

# Chapter 3

## The Disadvantaged of the Cook Islands

### 3.1 Introduction

Compared with residents of most developing countries, the people of the Cook Islands have a high standard of living. Human Development Index (HDI) for the Cook Islands was 0.789 for 2002, placing it first in the Pacific island region (Figure 3.1). Internationally, the Cook Islands is a high-ranking, middle-income country.<sup>13</sup> This reflects high life expectancy and adult literacy and, in turn, good standards of service delivery throughout the country and a long history of heavy government investment in health, education, and welfare. The Cook Islands also performs well regionally regarding gender-based indexes of development (Figure 3.2).

This level of well-being is nevertheless fragile. Small island developing states like the Cook Islands are vulnerable to events beyond their control, particularly environmental hazards. For example, in the mid-1990s, the Cook Islands faced a devastating cyclone and an outbreak of disease that badly affected pearl production, and in the 2005 cyclone season, Rarotonga and the Southern Group experienced five cyclones. Despite good living standards and achievements in education and health, there is little cash employment

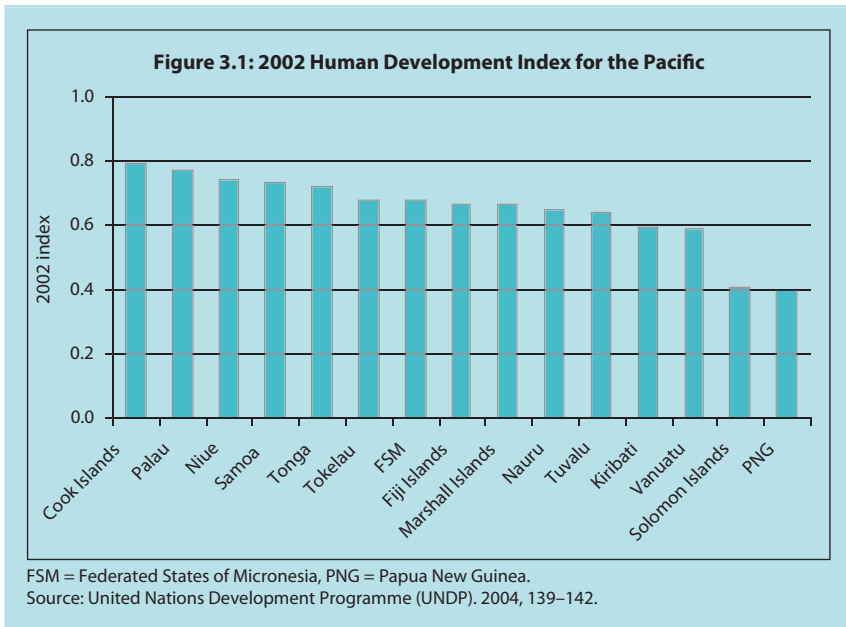
**The Cook Islands is a high-ranking, middle-income country but still vulnerable**

**The country's HDI and gender-based indexes are high**

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13 United Nations Development Programme (UNDP), 2004, 139–142.

outside Rarotonga and Aitutaki. Many households get much of their livelihood from pensions and welfare, particularly in the outer islands. This lack of economic independence and the high rate of out-migration are sources of fragility. For these reasons, the concept of disadvantage remains relevant to the Cook Islands and a warranted focus of public policy.

