



NIUE

The state of poverty and vulnerability in households: challenges and recommendations

Results from the 2015–2016 Household Income and Expenditure Survey (HIES)

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Niue Statistics Office
Statistics New Zealand
Pacific Community



Noumea, New Caledonia,
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ACRONYMS

FHHs	Female Headed Households
FPL	Food Poverty Line
HH	Household
HIES	Household Income and Expenditure Survey
MFAT	Ministry of Foreign Affairs and Trade
MHHs	Male Headed Households
PICTs	Pacific Island Countries and Territories
PGI	Poverty Gap Index
SDG	Sustainable Development Goals
SIDS	Small Island Developing States
SPC	Pacific Community

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Fakaalofa lahi atu.

To live in poverty or extreme hardships are conditions which has no absolute official definition as it differs from person to person, family to family, one community to another, and from country to country. However, it is important to understand that poverty should be defined, measured, studied, and accepted relative to the diverse economic, social, cultural and political environment prevailing in each country and region of the world.

In saying that, it is my greatest honor to endorse and release this report, the second Poverty Analysis Report for Niue as part of the outcomes from the Household Income and Expenditure Survey 2015–2016.

The report highlights that there is no one in Niue living in extreme poverty in Niue, although we still have a long way to go in terms of achieving our goal of “making this place a better place for us to live in; A prosperous Niue – Niue ke Monuina”.

I am confident in saying that the information herein would be of great use for those who are interested in the situation on poverty, hardship and vulnerability in Niue.

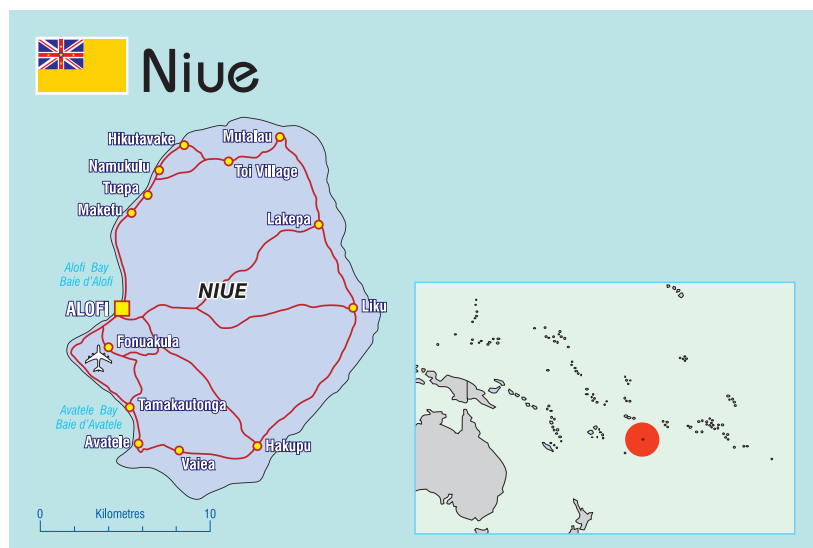
Finally, my special gratitude and appreciation to the Statistics for Development Division at the Pacific Community (SPC) especially to Mr. David Abott and his team of experts for helping put together this Poverty Analysis Report for Niue. Extending my acknowledgments to the Statistics New Zealand team, the Niue Statistics Office and the people who assisted in making this report possible. For the all the hard work put into this report by various people and organizations, your support is fully acknowledged and appreciated.

Fakaaue lahi mo e kia fakamonuina mai he Atua a tautolu oti



Hon. Crossley Tatui

Minister for the Niue Statistics Office, Ministry of Finance and Planning



EXECUTIVE SUMMARY

This report is based on the analysis of the Niue 2015–2016 Household Income and Expenditure Survey (HIES). It constructs the Food and Basic Needs Poverty Lines, computes the incidence of both Food and Basic Needs Poverty, investigates the key characteristics of the poor and vulnerable, and provides an analysis of poverty and inequality in Niue. This report classifies households (HHs) and individuals as extremely poor if their expenditure falls below the Food Poverty Line (FPL), poor if their expenditure is below the Basic Needs Poverty Line (BNPL), highly vulnerable to becoming poor if their expenditure is 20% or less above the BNPL, vulnerable if their expenditure is more than 20% but less than 50% above the BNPL, potentially vulnerable if their expenditure is more than 50% but less than 100% above the BNPL; and non poor if their expenditure level is 100% or more above the BNPL.

The results from the 2015–2016 HIES show that overall, there are low levels of poverty incidence in Niue, and the depth and severity of the poverty being experienced are also low. In general therefore, the majority of Niueans enjoy a high standard of housing and have access to basic HH services such as safe cooking and drinking water, clean fuels and managed sanitation and waste disposal facilities. Most also have access to internet and a mobile phone. In Niue, there are no persons living below the FPL. However, 10% of HHs are living below the BNPL and 9% of HHs are at high risk of falling below the poverty threshold. Moreover, there are clear differences between men and women, with women disproportionately represented in the national population living below the BNPL and among the employed population living below the BNPL.

The effects of the ongoing Covid-19 pandemic on tourism arrivals and related businesses and travel options, may have resulted in job losses and the hardship and poverty situation may have worsened in recent months.

Although Niue seems to be in a strong position regarding access to basic services and infrastructure, it does have its own unique share of challenges such as the slowly decreasing population, a major obstacle to its economic development. According to the 2017 census, Niue's population was estimated at 1,591. Such a small population is an indication of lack of human resources which in turn can have an impact on economic development. Moreover, given Niue's economic and geographic idiosyncrasies, a large portion of the population is potentially at high risk of falling into poverty should individuals or HHs be hit with unexpected shocks. The poverty dynamics in Niue have significant policy implications, for example it should promote more precise, targeted poverty interventions designed at supporting the relatively few low-income and vulnerable families.

1 INTRODUCTION

This report provides an in-depth analysis of poverty and vulnerability within Niue. A key aim of this report is to highlight the correlates of poverty and to identify the key characteristics of those living below the basic needs poverty line, as well as those that are vulnerable or close to living below their basic needs.

Measured by GDP, Niue has the 6th highest GDP per capita among the Pacific Community member countries, and contrary to other Pacific Islands, the economic trend is positive in terms of both absolute GDP and GDP per capita. The GDP per capita increased 14% between 2015 and 2018, from the equivalent of USD 12,945 in 2015 to USD 14,570 in 2018 at constant 2015 prices. It is one of the largest raised coral atolls in the world with an area of 259 sq.km. Niue's population, which was estimated at 1,591 in 2017¹ thus has the lowest population density within the Pacific Community (6 persons per sq. km). The population has increased from 1,406 in 2011.

The Niue National Strategic Plan 2016–2026, which provides a high-level roadmap of the Niuean Government's direction and priorities, considers tourism, fisheries, water, noni and vanilla as key strategic assets for wealth creation.² However, outside of government employment or welfare programmes, the two main sources of personal income for Niueans are from locally owned and operated small scale ecotourism endeavours, and agriculture (Freddie and de Sylva, 2018). The agricultural sector consists mainly of subsistence gardening, although some cash crops are grown for export. The major exports from Niue are noni juice, taro, and vanilla primarily to niche markets in New Zealand and Australia and philatelic items and coins to collectors.³

Niue benefits from a long-standing free association agreement with New Zealand which has been in place since 1974 and on 26th April 2019 Niue signed a Statement of Partnership setting out the principles and priorities under which the Governments of New Zealand and Niue cooperate, coordinate and partner in shared priority areas.⁴ This historic relationship has fuelled sustained emigration from Niue to New Zealand and a steady flow of remittances, flowing both ways. Outward remittances are principally generated by the number of non-Niueans working in Niue, notably in the health and private sectors of the economy.

