



Defining Hardship and Poverty

The findings of the participatory assessments of hardship (PAH) undertaken in eight Pacific developing member countries (PDMCs)¹ suggest that a growing number of Pacific islanders are indeed disadvantaged. One out of five households in all PDMCs except the Cook Islands is unable to meet the costs of food and other basic needs and services that are essential for a minimum standard of living. In the most disadvantaged countries, the proportion is estimated to exceed one in three. Poverty-line estimates and analyses recently undertaken paint a picture of hardship and poverty much more widespread than previously thought. This undermines the long-held view of Pacific countries as places of subsistence affluence.

1. POVERTY IN THE PACIFIC?

Traditional Pacific societies embrace caring for and sharing with family and clan resulting in the continuing belief that poverty cannot and should not be a part of life. The suggestion that there might be poverty in some form is not, therefore, something that many governments or people in the region are prepared to accept. Indeed, the usual images of poverty, i.e., starving children, landless peasants, and men and women toiling with ox ploughs, do not immediately spring to mind in relation to the Pacific. While Pacific island people might not be well off in financial or material terms, their strong family and community ties have traditionally provided social safety nets for the most disadvantaged and vulnerable. For this reason, in 2001 when ADB started assessing the nature and extent of poverty in the Pacific and the national strategies, policies, and programs to address it, the work was not considered a priority by its PDMCs.

However, 4 years later, poverty as it is now defined and understood in the Pacific is an accepted concern, and ADB is helping PDMC governments to assess and address this emerging issue. Some countries, including Fiji Islands, Papua New Guinea (PNG), and Timor-Leste, have fully embraced

¹ Papua New Guinea (ADB TA 3667-PNG); Republic of Marshall Islands, Samoa, Vanuatu (ADB TA 6002-REG); Fiji Islands, Federated States of Micronesia, Tonga, and Tuvalu (ADB TA 6047-REG)

the need to deal with increasing levels of hardship and poverty and the implications they have for society. Other countries, though not yet acknowledging hardship and poverty as serious issues, are nevertheless accepting that there are growing numbers of disadvantaged people who are being left behind as national economies expand. Poverty and hardship in these countries are seen as issues that are best dealt with before they become serious.

2. DEFINING POVERTY IN THE PACIFIC

What does poverty really mean in the Pacific context? There is no generally or officially accepted definition of poverty; in fact, it means different things to different people in different times and places. This has given rise to much misunderstanding and confusion. Poverty can be either absolute or relative. It may be temporary because of a catastrophe, or it may be long-term and chronic due to unemployment or to sickness or disability.

- **Absolute poverty** occurs when an individual or family is unable to meet basic needs for food, clothing, shelter, health care, or education. It is commonly referred to as having an income of less than US\$1 per capita per day.
- **Destitution** is the extreme form of absolute poverty. It describes the poorest of the poor, those who are unable to meet the costs of even a basic diet and shelter.
- **Relative poverty** is experienced by those whose incomes might be just sufficient to meet basic needs but are still below the national average or norm.

Most discussions of poverty center on its most extreme manifestations: absolute poverty and destitution. There are, however, many other ways in which people can be poor or can suffer hardship. Indeed people can be reasonably well fed and moderately healthy but still live in relative poverty and suffer varying degrees of hardship. Their incomes might be insufficient to meet their food and other basic needs, or they might lack access to basic services, to freedom of choice, or to socioeconomic opportunities. This “poverty of opportunity”² is just as important in defining the extent of poverty and hardship in a society as the lack of income is. In fact, often the conditions and circumstances that give rise to poverty of opportunity (poor

² First used in the Pacific context in the UNDP 1999 Pacific Human Development Report, and defined as “the inability of people to lead the kind of lives they aspire to.”

services and governance, limited employment, and unequal opportunities) are the causes of income poverty.

Defining poverty by level of income might not be appropriate in the Pacific where most economies include high levels of subsistence production. In many cases, calculating the value of such production in the national income (gross domestic product) is not complete; in fact, it is often inadequate or missing entirely. The available data from censuses and household income and expenditure surveys (HIES) are often not collected with poverty and hardship in mind or are not fully analyzed for their implications. There might also have been a lack of community participation in assessing poverty and hardship, and the socio-cultural aspects may have been ignored. These issues are discussed in section C.

Poverty and hardship are, therefore, issues of sustainable human development as well as of income.

According to the PAH, poverty in the Pacific does not in fact mean starvation and destitution; instead, poverty is generally viewed as hardship due to lack of or poor services like transport, water, primary health care, and education. It means not having a job or source

of steady income to meet the costs of school fees or other important family commitments. Poverty and hardship are, therefore, issues of sustainable human development as well as of income. In order to capture all these elements, the following broad definition of poverty has been adopted for the Pacific (see Box 1). This definition was widely debated during consultations in all PDMCs included in the PAH. The importance of family, kinship, and customary obligations was chosen as a central feature.

Box 1

Poverty = Hardship

An inadequate level of sustainable human development manifested by:

- a lack of access to basic services such as primary health care, education, and potable water;
- a lack of opportunities to participate fully in the socio-economic life of the community;
- lack of adequate resources (including cash) to meet the basic needs of the household or the customary obligations to the extended family, village community, and/or the church.

3. CONCLUSIONS

The findings of the participatory assessments highlight hardship and poverty as real issues in the lives of many people in both urban and rural areas and on outer islands. There are, however, many ways in which people can be poor or can suffer hardship. Poverty of opportunity is just as important as lack of income. Furthermore, defining poverty by level of income might not be appropriate in the Pacific where most economies include high levels of subsistence production. In fact, in the Pacific, poverty is generally viewed as hardship due to inadequate services like transport, water, primary health care, and education.