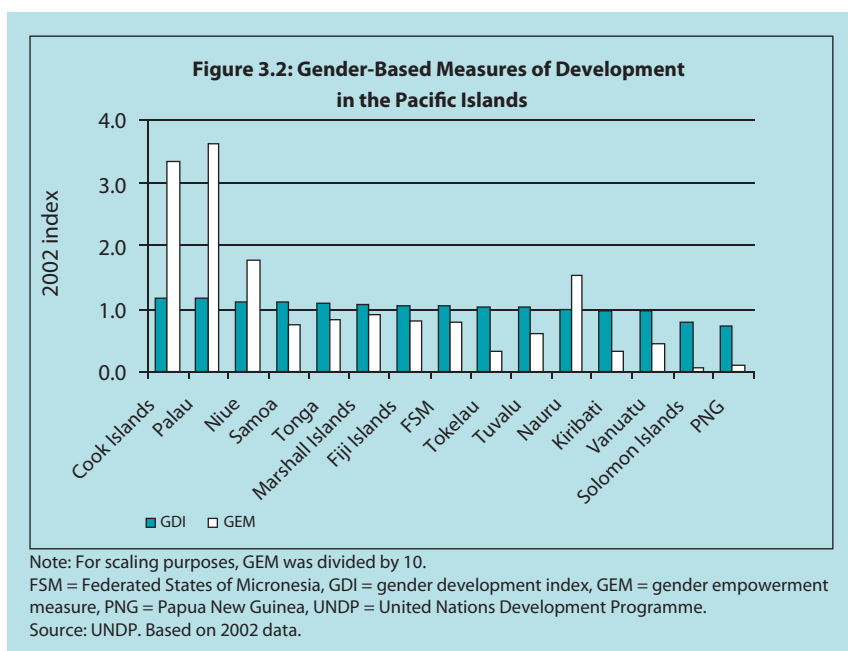


**Economic reforms in the mid-1990s heightened the well-being divide between Rarotonga and the outer islands**

Throughout the modern history of the Cook Islands, the main line of difference in living standards and the range of personal opportunities have been drawn between Rarotonga and the outer islands. While there have been no studies of poverty in the Cook Islands, available statistics support the perception widely held within the community that the key equity issue remains the disparity between Rarotonga and other islands.

The economic reform program in the mid-1990s is a key factor behind the continuing disparity. The reforms carried

with them a risk of the accentuating economic inequalities.<sup>14</sup> The expectation that the reforms would foster economic growth by creating employment, increasing government spending on basic services, and redistribute opportunities to poor communities has proven to be overoptimistic for most outer island communities. The economies of Rarotonga and Aitutaki did respond well, and there have been some service improvements. However, the large losses of people, skills, and paid jobs appear to have hastened the decline in outer island economies and ensured that some outer island communities are below the point where they can sustain themselves.



Beyond the general pattern of outer island disadvantage, a national development forum held in 2003 heard that the vulnerable are those least able to help themselves, whose issues go unheard, and who often have special needs and require extra help. The reasons given for people becoming

**There are other vulnerable groups**

<sup>14</sup> See, for example, the overview of the international experience of reform in Wignaraja and Sirivardana (2004).

vulnerable included the breakdown in the traditional family support systems, emigration, rising cost of living, and ruinous social and community obligations. The vulnerable were identified as being elderly, unemployed, single parents, children, physically challenged, squatters, and victims of crime.<sup>15</sup> The last two categories are, by far, the smallest. Although there is currently no significantly large group of squatters, the impending expiration of land leases in Rarotonga affects some outer island communities residing there, as uncertain tenure makes repairing or upgrading of houses difficult. The Cook Islands has an effective justice system, and most victims of crime receive some form of reparation.

### 3.2 The Rarotonga–Outer Island Divide

#### The outer island disadvantage persists

The fiscal year (FY) 2006 budget speech of the minister of finance noted:

“Development of the outer islands remains a key challenge. Our Partnership Government is well aware, that despite a considerable focus from Government in recent years, living standards in the Sister [Outer] Islands continue to remain well below those in Rarotonga.”<sup>16</sup>

The National Plan 2007–2010 described the problem as follows:

“A fundamental development challenge is to achieve economic growth and social development that is more evenly spread across all islands and that involves less reliance on public service jobs and welfare benefits as sources of cash income. Government, through Office of the Minister for Outer Islands Administration and other Government entities, is committed to ongoing

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15 Office of the Prime Minister. 2003, pp. 12–13.

16 Minister of Finance. 2005, p. 8.

infrastructure development such as harbors, water, power supply, road construction and maintenance as well as airport maintenance in the outer islands.”<sup>17</sup>

It is inherently difficult and expensive to provide small, far-flung communities with a full array of social services, and their higher costs of communications, freight, transport, etc., must either be borne by residents or subsidized by government. Nevertheless, the disadvantage of the outer island communities goes beyond this. With the departure of public sector jobs in the mid-1990s, along went people and skills. Some communities now stay alive only by receiving welfare payments and taking on responsibility for grandchildren.