However, like many Small Island States, Niue is highly vulnerable to economic shocks due to its geographic remoteness, small population, and exposure to natural hazards. The island has long experienced negative population growth, as Niueans emigrate to New Zealand, although this trend has begun to be reversed recently. In 2013, 24,000 Niueans were residing in New Zealand, reducing the total island population – which was as high as 5,000 in the 1960s – to its current levels, of fewer than 2,000. Though the 2017 census suggests an increase in population, this minor shift does not diminish the wider trends; SPC estimates that the negative growth rate will continue, leading to Niue's population reaching approximately 1,356 by 2035.⁵ This population drain primarily affects rural areas, and has not significantly slowed Niue's rapid urbanisation, which saw the urban population reaching 40% of the total in 2014 compared with 30.9% in 1990.

Public expenditure is under pressure, reflecting a high per capita cost of public service delivery, in turn caused by Niue's wide geographic population dispersion (IMF, 2015). Thus, despite Niue's high GDP, which ranks 6th regionally, per capita government expenditure is the highest in the Pacific Community (USD 20,705 in 2014). As a result, expenditure regularly exceeds revenue and, to ensure budgetary reconciliation, Niue is critically dependent on grants from New Zealand, particularly to pay public sector wages. Sovereign Funds (SFs) are

1 2017 Census

2 <http://www.fao.org/faolex/results/details/en/c/LEX-FAOC184000/>

3 *Niue Agriculture Sector Plan*

4 <https://www.mfat.govt.nz/en/countries-and-regions/australia-and-pacific/niue/#bookmark1>

5 <https://sdd.spc.int/nu>

recognized as another potentially important source of financing for sustainable development in the Pacific (UNDP, 2017). In very small Pacific SIDS, like Niue, reducing reliance on development aid and remittances is an explicit objective of the SF, which primary objectives also include macro stabilisation and generation of inter-generation wealth. Niue's Trust Fund, established in 2006, was estimated to manage approximately USD 77 million in 2016.⁶

Niue's vulnerability is compounded by the challenges of climate change and natural hazards which threaten infrastructure, livelihoods, and resources. The most frequent natural disasters have been cyclones which, in the recent past, have destroyed crops, damaged infrastructure, and displaced Niuean HHs.

Niue borders the tropical cyclone belt, with cyclones making landfall at approximately four-year intervals and a severe cyclone occurring once in every ten years. These events have caused significant physical and economic damage.⁷ The capital city of Alofi, inhabited by the majority of the population, was devastated in 2004 by Cyclone Heta. There was significant damage to commercial and financial hubs, and the island's communication infrastructure was damaged, with damage to a satellite dish disabling 75% of Niue's computer database. The storm caused the death of two people and over NZD 85 million (2004) worth of damage on the island – five times its 2003 GDP of NZD 17 million.⁸ In 2018, tropical cyclone Gita swept through the Pacific leaving a trail of damage and disruption. Cyclone Gita emerged from a monsoon trough in the South Pacific and brought massive winds to Niue, however, there was no damage.⁹

Whilst in relative terms, the level of poverty and inequality is low in a regional context, there is significant vulnerability at both the macro and micro levels. Assessing and understanding the characteristics of those living in poverty, or that are vulnerable is crucial, in designing evidence-based, risk-informed policies to ensure Niue's economic and social well-being and continued development.

Ensuring low levels of poverty is vital for those currently living in poverty, those vulnerable to poverty, and wider society because poverty undermines social cohesion and hinders the ability of individuals and HHs, to protect themselves from negative shocks. The 2030 Agenda and the 17 SDGs provide a universal framework by which nations can ensure dignity, peace and prosperity across a range of socio-economic development themes. Since 2015, nations have strived to embed SDGs into their national plans and provide comparable and reliable data to track and measure these global indicators. The framework provides international accountability and consistency, requiring national statistics offices to select, measure, and publish data on context-specific SDG indicators.

The Pacific SDG Taskforce has outlined 132 different indicators to support the tracking of the region's performance against the SDGs. These indicators, chosen for their specific regional relevance, provide the foundations for the design of evidence-based poverty alleviation and well-being centric policies. For example, the Pacific SDG Taskforce highlighted indicator 1.3.1:

"Proportion of population covered by social protection floors/systems, by sex, distinguishing children, unemployed persons, older persons, persons with disabilities, pregnant women, new-borns, work-injury victims and the poor and the vulnerable".

This indicator has taken on an added importance with the impact of the Covid-19 pandemic. The indicator could inform the construction of a variety of social protection policies and help to support those that have been identified as being particularly vulnerable in Pacific societies (see Abbott and Pollard, 2004, p.13).

6 (NZIER 2016)

7 <https://adaptation-undp.org/explore/polynesia/niue>

8 <https://reliefweb.int/report/niue-new-zealand/niue-foou-new-niue-cyclone-heta-recovery-plan>

9 <https://rnz.co.nz/international/pacific-news/350132/niue-spared-as-cyclone-gita-picks-up-strength>

Other indicators such as those sitting under SDG 4 (Quality education), SDG 8 (Quality work and economic growth) and SDG 11 (Sustainable cities and communities) are relevant to the causes of poverty outlined by the Commonwealth of Australia report (Holmes and Slater, 2012). As Niue develops its statistical capacity, and begins to measure indicators more rigorously, the government will be able to assess the success of various policies against issue-specific indicators and review longitudinal progress.

This poverty and vulnerability analysis will be performed using the most recent HIES that was undertaken in Niue between October 2015 and October 2016 conducted by the Niue Statistics Office (NSO) and developed by the Statistics for Development Division of the Pacific Community (SPC). This was the second Niue HIES and is a regionally standardised tool, adopted by NSOs across the region with the intermediary aim of collecting information on the total amount that HHs spent and earned over the 12 months prior to the survey. Over time, repeated HIES will allow longitudinal analysis of trends. The HIES' ultimate aim is to inform policymakers about Niue's socio-economic development, therefore enabling evidence-based decision making and more effective programming. Questionnaires were conducted over a 12-month period to capture the seasonality of HHs' income and expenditure.

The 2015–2016 HIES consisted of the following four modules:

- Demographic information
- Household characteristics and expenditure
- Individual expenditure
- Individual and household income

The 2015 HH listing was used to select randomly 224 HH from a total of 513 HHs. The randomly selected HHs were split into two lists (list A and list B) with the former consisting of 160 HHs and the latter consisting of 64



HHs. List B was used in the event that a replacement was required due to unavailability or refusal of List A HHs to participate. A total of 156 HHs were interviewed. The selected HHs were interviewed over 8 rounds – each round lasting 3 weeks and consisting of 20 HHs to interview per round.

Poor and vulnerable HHs and individuals are identified using the following criteria:

- Extremely poor: HH expenditure below the FPL
- Living in poverty: HH expenditure below the BNPL
- Highly vulnerable: HH expenditure is within 20% of the BNPL
- Moderately vulnerable: HH expenditure is between 20% and 50% greater than the BNPL
- Slightly vulnerable: HH expenditure is between 50% and 100% greater than the BNPL

This report provides a comprehensive analysis, and suggested policy responses, on the hardship, poverty, and vulnerability situation in Niue. Section two briefly describes the HH composition and primary economic activity of Niuean individuals, alongside HH consumption expenditure patterns. Section three considers different possible measures of monetary poverty, considering poverty incidence, depth and severity over time and in comparison with other Pacific Island countries. It also explores the correlates and characteristics of vulnerable individuals and HHs, and provides a regional inequality comparison. Finally, section four discusses existing social protection programmes, evaluating the programmes' coverage and efficacy. Section four also utilises SDG indicators to evaluate Niue's provision of basic services, covering dimensions such as access to clean water and sanitation and access to internet. Finally, the report presents some summary findings and policy implications.

