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Introduction

Until recently, poverty has not been considered a serious issue in the Asian Development Bank's (ADB) Pacific developing member countries (PDMCs). Pacific society has long been seen as a traditional culture of caring for and sharing with family and clan. Images of hunger and destitution and of absolute poverty frequently seen in other parts of the developing world have been largely absent in the Pacific. In the last decade, however, the relatively poor economic performance of most of the PDMCs, the political instability and ethnic tensions that have surfaced in some countries, the increasing levels of youth unemployment, and emerging social problems have raised questions about the extent of poverty and hardship. In order to bring these issues into sharper focus and to raise awareness of them, ADB sponsored country poverty assessments that quantified key poverty indicators in nine countries and conducted participatory assessments of hardship (PAH) among communities, villages, and individuals in eight. The PAH sought the perceptions of the people, particularly poor people, on what poverty and hardship meant for them in their daily lives including details of extent and nature, primary causes, and priorities for alleviation. At the same time, ADB conducted a parallel exercise to assess PDMC development strategies and policies and their impact on poverty and hardship.

This paper presents the results of the PAH with a regional perspective. It defines poverty and hardship in the Pacific, it cites relevant data, it describes the perceptions and priorities of the people, and it suggests a conceptual framework and appropriate strategies for equitable growth and hardship alleviation.

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Defining Hardship and Poverty

Poverty and hardship in PDMCs are defined as inadequate levels of sustainable human development through access to essential public goods and services and access to income opportunities. Although they are urbanizing, Pacific societies are still very much oriented towards

rural and outer island subsistence agricultural lifestyles. Traditionally there has been little need for cash income. This is changing, however. Fees for education, health care, and other government services; the wider availability of power and communication facilities; and expanding retail businesses and preferences for imported foods and consumer goods have all led to greater demands for cash. For urban dwellers with little access to subsistence production, the need for an income is even greater though traditional social and community obligations in both urban and rural areas increasingly involve money. Hardship can be caused by more than a lack of income. It can also be due to a lack of access to basic services, to a lack of economic opportunities and choices, or to the inability of individuals to realize their aspirations.

Priorities of the People

More than 150 villages and communities in eight countries were involved in the participatory assessments of hardship. Despite their diverse situations, there was a surprising degree of consistency in the perceptions, needs, and priorities of the people interviewed. In addition to a lack of economic and employment opportunities, hardship was perceived to be the result of poor education, a lack of access to land for gardens or cash crops, poor access to good water and sanitation facilities, poor health, and living alone or depending on others. The people further felt that hardship was the result of government failure to meet their real needs.

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Millennium Development Goals

Success in meeting the Millennium Development Goals (MDGs) has been mixed. The Polynesian countries have consistently made better progress in achieving primary health and education indicators than the Micronesian or Melanesian countries. They have also tended to be better at reducing gender disparities. Nevertheless, in all countries, national aggregates hide wide regional variations, with rural and outer island communities tending to have lower levels of achievement. Furthermore, though the MDG indicators may

show improved school enrolment and access to health facilities, they do not record the perception that the quality of those services is declining.

Poverty as measured by national poverty lines also tends to be lower in the Polynesian countries, notably Cook Islands, Samoa, and Tonga, when compared with the two other groups. The highest rates of poverty have been recorded in the Federated States of Micronesia, Kiribati, Papua New Guinea, and Timor-Leste. New data for Fiji Islands are expected by the end of 2004 that will provide a valuable update on poverty last measured there in 1990/91.

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National Strategies and a Framework for the Future

The poor performance of some countries in raising incomes, creating employment, and providing adequate basic services suggests that past policies and strategies have either been inadequate or have failed. Failures can be broadly attributed to weak governance, a lack of private markets, and poor institutional development. National policies and strategies have also lacked consistency, continuity, and broad participation and ownership in their formulation and implementation. Most countries have publicly promoted the private sector as a source of investment, growth, and employment, but few have supported these policy statements with positive action. Difficult access to land and the inability to use it as collateral for loans, low levels of labor productivity, inefficient utilities, poor infrastructure, imperfect regulations, and consequently higher than necessary transaction costs have often been cited as primary constraints to expanding the private sectors of many PDMCs.

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tory, conceptual framework for setting and implementing development priorities and strategies is presented. It stresses (i) the importance of strong regulatory institutions at the civil, community, and highest levels of government to ensure effective, equitable markets and contracts and (ii) the importance of participation and consultation to generate commitment and ownership. Strong institutions and

governance backed by committed leadership and sound management are the keys to development progress and to the alleviation of poverty and hardship.

A Preferred Strategy for a Modern State

The three pillars of ADB's poverty reduction strategy are good governance, inclusive social development, and sustainable, pro-poor economic growth. The priorities of the people as expressed in the PAH fit squarely within these pillars. The pillars also validate existing national development strategies. What is required is a greater focus on priority areas and a real commitment to implementation. National strategies and programs that address the priorities of the people and core areas for consideration are presented in the final section of this paper.

As more data from household surveys and from census analyses become available, it should be possible to target those communities and regions that have the greatest hardships and disadvantages. Creating greater economic opportunities in rural areas and outer islands is discussed in the context of declining rural populations and the declining attractiveness of agriculture as a career for youth. What, if anything, can be done to halt or reverse these trends? What can governments really do to improve rural agriculture opportunities? How much can greater regional cooperation help to promote growth in PDMCs, and what are the next steps to be taken? The way forward is to engage PDMCs in designing and implementing policies and programs that will improve access to primary education and primary health for all, that will cooperatively develop available land, and that will lower costs and constraints to private sector investment and strengthen good governance.

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