**The loss of jobs  
and people has  
hit hard**

The distribution of well-being, viewed subjectively or objectively, is reflected in the movement of people. For the past several decades, the predominant migration flow has been from the outer islands to Rarotonga and from Rarotonga to New Zealand and beyond. This flow reinforces the community’s perception of the disadvantage faced by the outer islands.

**Population  
flows reflects  
opportunities**

The most recent information on the distribution of income, and therefore economic hardship, comes from a recent household income and expenditure survey (HIES). The Cook Islands Statistics Office was processing these data at the time of writing, with only preliminary provisional tables available. An earlier HIES was conducted in 1998–1999 but, because of funding constraints, covered only Rarotonga and the Southern Group, surveying them in 1998 and 1999 respectively. Because of the rapid changes in the economy at that time, results for the two areas are not exactly comparable. Other sources of information are the national censuses and such government administrative records on welfare distribution.

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17 Cook Islands Government. 2006a, p. 27.

**Income is  
higher in  
Rarotonga**

Data collected by the 2001 census about the personal cash income of economically active adults showed that, compared with the outer islands, fewer people in Rarotonga had very low incomes of NZ\$5,000 or below, and considerably more were in the middle-income bracket between NZ\$10,000 and NZ\$40,000 (Figure 3.3). The average income in Rarotonga was 14% higher than the average national income.<sup>18</sup> Regarding the few individuals at the high end of the income spectrum, Northern Group islanders did almost as well as the highest-earning Rarotongan residents, no doubt reflecting the high earnings of the larger pearl farmers.

The analysis of the 2005–2006 Household Expenditure Survey—Draft for comment found per capita income and expenditure were lower in the Southern Group than in Rarotonga. Per capita expenditure on food was similar in the two regions, and most additional expenditure in Rarotonga was on household equipment, furnishings, and transport. Despite the differences in income, the degree of income inequality was similar in Rarotonga and in the Southern Group. For both, 40% of the population with the lowest income earned 20% of total income, while the top 10% of income earners earned 30% of total income.<sup>19</sup> This is an even distribution compared with many other developing countries, much more even than in the neighboring Fiji Islands, for example.<sup>20</sup>

**Demographic  
trends  
compound  
outer island  
disadvantage**

The HIES data also suggest that the educational level attained by the household head, rather than the person's sex or age, most influences the amount that a household earns or spends. A higher standard of education is generally associated with higher income.<sup>21</sup> The concentration of higher household incomes in Rarotonga is therefore linked to the concentration of more educated people there, as well as to the more highly paid livelihoods they have access to (Figure 3.4). The education