2 SOCIO-DEMOGRAPHIC PROFILE OF HOUSEHOLDS

The 2015–2016 HIES collects information on income and expenditure associated with production, income, and consumption. This information can be used to describe the main socio-economic characteristics of Niuean HHs and persons, many of whom have causal relationships to poverty and vulnerability. The HHs' size, the gender of the HH heads, and the presence of the most vulnerable people in the HH (children, older persons, and people with health issues), as well as the source of HHs' income have to be analysed as underlying factors when studying HHs and persons experiencing poverty. Each factor chosen has a widely recognised impact on poverty and vulnerability, both regionally and globally, and can provide invaluable insights into Niue's socio-economic development.

2.1 Household composition

The average number of members in a HH nationally was 3.3 persons – in line with the 2017 census estimate of 3.3 persons per HHs. According to the 2017 census, about 22% of the HHs were single person HHs. The number of single person HHs increased in the past ten years by 17 HHs. Of the estimated 107 single person HHs, 58 of them were of those of age 60+ years, 34 males and 24 females. Larger HHs tend to have higher total expenditure. Contrary to the expected relationship of poorer HHs having larger number of members, in Niue HHs in the bottom three deciles have fewer members than HHs in the top three deciles, 2.0 persons

and 4.4 persons, respectively. One plausible explanation for this could be that larger HHs have more working members to generate income for their families.

Poorer HH are concentrated amongst the elderly, especially amongst HH headed by elderly females where almost one-third of such HH fall below the BNPL compared to only 11.9% of HH headed by elderly males. Amongst all elderly females, whether heads of HH or not, 20.5% fall below the BNPL compared to only 10.1% of all elderly males.

The poverty bias towards females is also seen across all ages. It is estimated that 6.9% of all females fall below the BNPL compared to only 2.5% of all males.

Considering the number of persons by HH, there were only a few HHs composed of a single person which are more likely to be in poverty – HHs in the bottom decile average only 1.6 HH members. One possible explanation for this result is that, amid Niue's strong community values and subsistence agriculture, having more HH members equates to an increase in capacity for HH enterprises, with extra labour utilised within the HH – usually the young and the elderly.

The most common HH composition is a couple with children (55%). 14% of HHs are formed by a single parent and child and another 16% reside in some other HH composition which includes children. Children are defined as those aged 0–14 years and they make up around 23% of the population, with a relatively equal number of boys and girls in this age group.

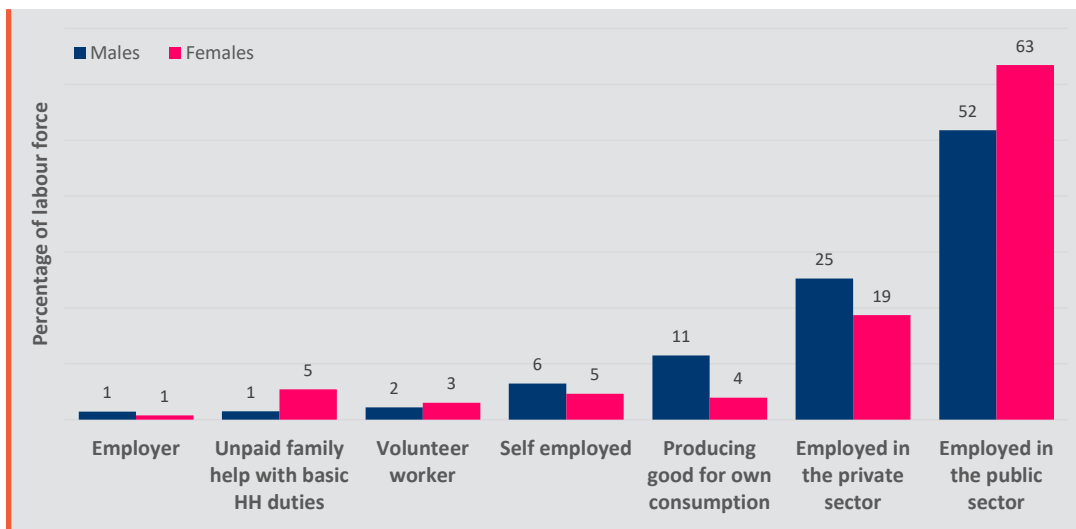
Most HHs are male headed, 350 of the 513 HHs, and the majority of male heads are of working age (30–59 years), whilst most female HH heads are aged 60+ years (approximately 61%).

2.2 Labour and other income sources

The survey collected information on the labour activity of 1,243 people aged 15+ years. Of these, 575 were males and 668 were females. For both male and female headed HHs, the majority of annual income comes from employment. As the majority of the population is engaged in either public or private employment, this is unsurprising. **The main source of employment comes from the public sector as about 40% of the population aged 15 years and older are employed in public sector followed by those employed in the private sector (15%).**¹⁰

Of the male labour force, 52% is employed in the public sector, 25% in the private sector, 11% produces good for their own consumption, 6% is self-employed, and 1.4% are employers. Elsewhere, 2% work as volunteers, and 1.4% consider their main employment to be supporting their family with unpaid basic HH duties (Figure 2.1).

There are significant gender disparities: 63% of the female labour force is employed in the public sector, 18% in the private sector, 5.5% in unpaid basic HH duties, 4.5% in self-employment, 3.9% produce goods for their own consumption, 3% work as volunteers, and 0.7% are employers. When considering secondary economic activities, 78% all of working age people produce goods for their own consumption (57% of males and 21% of females), 17% help the family with unpaid basic HH duties (5.5% of males and 12% of females), and 5% are self-employed (all female workers).



Based on own calculations using 2015–2016 HIES

Figure 2.1: Allocation of labour force, by economic activity and gender

According to the Niue 2015–2016 HIES Report, total annual HH income can be estimated at NZD 21.4 million, with a median HH income of and estimated NZD 37,614 per annum.

Most HH income comes from wages and salaries (67.7%), followed by social security and welfare income (16.2%), imputed rents (7.4%) and remittances (0.7%). An estimated 81% of the social security income consisted of pensions.¹¹

An estimated 73.0% of total annual HH income accrued to male headed households (MHHs) a slightly higher proportion than would be warranted by the proportion of MHHs (68.0%) in the country. This difference between MHHs and female headed households (FHHs) is most noticeable when considering income from home production activities where MHHs account for 78.6% of income from that source and in wages and salaries where MHHs received 74.5% of income from that source.

However, FHHs received 56.5% of all social protection benefits. Social protection and social security income accounted for approximately 21% of total annual HH income of FHHs, compared with 15% of total income for MHHs. This discrepancy has important policy implications, as FHHs are clearly more reliant upon Niue's social protection program. Further developments in such program could, therefore, play an important part in closing the gender gap and ensuring equity.

2.3 Disability, health and prevalence of non-communicable disease

Of the total population, 21.0% were identified as having some form of primary health problem as obtained via the health module in the survey. 19.1% of the male population and 22.8% of the female population reported having a primary health problem. The most common health problem reported was diabetes, which affected 10.4% of the total population. However, this has apparently reduced from 14% (Niue Population Household census 2011). A third of elderly population above 60 years of age have developed diabetes.

