

NPRS-PRF

Helping Accelerate Poverty Reduction in Asia and the Pacific

UNDERSTANDING AND FIGHTING POVERTY IN THE PACIFIC REGION

Technical assistance (TA) No. 6047 Preparation of National Poverty Reduction Strategies in Pacific Developing Countries (PDMCs) continued the work of earlier TAs and was aimed at increasing the impact of national development interventions in the PDMCs in favor of the Pacific peoples who are disadvantaged, vulnerable, in the lowest income brackets, and might otherwise be considered relatively poor.

The Pacific Islands are often depicted in travel brochures as paradise covers in idyllic settings where food is plentiful and islanders live in harmony and peace. To think of destitution as a pressing problem in these postcard-pretty islands, some would say, is hardly imaginable.

Poverty in the Pacific Island

The majority of people in the Pacific still rely on subsistence agriculture for their livelihood. The term *subsistence affluence*¹ has been used to describe their societies, in which strong support from the extended family or community is said to have contributed to alleviating extreme poverty. However, the spread of the cash-based economy, together with new forms of employment and urbanization, has restructured national and household economies and highlighted economic differences in the process.

“Poverty of opportunity” aptly describes the nature of poverty in the Pacific.² This is characterized by limited opportunities to earn cash income; risks associated with change; shortages of financial, technical and social services; and the nature and quality of governance.

Pacific societies are rightly proud of their culture, and in particular the strong tradition of redistribution that has existed within the extended family system. As a result, many have trouble accepting that poverty exists in their midst.

Nevertheless, recent studies have clearly shown that poverty does exist and, in some cases, is getting worse. However, its incidence, depth and severity vary between countries within the region. Poverty is rising due to 2 decades of weak economic performance and slow job creation, rapid population growth

and urban drift, growing inequalities, and declining public services. Traditional support systems are under strain and are slowly breaking down. National strategies in many of the Pacific island countries have not been largely paying attention to the emerging conditions in the region.

Analyzing hardship and poverty

The regional technical assistance (RETA) No. 6047 *National Poverty Reduction Strategies in the Pacific Developing Member Countries*³ financed by the Asian Development Bank (ADB) was developed to carry out capacity building activities in four Pacific countries: Fiji, the Federated States of Micronesia, Tonga and Tuvalu. Activities focused on poverty analysis; incorporation of poverty reduction measures into national plans; and implementation, monitoring and evaluation of poverty reduction strategies.

The scope of the RETA included the establishment of in-country poverty task forces to steer and guide the process of national poverty reduction strategies (NPRS) formulation through the following core activities:

- Poverty consultation workshops convened and run by the respective governments;
- Workshops to enable poor people in each country to discuss the findings from the poverty assessments and recommendations to the NPRS.

The RETA started with a regional forum to share experiences, compare poverty reduction strategies and performance indicators of millennium development goals and discuss the best means to institutionalize a stronger focus on poverty.

Participatory poverty assessments were conducted to capture people's understanding of poverty and to inform country strategies, program formulation and policy decision making. The findings were published in each country in their national languages, outlining the priorities of poor people.

The regional forum and the in-country assessments helped create ownership of and commitment to a new understanding of poverty. The activities also helped raise awareness of the need for policies and strategies to reduce poverty. This analysis formed the basis for the design of countries' NPRSs. In turn, strategies were incorporated into national planning documents where appropriate. In addition, the millennium development goals performance indicators were identified alongside a poverty monitoring process for each PDMC.

The main findings from RETA 6047 include the following:

- Poor people perceived their hardship to result not only from inadequate economic opportunities, but also from poor education, lack of access to land for subsistence or cash crops, poor access to water and sanitation, poor health, and living alone or depending on others. Those consulted also felt that hardship was the result of government failure to be responsive to their needs.
- The issues identified through consultations are reflected in ADB's Pacific regional strategy. The three pillars of ADB's poverty reduction strategy are: sustainable and pro-poor economic growth, inclusive social development, and good governance. The priorities expressed in the participatory poverty assessments fit squarely within these three pillars. The pillars also complement existing national development strategies. What is required now is a concerted focus on priority areas and a real commitment to implementation.
- Failure to reduce poverty to date 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 either their formulation or implementation.

Influencing future poverty strategies and policies

RETA 6047 assessed hardship and poverty, using both quantitative and qualitative methodologies and ensured that poor people were able to contribute to the process.

Although impact has been variable in each country, the outputs of RETA 6047 have helped direct both future PDMC policies and strategies and ADB regional and country priorities, strategies, policies, and programs.

RETA 6047, together with the outcomes of other similar national and regional TAs, has played a major role in helping to formulate the ADB's new regional strategy for the Pacific entitled—

Responding to the Priorities of the Poor: A Pacific Strategy for the Asian Development Bank 2005–2009—which received high praises from the ADB Board in November 2004.

RETA 6047 also provided the basis for the development of a follow-up TA, RETA 6157 which established a multi-donor-funded Pacific Poverty Program managed by the Secretariat of the Pacific Community.

Endnotes

- ¹ Bayliss-Smith, T.P., and R.G. Feachem, eds. 1977. *Subsistence and Survival: Rural Ecology in the Pacific*. London: Academic Press.
- ² United Nations Development Programme. *Pacific Human Development Report 1999: Creating Opportunities*. Suva: Quality Press.
- ³ Regional Technical Assistance 6047, National Poverty Reduction Strategies in the Pacific Developing Member Countries. Amount: \$500,000; approval date: September 2002; completion date: May 2005.

This case study was written by Social Development Direct (RETA Consultant) under the Regional TA 6270: Facilitating Knowledge Management for Pro-Poor Policies and Projects with inputs from Steve Pollard, Project Officer of RETA 6047, and Sonomi Tanaka, Senior Social Development Specialist, ADB. The views and assessments contained herein do not necessarily reflect the views of ADB or its Board of Directors or the governments they represent. ADB does not guarantee the accuracy of the data and accepts no responsibility for any consequences of their use.

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