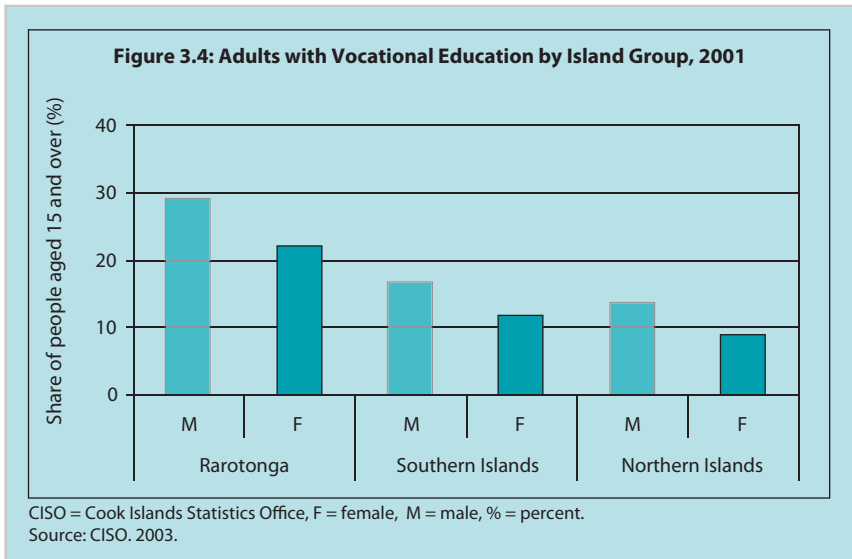
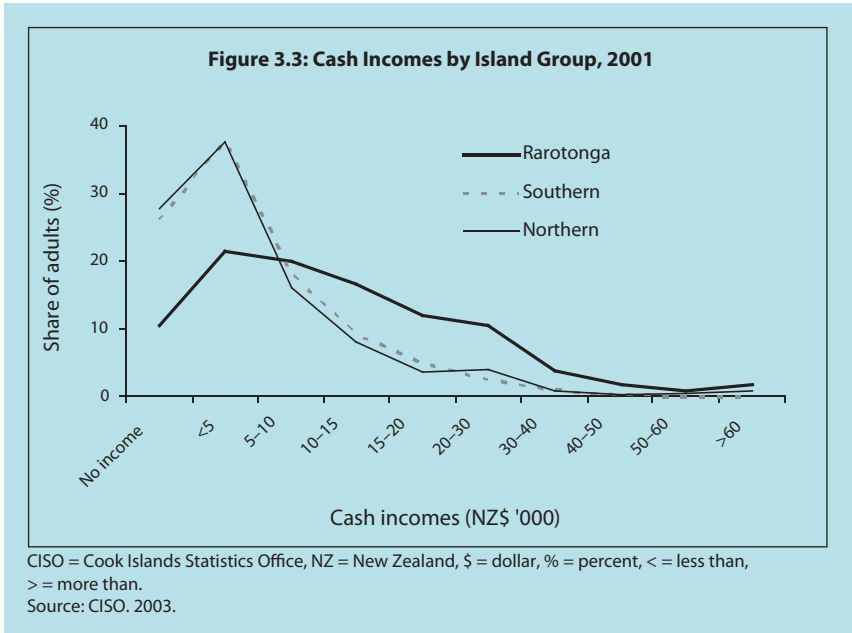
18 Footnote 16; UNDP; and Cook Islands Association of Nongovernment Organizations. 2006.

19 Authors' estimates derived from data supplied by CISO.

20 Fiji Government and UNDP. 1997. In FY1991, the bottom 20% of households in Fiji received 5% of all income, while the top 20% of households received 50%.

21 Footnote 18.

and livelihood disadvantage of outer island populations is compounded by their age and sex structures with more elderly and more women.



### 3.3 The Significance of Gender

#### Women face significant disadvantage

Another general pattern of disadvantage is by gender. By regional standards, Cook Islands women score highly on the gender development index and gender empowerment measure. Compared with Cook Islands men, they have substantially longer life expectancy (74.3 years, or 6.3 years longer than men) and higher secondary school enrollment. Primary school enrollments and reported adult literacy rates are equal for males and females.<sup>22</sup> The main disadvantages for Cook Islands women are their relatively restricted opportunities for economic and political participation, generally lower earning capacity, and remaining subtle forms of gender bias.<sup>23</sup>

#### Gender stereotypes still limit women's participation

The equality of men and women is recognized by the Constitution and in family law, as well as by tradition concerning the inheritance of land and rights of land use. Yet no legislation explicitly prevents discrimination against women, such as gender discrimination in job advertisements or sexual harassment at work, nor are there affirmative action initiatives to promote equality between men and women. Despite equal opportunity for women in most respects, the National Policy on Women (1995) noted:

“Subtle elements of discrimination against women perpetuated by culture, custom, and tradition continue to exist in Cook Islands society today. The continued stereotyping and confining of women's roles and responsibilities to the domestic arena limits their participation in the development process.”<sup>24</sup>