The main primary health issue was reported as diabetes (49.4% of all health issues reported) followed by gout (10.4%) and hypertension (7.4%). Females reported a higher prevalence of diabetes (55.7% of reported cases affecting 11.1% of all females) compared to males (44.3% of reported cases affecting 9.6% of the total male population).

¹¹ 2015–2016 HIES report

Poor health was noticeably worse amongst those living below the BNPL of whom 29.0% reported a primary health issue, 32.8% of males and 27.8% of females. These figures compare with only 18.7% of males and 22.4% of females who reported a primary health issue while living above the basic-needs poverty line.

3 MONETARY POVERTY AND INEQUALITY

As a multidimensional and complex concept, poverty can have several interpretations, and different measures of poverty may be legitimate (Atkinson, 2019). Poverty has several dimensions which can affect its definition, measurement, and conceptualisation: social, cultural, political, technical, spatial, and time. Beyond methodology, effective poverty measurements are dependent on having disaggregated, comprehensive, reliable data. Incomplete data increases the complexity of evaluating and measuring poverty in small Pacific Islands, such as Niue. Ideally, the collected information should guarantee the comparability of data over time, and build upon agreed international indicators to allow for international comparison.

Conceptually, hardship and vulnerability are closely related, because HHs experiencing hardship may enter the cycle of poverty when faced with external shocks. Households in hardship may struggle to save resources to use in response to negative shocks and may have to resort to negative coping strategies. Mohanty (2006), discussing Fiji, details how the least well-off migrants to urban areas settle on the most undesirable lands, such as waste dumping sites, flood-prone areas, and unstable hillsides. Geographic features, the size, and isolation of Pacific Island countries contribute to hardship and vulnerability by limiting the size and diversity of the private sector. Economic openness is needed to counteract the effects of their size and geography as well as to mitigate vulnerability by limiting economic dependency on external markets (Adelman and Ivaschenko, 2014).

Attention and interest on poverty measurement has grown in the Pacific Island countries. Abbott and Pollard (2004) noticed how traditional Pacific societies did not recognise the concept of poverty, believing in the strong bond within families and communities, and providing social safety nets for the most vulnerable and disadvantaged. As a result, in 2001, when the ADB started analysing poverty in the Pacific following the introduction of the Millennium Development Goals (now the Sustainable Development Goals; SDGs) to support policy-design and decision-making, the work was not considered a priority. The subsequent SDGs refocused attention on poverty, contributing to an increasing will to combat the challenges linked to hardship, inequality and climate impacts in Small Island Developing States (SIDS), including the Pacific Islands. This has included analysis of strategies to reduce poverty, for example the development of comprehensive social protection schemes. Although the ADB has actively worked to analyse the linkages between poverty and social protection in the Pacific Islands (ADB, 2016), it recognises that more work is required to support the design of social protection schemes able to reach those HHs and individuals that live in a state of poverty and hardship.

3.1 Poverty measures

Poverty measures in the Pacific Island countries regularly use the cost of basic needs approach, which underpins to the construction of poverty lines (Haughton and Khandker, 2009). Poverty incidence is captured by a headcount index which measures the proportion of the population that is poor, as defined by a poverty

line and predetermined thresholds. The **poverty line** represents the minimum expenditure required by a HH or an individual to fulfil their basic food and non-food needs. First, the approach must estimate the cost of acquiring sufficient food to guarantee adequate nutrition (internationally set to approximately 2,100 kilocalories per adult equivalent per day), before adding the cost of other essentials such as clothing and shelter.

In the absence of complete price information, researchers can use the food energy intake method, enabling them to calculate the expenditure level at which a HH or a person acquires enough food by comparing expenditure per capita against food consumption (in calories per person per day). This is the FPL, which represents the cost of a food basket that is produced or purchased by the HH/individuals and that is sufficient for survival. It has an absolute base (Average Daily Food Cost Adjusted to 2100 kcal per adult equivalent per day) derived from the actual consumption patterns of the lowest three deciles but does not necessarily represent what HH/individuals desire or consume (Abbott and Pollard, 2004).

The Basic Need Poverty Line (BNPL) combines the measure of the cost to buy sufficient food to survive with the allowance for basic, non-food expenditures. These basic expenditures reflect additional costs that a HH/individual in the lowest expenditure three deciles of the consumption distribution may incur, focusing on highest priority non-food items such as housing, essential transport, utilities, school fees, clothing and contributions to the church and other social obligations. The use of the poorest HHs prevents the inclusion of luxury items (Abbott and Pollard, 2004). The HIES collects information to measure the FPL and the BNPLs based on consumption/expenditure as recorded by HHs and individuals. BNPL HHs and individuals are considered as **extremely poor** if their expenditure falls below the FPL; **poor** if they are below the BNPL; **highly vulnerable** to becoming poor if their expenditure is 20% or less above the BNPL; **moderately vulnerable** if their expenditure is between 20–50% above the BNPL; **slightly vulnerable** if their expenditure is between 50–100% above the BNPL; **non poor** if their expenditure level is more than 50% above the BNPL. Whilst these measures can capture poverty incidence, they do not adequately capture the depth nor severity of poverty.

Poverty depth and severity measures are complementary to measures of poverty incidence. Poverty depth describes how far in percentage terms the income or expenditure of a HH or an individual is below the poverty line. Poverty severity is a measure of how severe the level of deprivation is for those living below the poverty line. To measure poverty depth and severity, we use the Poverty Gap Index (PGI) and the Poverty Gap Index squared (PGI squared). The former is calculated by evaluating the extent to which individuals on average fall below the poverty line, captured by the average difference between HH income and the poverty line, and is expressed as a percentage of the poverty line. The latter is constructed by taking a weighted sum of poverty gaps, where the weights are proportionate poverty gaps, and thus when squared, greater emphasis is given to HHs falling significantly below the poverty line.

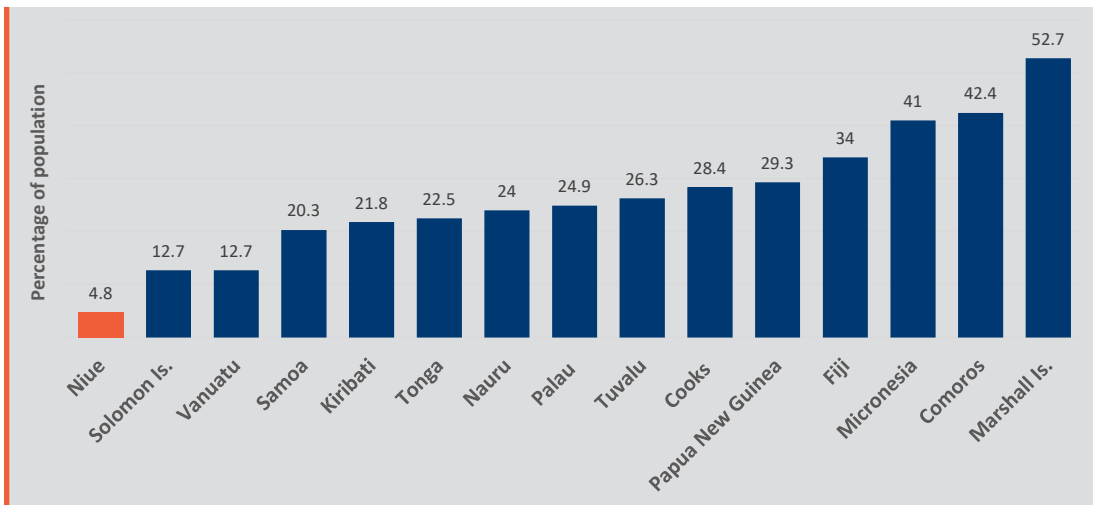
A comprehensive poverty analysis requires holistic exploration of poverty incidence, depth, and severity. Such a framework provides more valuable insights into poverty, for example allowing researchers to identify instances where, even if poverty rates are low, those below the poverty line have extremely low levels of consumption expenditure.

