to see what the poor people are facing now. They can’t pay school fees, they can’t prepare proper food and even children don’t eat before going to school. If they become sick, there is no money for medicine or even for transportation to the hospital. A number of people live in small, congested houses and sometimes their children drop out of school to work in sugar cane fields to support their families,” Mr Victor said. (END)  
*(The interview took place in December 2009)*

#### Box 4: Voices from Solomon Islands

##### Lena's Story as She Struggles to Meet the Rise in the Cost of Living

Lena is a thirty four (34) year old woman who is struggling to make ends meet with her three children, 15 year old Jessica, 13 year old Mary and 9 year old Sammy. Living on the outskirts of Honiara, in Solomon Islands, Lena has been the sole bread winner in her family after her husband left her for another woman

"It has been seven years since my husband left me to live with his de-facto wife. Ever since he left he has not supported me or the children in any way and gives nothing to support their welfare and education," Lena says with a shaking voice. Her only source of income is the vegetables that she plants in her village and sells at the market place. "I plant watermelon, cabbage, kumala and cassava and I sell this produce at the market on a weekly basis. The money that I earn from here is used on my children's education needs and also for our day to day survival," she says.

Lena remembers rather fondly, when her husband used to support them and how she used to have to rely on him mostly to look after the expenses in their household. "I pay for everything now at home. From the water and electricity bill, to taking my kids to either the general and private doctors on some occasions and even to sending my children to school." She says that with school now approaching, she has had to budget for Solomon Islands \$1000.00 (US\$126) for her two older girls and \$400.00 (US\$50) for her son. "My older daughter's skirt for her school uniform alone costs \$115.00 (US\$15) and the top costs \$100.00 (US\$12). That alone is every expensive for me. Added to this, I have to also provide bags, shoes and stationary items for all my three children. Then the prices of goods from the shops are now becoming so expensive too. It is not like before when things were cheaper to buy, especially like kerosene and basic food stuff like sugar, rice and flour," Lena says

(END)

*(The interview took place in January 2010)*

#### Box 5: Voices from Vanuatu

**Taxi Driver, Joe Boe Boe** is a former telecom employee and now working as a taxi driver in Luganville for over 8 years. He is married with 4 grown-up children and 5 grand- children, all of whom live in a rented property on the outskirts of Luganville. All Joe's children are unemployed and rely only on Joe and his wife to earn money to meet basic necessities. Joe does not own a vehicle.

"More than a year ago, I could easily make Vatu 5,000 (about USD 50) in half-a-day. Vatu 10,000 a day minimum was normal for the majority of my colleagues. Many of our customers were farmers from neighbouring islands such as Malo, Malekula, Ambrym, Pentecost, Maewo and Ambae. Nowadays, taxi drivers in Luganville make on average, Vatu 4,000 to Vatu 5,000 per day."

Joe acknowledged the increase in taxi drivers may contribute to the difficulty in obtaining customers and thus access to money, but was adamant that there was not enough money floating around in Luganville and that only a small number of people have access to adequate cash. Joe also pointed out the huge increase in price of shop items over the last 12 months.

"I believe that the reduction in prices of commodities such as copra, kava, cocoa, and vanilla have had a huge impact on the level of cash circulating within Luganville, as less farmers are coming into town to do shopping".

Comparing to the other urban capital of Vanuatu, Port Vila, he said "Vila taxi drivers are very fortunate as cruise ships berth in the capital and provide taxi drivers with more opportunity to make money. I do not understand why there aren't more cruise ships in Santo and Solomon Airlines decided not to fly into Santo anymore. It was bringing in business from Solomon Islands and from Australia directly to Santo."

"SANMA is more beautiful than any other provinces of Vanuatu and I feel that it should be marketed as such."

*\*Luganville is the 2<sup>nd</sup> largest urban city of Vanuatu and the major tourist town of Espiritu Santo-one of the Islands in Sanma Province.*

## Box 6: Voices from Kiribati

### “Rising Seas, the changing Tide”

Boobu Tioram has dismantled and moved his house three times in the past nine years. It was either this, or watches his home get washed away by the Pacific Ocean. The two room home is made from a mismatched collection of pieces of corrugated iron and old wooden boards nailed together. Some walls have empty sacks pinned to them on the outside to cover the holes. Every night as Boobu prepares to sleep, he listens to the waves crash into the sea wall he built to protect his house and wonders how soon he will have to move again.

Fifty year old Boobu, a retired carpentry and joinery teacher, lives with his wife and two teenage sons in Temaiku, minutes way from the international airport in South Tarawa, Kiribati.

Rising sea levels that claim land on which houses are build and invade fresh water wells and plantations pose a threat to the very existence of many people living on low lying atolls in countries like Kiribati and Tuvalu. The highest point in Kiribati is only two meters above the sea level.

If the sea keeps moving in, where will people relocate to? That is the main question the minds of Boobu and his family, as well as others who are seeing their backyards eroded away daily. Close to half of Kiribati’s population, currently estimated at 110,000, lives on South Tarawa, leaving very little space available to relocate to.

“I have had to move my house three times since 2000 and I will have to move again when the sea claims this land. But apart from moving the house inland and building seas walls to protect it, what else can I do? This is my ancestral lands and I have nowhere else to go,” says Boobu The sea has already claimed a public road in Temaiku. Yet, people from the outer islands keep flocking to this area to stay.

Tiirroi, a mother of two is a new to the settlement. She moved to Temaiku, where her family’s ancestral land is, at the beginning of this year. The biggest difference she finds from the time she grew up a little girl is Tarawa is the scarcity of water. “There are wells in this settlement that only have salty water. Neighbours who live a little bit away from the sea allow us to get drinking water from their well,” the 27 year-old said, speaking through an interpreter, adding that she has also been troubled to see trees dying.

“Headless” coconut palms are a sad sight to see in parts of Kiribati. Denuded of their splendid fronds, these dying coconut palms look like sticks stuck in the earth. This has been brought about by the tides coming in daily and partly submerging the palms. Unable to keep up with this changing climate, the coconut palms are dying a slow death.

The President of Kiribati, Anote Tong is well aware of the challenges posed by beach erosion, sea level rise and contamination of fresh water sources to his country. “A lot of people are asking the government to do something. What we are saying that we cannot do all of this because we do not have the resources. What government will do is provide protection for the public infrastructure but for private property, I am afraid we really do not have the resources to be able to do that.” **(END)**

Various photos are also available from Popua/Patangata, Fanafo and Hilfo, Honiara, Kiribati and Tuvalu upon request.