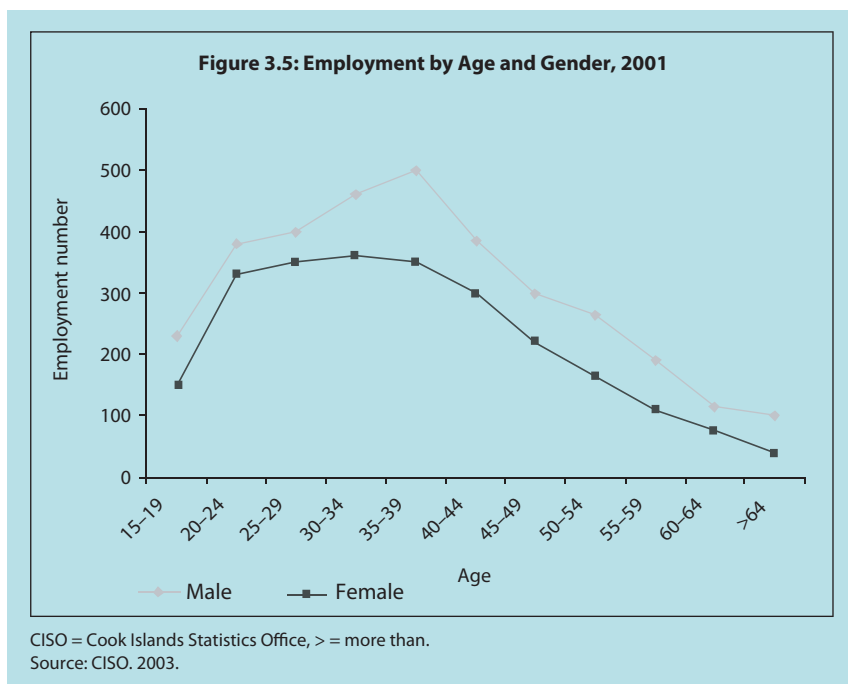
Census data report higher employment rates for men (Figure 3.5). These data conventionally play down women's work by defining a large part of their domestic

22 The reported adult literacy rates of 100% are estimated from censuses and are not derived from an actual survey.

23 Footnote 16.

24 Department of Women. 1995.

activities as “uneconomic,” while men engaged in similar activities such as village agriculture, or unemployed, are more often described as being economically active. What is nevertheless clear is the growing participation of women in wage employment outside of agriculture, which rose from 38% in 1991 to 44% in 1996 and 46% in 2001.<sup>25</sup>



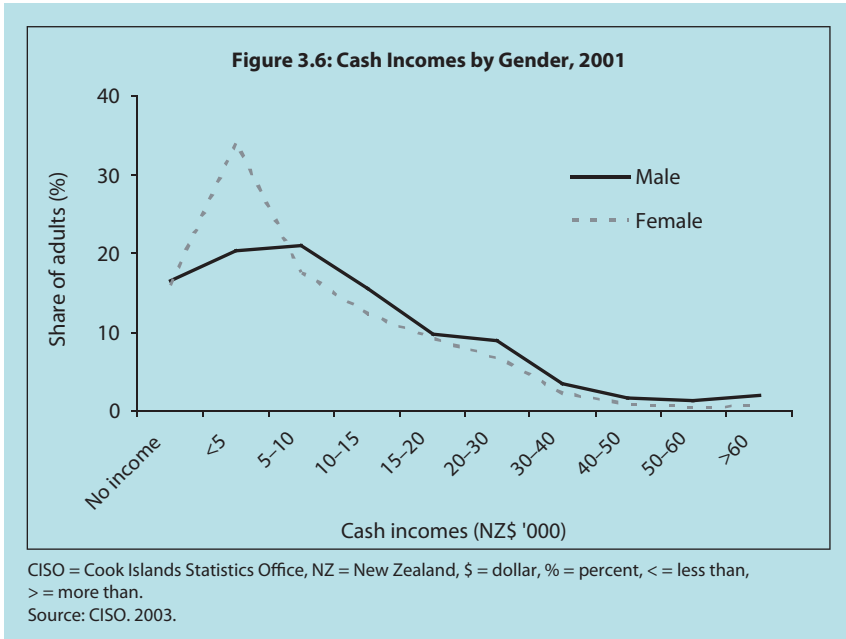
Alongside this paid work, women spend slightly more time than men caring for children and other family members and on such domestic chores as preparing food, cleaning house, shopping, and home repairs.<sup>26</sup> Most important is that the 2001 census showed a significant gender difference remained in earnings for paid employment. More women than men were in the lowest-income bracket (less than

**Women's economic contributions are still played down, but incomes and opportunities have grown most quickly for women**

25 CISO. 2003, 1997, and 1993.

26 Time-use survey conducted as part of the 1998 Rarotonga household income and expenditure survey.

NZ\$5,000) and more men than women were in the highest-earning groups (Figure 3.6).