3.2 The prevalence of poverty

Whilst in Niue there are no persons living below the food poverty line, in 2016 **the BNPL poverty incidence was 4.8%** (81 persons). This longitudinal comparison suggests a clear **poverty incidence reduction over time**, reinforced by data which shows that 13% were living below the poverty line in 2002.¹² Moreover,

¹² <https://www.spc.int/nmdi/poverty>

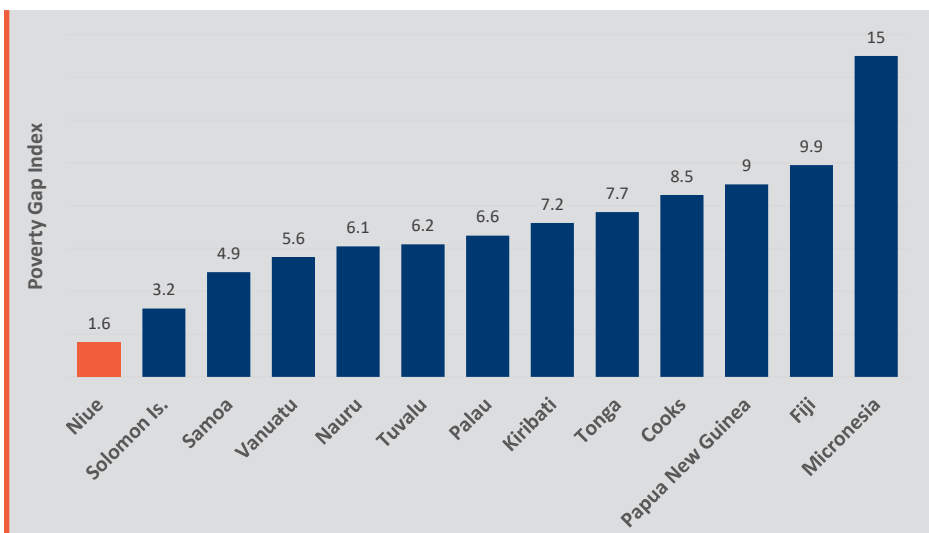
compared to other Pacific Island countries Niue has the lowest poverty incidence, considering the latest available data.



Source: <https://www.spc.int/nmdi/poverty>

Figure 3.1: Poverty incidence, across Pacific Island countries

The national poverty gap, i.e. **the depth of poverty in Niue, is relatively low**, with a **PGI of 1.6**. While the index is the lowest among the Pacific Island countries, the poverty gap has increased over time, from 0 in 2002.¹³ The extent to which individuals on average fall below the poverty line, as a percentage of the poverty line, has increased. In other words, though the number of people in poverty has reduced, **those that are in poverty in 2016 are in a worse condition than their counterparts in 2002**.



Source: <https://www.spc.int/nmdi/poverty>

Figure 3.2: Poverty gap index, across Pacific Island countries

Similarly, the **PGI squared of 0.6** suggests **low levels of poverty severity**, i.e. there is not much inequality between those living below the BNPL.

Whilst the overall incidence of poverty is relatively low, especially when compared to other countries in this region, **slightly vulnerable people are around a quarter of the total population and a third of all HHs**.

¹³ 2002 HIES

Given Niue's economic and geographic idiosyncrasies, a large portion of the population is potentially at high risk of falling into poverty should individuals or HHs be hit with unexpected shocks. The poverty dynamics in Niue have significant policy implications, for example promotes more precise, targeted poverty interventions designed at supporting the poorest, as opposed to broad poverty alleviation programmes.

3.3 Poverty correlates and characteristics of poor households and individuals

As is outlined above, many socio-economic factors have causal relationships with poverty levels. These include, among other things, gender, age, and health. In Niue, the majority of all persons deemed to be living below the BNPL are living in HHs headed by elderly women. These persons make up approximately 58.0% of all those persons living below the BNPL, and 10.5% of the total number of persons living in FHH. These figures compare with those for MHHs where 29.6% of all those deemed to be below the BNPL live in elderly MHH, but these poor account for only 1.9% of all persons living in MHH; thus in total 87.7% of those in Niue who are deemed to be poor are living in HH headed by elderly persons (either male or female). Such HH accounted for 41.7% of all HH in Niue.

At the HH level, 30.0% of HH headed by elderly females were estimated to be below the BNPL compared to only 12.4% of HH headed by elderly males.

Of the individuals identified as being poor and living below the BNPL, 66% live in FHH and 87.0% of these live in HHs headed by women aged 60+ years. Including HH headed by both men and women, those persons living in HH whose head was over 60 years were the most likely to be living below the BNPL. In total 88.9% of the poor lived in these HHs.

Elderly women make up around 22.5% of the female population of Niue and 11.8% of the total Niue population. They account for 49.4% of all those living below the BNPL while elderly males account for an additional 17.2% of those living below the BNPL. Comparatively only 5% of the population living in MHH live in poverty.

A larger proportion of women are poor compared to men – nearly 7% of all women live below the BNPL compared with 2.5% of men. For both sexes, the majority have never married, however, for women living below the BNPL almost a third are widowed. In terms of high vulnerability, both men and women are similarly likely to fall into this category with men making up around 56% of the highly vulnerable group and women



making up 44%. Furthermore, a similar proportion of men and women are identified as being at least slightly vulnerable or poor, 29% and 31% respectively.

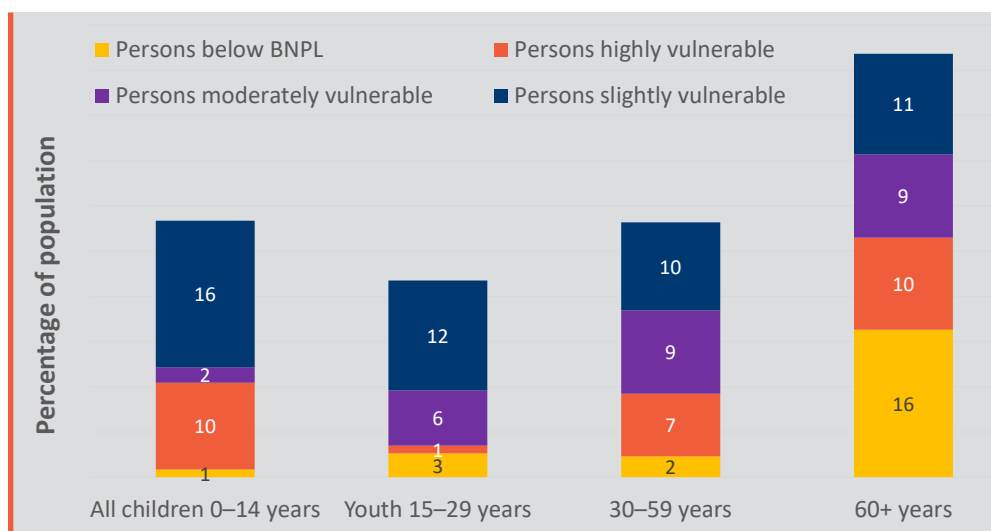
However, when looking at individuals living in FHHs and MHHs, there is a difference in the proportion of the population that is at least slightly vulnerable but not poor. Over one-fifth of all individuals living in MHHs are vulnerable compared to over one-third of individuals living in FHHs are vulnerable.