However, the past decade has been a period of great change. Since the mid-1990s, more job opportunities have opened up for women. Although public service has contracted, more women now work at its senior levels. As a prominent Cook Islands woman expressed it, one least-expected outcome of the mid-1990s reform was the breaking of the glass ceiling that had inhibited the rise of women into senior levels of government.<sup>27</sup> Along with their growing share of paid employment, more women now run small businesses. From 1998 to 2002, the Small Business Enterprise Centre assisted the start-up of 89 businesses, of which women owned 65%. Areas of business activity that have attracted women are handicraft production, agricultural and marine products, and tourism.

<sup>27</sup> Kingston, 1999.

Not all women are doing well. Female-headed households suffer elevated risk of having low incomes or being socially isolated, and their number is growing. Most of those who receive allowances from the Social Welfare Department for destitution are single female heads of households with children to support but little income. These women generally are too young for old-age benefits, and their children are too old (over the age of 10, now changed to 12) to receive the child benefit. The destitute allowance is essentially a stopgap between other welfare payments, a de facto unemployment benefit.

**Women are especially vulnerable to hardship**

**Table 3.1: Female-Headed Households**

	1996	2001
	% of all households	
Total Cook Islands	22.7	24.0
Rarotonga	24.4	25.5
Northern Group	12.7	18.7
Southern Group	23.1	22.2

CISO = Cook Islands Statistics Office, % = percent.  
Source: CISO. 2001 and 1997.

### 3.4 The Elderly

As traditional family support systems weaken, an especially vulnerable group is the elderly people living alone or supporting a grandchild or two. Because of the pattern of out-migration and the ageing population, these are often elderly women, who suffer a real risk—even in more traditional outer island communities—of social isolation. As these communities have shrunk and aged, support systems have attenuated within them. Beyond traditional community ties among cousins, neighbors, and church congregations, the elderly look for their principal material and emotional support from children and grandchildren, yet increasingly find themselves on the remote edge of family networks now centered in Rarotonga or in New Zealand. Social support

**Elderly people are vulnerable**

can come down to finding the money for airfares or a child or grandchild willing to return. Even that may not be enough. On one island, the most difficult welfare case was of an elderly couple—he an alcoholic, she a diabetic with mobility problems, their three young grandchildren going hungry, unsupervised, and pilfering from neighbors. Yet, beyond paying their welfare allowances, community leaders saw no way to intervene.

The geriatric ward at the Rarotonga Hospital serves as a de facto old people's home for infirm elderly people who do not have a family to care for them. There is no other residential facility in the Cook Islands. However, a program supported by the Rotary Club and the Ministry of Health (MOH) operates a day center for elderly people in Rarotonga.

### 3.5 Disabled People

**Disabled people are at risk**

Disabled people are another vulnerable group, mainly because of their limited access to education and livelihood opportunities, although they do receive a special welfare payment. A survey in 2001 located 641 people with disabilities at 4.2% of the resident population, around the expected number in any population.<sup>28</sup> Only 50% of the 119 disabled children of school age attended school, although attendance is supposedly compulsory.

**Facilities on Rarotonga help the vulnerable**

In 2000, the Ministry of Education (MOE) adopted its policy for special education to integrate disabled children into normal classrooms wherever possible. A special education adviser, appointed in 2000, trains teachers to identify and assist children with special needs, including those who underperform on proficiency examinations. The only special facilities for disabled children are in Rarotonga, where the Disabled Persons Centre, a nongovernment organization,

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28 McCullough. 2002.

runs a special education classroom at Avarua Primary School and the MOE pays the salaries of two teachers. The center provides transport for children but caters mainly for people in the Avarua area. Transportation to school is difficult for severely disabled children, which is another reason many stay home.<sup>29</sup> Efforts are being made in the outer islands to provide for disabled children in schools, but these are nevertheless the children most likely to miss out on education.

Partly funded by MOH and the New Zealand's International Aid and Development Agency (NZAID), the creative center in Rarotonga was established in 2000 to provide services for disabled adults over the age of 16. Operating part-time, the center gives disabled people an opportunity to develop creative skills and life skills, to socialize, and to stimulate their learning. Again, no facilities exist in the outer islands.

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29 Footnote 27.