Around 9.8% of all HHs are living below the BNPL. These HHs average 1.6 members and are predominantly single parent HHs. The number of MHH that are living below the BNPL is 17, making up 5% of all MHH. Conversely, around 20% of FHH live below the BNPL.

Poverty predominantly affects the older population with two-thirds of those that live below the BNPL aged 60+ years. The age of the HH head is also important, with 86% of HHs living below the BNPL having HH heads aged 60+ years. This is particularly significant when considering that HHs living in poverty and are also headed by individuals in this age group make up 8.6% of all HHs.

In comparison, amongst highly vulnerable individuals, the age range encompass more of the working age population – of individuals identified as being highly vulnerable, just over one-third were aged 30–59. Considering those that are only moderately vulnerable, the working age population becomes increasingly significant, with 15–29 years old making up 20% of the total moderately vulnerable population and 30–59 years old making up nearly 46% of this demographic. The very young are a highly vulnerable group with nearly a third of those aged 0–14 years being at least slightly vulnerable and 41% of 0–4 years old being at least slightly vulnerable.

The high level of basic-needs poverty amongst the elderly and the high level of vulnerability to falling into poverty amongst the young suggests that the recent pandemic and the loss of jobs in the tourism sector may have taken a heavy toll amongst these two groups in respect to their livelihoods.



Based on own calculations using 2015–2016 HIES

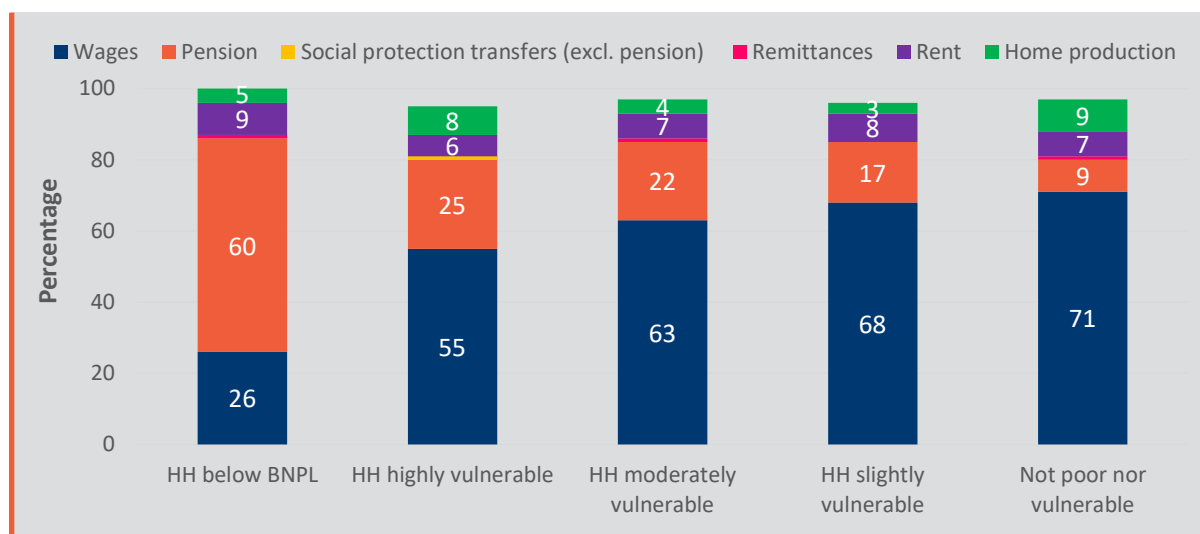
Figure 3.3: Percentage of population living below BNPL, by age group

Since the majority of the population reside in HHs consisting of a couple and children, it is not surprising that over half of those living below the BNPL, 7% of total population, reside in such HHs. The HH type with the largest proportion of its group living below the BNPL is single parents with children and HHs consisting of HHs with their children and grandchildren.

Of persons living with a disability, 6% live below the BNPL and one-third of all those living with a disability are at least slightly vulnerable or poor. The incidence of poverty and vulnerability level is very similar between persons with a disability and persons without, even when looking at proportion of the population that is poor or vulnerable within distinct age groups. **For those living below the BNPL, the proportion that are living with some underlying health problem is nearly 30%**, slightly more than the 22% nationally. Whilst nationally, a smaller proportion of males have an underlying primary health condition than women, the inverse is true for men and women living below the BNPL—32.7% of men living below the BNPL and 27.8% of women living below the BNPL.

3.3.1. Economic activity and poor households

There is a clear correlation between the dependency on wage income as a primary source of HH income and level of poverty. **The higher the importance of wages as a source of income, the higher HH expenditure.** On the contrary, the higher the dependency on pensions, the poorer the HH. In the case of highly vulnerable FHHs, social security substitutes pensions as the main source of income. This relationship reflects an underlying correlation between HH poverty and the presence of older persons. When looking at the sources of HH income, 60% of poor HH income is sourced by pensions and 26% from wages. On the contrary, for non poor HHs, only 9% of income is generated from pensions.



Based on own calculations using 2015–2016 HIES

Figure 3.4: Percentage of total annual household income, by poverty and vulnerability

While the people living under the poverty lines are predominantly elderly women, the poorest among the poor are elderly males. The income of MHH that are below the BNPL is significantly less than the annual HH income of FHH of the same poverty status. For FHH living below the BNPL, social security and welfare income makes up 53% of their annual total HH income, whereas, for MHH such income sources make up 70% of annual HH income. Remittances make up an extremely small proportion of HH income (1%) for HHs living below the BNPL and those HHs that are highly vulnerable. In the case of FHH in this category, no income from remittance was reported.

Men aged 15–59 years living below the BNPL are predominantly engaged in agriculture and/or livestock as a major contributing HH activity. However, only 40% of women of the same age and poverty status engage in agricultural and/or livestock related activities. The difference between men and women in this age group is even more stark when looking at the various vulnerability groups. For example, the majority of highly

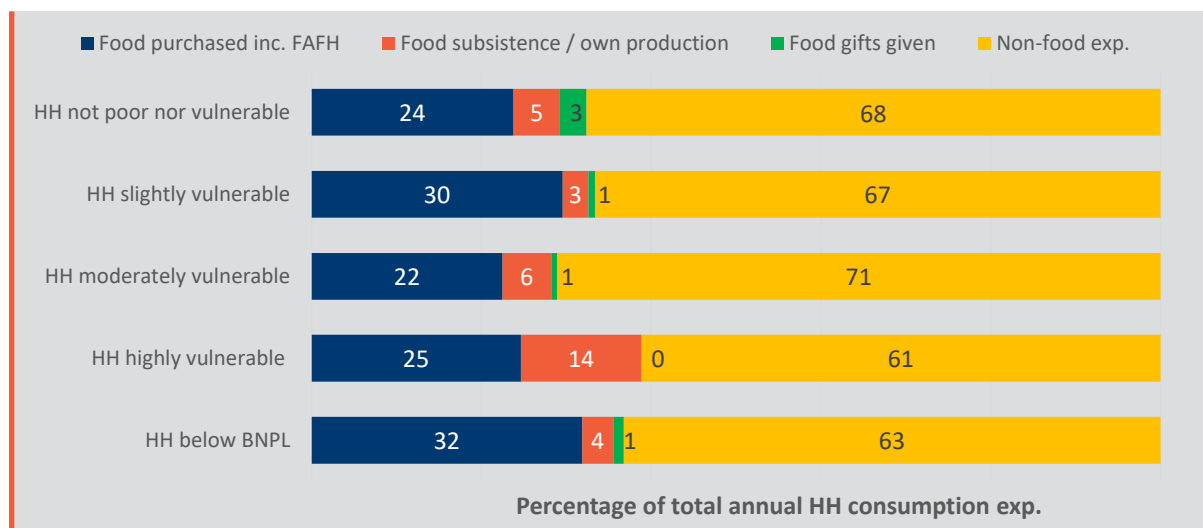
vulnerable men have a major involvement in agriculture as a HH activity, whereas less than 10% of highly vulnerable women engage in agriculture related activity. Similar distributions can be seen for those that are moderately and slightly vulnerable. However, amongst the non poor nor vulnerable population, a higher proportion of men are engaged in main HH activities such as agriculture, fishing, livestock or home processing compared to women of the same socio-economic status. This suggests that differences seen between poor and vulnerable men and women are a microcosm of the wider, national gender differences.

Just under half of all working age women living below the BNPL were out of the labour force because they are retired/too old. This is consistent with the demographic characteristics of those living below BNPL i.e. disproportionately female and aged 60+ years. Just under one-quarter of women are employed either in the public or private sector and one-fifth are homemakers. Conversely, just over half of their non poor and non-vulnerable counterparts were working, whether employed in either the public or private sector, self-employed or as an employer.

3.3.2. Consumption expenditure and poor households

The average weekly per capita HH expenditure is NZD 195.42, however there is a noticeable difference between those in the bottom and the top quintiles, with the latter's per capita expenditure being nearly 3 times greater than the former's, NZD 295.38 and NZD 98.61 respectively. **The total HH consumption expenditure of HHs living below BNPL amounted to NZD 387,518 per annum**, an average per capita weekly consumption expenditure of NZD 91.75 –only equivalent to about forty percent of the average per capita weekly consumption expenditure of non poor and non-vulnerable individuals.

Most HHs, regardless of poverty or vulnerability status, spend the majority of their income on non-food items. Most of the total weekly HH consumption expenditure for HHs both in the top and bottom quintiles is spent on non-food expenditure – 66.5% and 63.9% respectively. However, **the poorest HHs spend proportionally more – 14% – on food than the higher income HHs.** Notably, weekly HH expenditure on food from subsistence or own production constitutes 35% less of the highest quintile HHs' income compared with bottom quintile HHs. The proportion of the overall weekly HH consumption expenditure on food is larger for HHs in the bottom quintile than for HHs in the top quintile (36.1% and 33.5% respectively), and on the whole, the HHs in the higher deciles spend approximately 85% more than those HHs ranked in the bottom quintile.



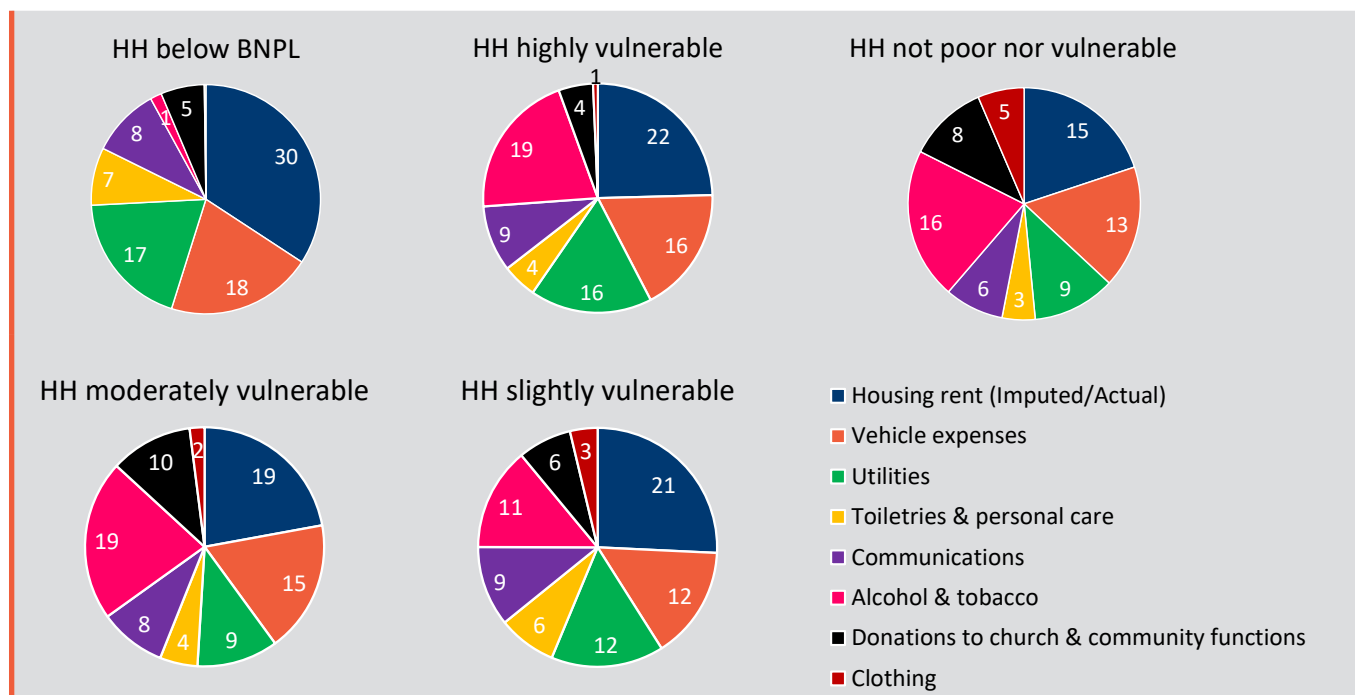
Based on own calculations using 2015–2016 HIES

Figure 3.5: Percentage of households living below BNPL, by different categories of expenditure

Households below the BNPL spend a smaller proportion of their total household consumption on non-food items than households that are neither poor nor vulnerable, but the former does spend a larger proportion – nearly one-third—of their total household consumption expenditure on food purchases. Households above the BNPL and above the vulnerability thresholds spend around 25% less on food purchases compared to households living below the BNPL.

Subsistence and own production food consumption makes up a small proportion of total HH consumption expenditure for HHs living below BNPL. Of particular interest are moderately vulnerable HHs for whom subsistence and own production food production made up 14.2% of total HH consumption—this is 2.6 times higher than the proportion of total HH consumption from subsistence/ own production for non poor and non-vulnerable HHs, and it is 3.8 times more than the proportion of total HH consumption from subsistence/own production of food for HHs below the BNPL. This should not be too surprising given that, for just over 40% of moderately vulnerable HHs’, own production is a secondary economic activity.

Regardless of HH poverty status, a large proportion of total non-food expenditure went towards housing rents or utilities. **The poor and vulnerable HHs spend a large share of their consumption on housing costs.** Of HH expenditure spent on non-food items, the largest share for all HHs is spent on housing cost (be that actual or imputed costs). HHs below the BNPL spent the largest share of their consumption expenditure, 30%, on housing, which is double the share that non poor HHs spent on housing. For poor HHs, the next largest shares of their non-food expenditures was on vehicle expenses and utilities. For non poor but vulnerable HHs the distribution was similar, although, like non poor and non-vulnerable HHs, between 11 and 19% of their HH expenditure on non-food items went towards alcohol and tobacco.



Based on own calculations using 2015–2016 HIES

Figure 3.6: Percentage of non-food expenditure by poverty and vulnerability status

Furthermore, the majority of Niueans reside in housing constructed of high-quality materials, with walls and flooring constructed from concrete or wood and roofs predominantly made out of metal/tin. On the whole, whilst there is no information on the type of housing of poor and vulnerable HHs in the 2015–2016 HIES, it is reasonable to infer that most, if not all, live in good quality housing. According to the last census, most HHs

were either predominantly living in modern housing—usually constructed out of wood or concrete—or in hurricane housing, made with concrete walls.

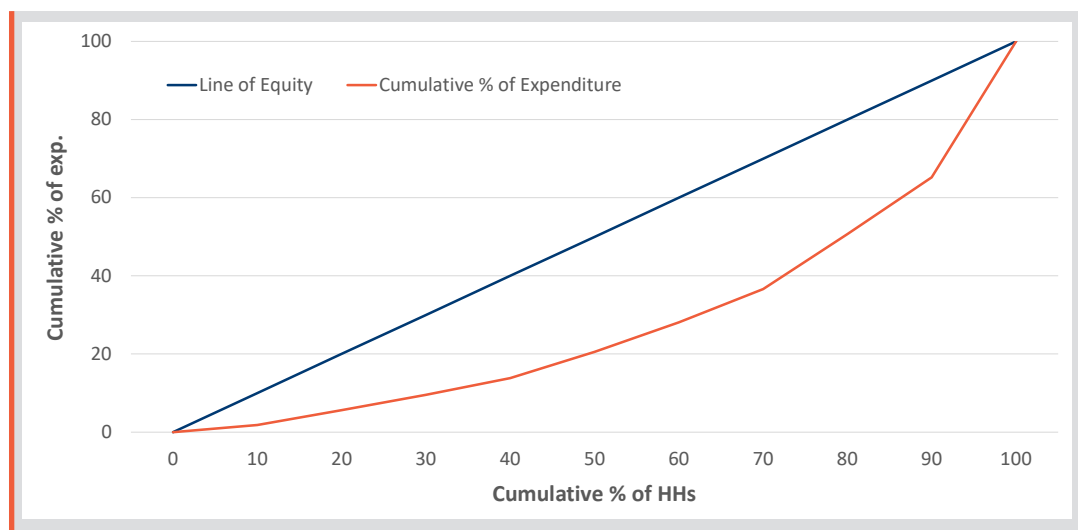
Two-thirds of HHs living below the BNPL own their home without a mortgage and most of the remaining one-third reside in their home for free, largely due the support of others whether family members or non-familial charitable means.¹⁴ This distribution of home ownership pattern is replicated amongst those identified as being at least slightly vulnerable. Most HHs, regardless of poverty status, own large durable items such as sofas, water tanks, refrigerators/freezers and washing machines. A clear difference in HH asset ownership can be found in items such as DVD players and computers, which are predominantly owned by non poor and non-vulnerable HHs. However, even nationally, most HHs, regardless of status, do not own a computer or a DVD player suggesting little discrepancy between groups.

3.3.1. Monetary inequality

Like poverty, inequality measurements are subject to intense conceptual and methodological debates. Whilst inequality is multi-faceted—for example including inequalities in outcomes, healthcare, and opportunity—this report focuses on monetary economic inequality. Fundamentally, most conventional measures of economic inequality rank all HHs or populations by income or HH expenditure, after which all data points can be divided into quintiles and compared. Popular methodologies and indicators include:

- Gini index (ratio of the area between the Lorenz curve which depicts the percentage of income owned by x% of the population and the 45-degree line which represents perfect equality, and the area beneath the 45-degree line)
- Quintile ratio (or 20:20 ratio i.e. the average national income of the top 20% to the bottom 20%).

The Gini Coefficient at the HH level for Niue is 0.36 and across the population it is at 0.46, suggesting a moderately unequal distribution in HH expenditure. Looking at the accompanying Lorenz curve, we can see that **half of the HHs in the highest deciles account for 80% of total HH consumption expenditure.**



Based on own calculations using 2015–2016 HIES

Figure 3.7: Lorenz curve

¹⁴ Note that in Figure 3.6, the expenditure on housing rent includes both actual rents paid by the household to a landlord, plus imputed (or estimated) rents of owner occupied households.

Most Pacific Island countries have a Gini Coefficient in the range of 0.36 and 0.45 among HHs, for example Palau, Solomon Island and Vanuatu. Many reports, at both regional and global perspectives, have demonstrated that this inequality can stifle poverty reduction, and increase vulnerability. Whilst, at a global level, such levels of inequality are comparatively low, and there is some evidence of a slow reduction of regional equality, any prolonged continuation of such levels should be concerning for policymakers given the role that inequality can play in hindering both social cohesion and national economic growth.

Looking at the quintile ratio, we see that the weekly HH per capita consumption expenditure of **the top 20% of HHs is 6.5 times larger than that of HHs in the bottom 20%**. Due to the limited economic markets, it is possible that only a few HHs are able to leverage investments in productive markets (e.g., in international tourism), thus creating a significant divide between those at the top and those at the bottom.

Box 1: Climate change and poverty

Natural hazards disproportionately affect poor and vulnerable people (particularly children, women, and older persons). Trade-dependent countries, as Niue, are more affected by climate-related shocks. Natural hazards and extreme weather events can destroy assets and livelihoods, reduce crop productivity; and increase the volatility of food prices. As a result of these potential impacts, and their comparative inability to adopt healthy coping mechanisms, climate-related shocks disproportionately affect the most vulnerable and can pull them into poverty. Changes in climate conditions caused by increasing concentrations of greenhouse gases in the atmosphere can worsen these shocks and slow down poverty reduction (Hallegatte et al., 2015). The agricultural market in Niue is characterized by subsistence food production, and the HHs living in poverty spend a larger part of their expenditures on food. Natural disasters raise agricultural prices, affecting consumers through higher expenditure for food, but in the short term can benefit sellers and those who earn wages from agricultural employment. However, in small markets as in Niue, many HHs do not buy or sell food in markets but produce it to meet their subsistence needs.

Notwithstanding that there is no one under the Food Poverty line in Niue, **natural disasters raise the risk of food production destruction, which would render the vulnerable extremely poor, and increase Niue's dependence on external markets**, for both food and non-food goods. The Niue government has a National Climate Change Plan and it has experience implementing climate-related policies (e.g., Niue Pacific Adaptation to Climate Change (PACC);¹⁵ Sustainable coastal development policy 2008). Social protection interventions for the most vulnerable, alongside climate-informed policies to increase agricultural resilience, could dramatically strengthen Niue's poverty alleviation and climate change risk agendas.¹⁶

4 ACCESS TO BASIC SERVICES AND SOCIAL PROTECTION

To develop a holistic, comprehensive understanding of poverty and hardship that appreciates their multidimensional, systematic, and pervasive nature, it is important to look beyond simply monetary

¹⁵ <https://www.adaptation-undp.org/explore/asia-and-pacific/niue>

¹⁶ <http://www.fao.org/climate-smart-agriculture/en/>

measures. This section assesses how individuals are excluded from certain areas including education, health and standard of living in terms of housing and access to basic services such as clean water and sanitation.

Box 2: The Pacific SDG Taskforce selected indicators tracking poverty and access to basic services

SDG 1 looks at poverty not only in terms of the proportion of the population living below the poverty threshold, but also in terms of access to basic services.¹⁷ The two key indicators that capture this information include indicator 1.3.1 and 1.4.1 and have been selected by the Pacific SDG Taskforce as part of the roadmap towards sustainable development.

Indicator 1.3.1:

Proportion of population covered by social protection floors/systems, by sex, distinguishing children, unemployed persons, older persons, persons with disabilities, pregnant women, new-borns, work-injury victims and the poor and the vulnerable

Indicator 1.4.1:

Proportion of population living in HHs with access to basic services

Indicator 1.4.1 is supplemented by indicators from other SDG goals:

SDG 4: Quality Education

Indicator 4.1.1

Proportion of children and young people: (a) in grades 2/3; (b) at the end of primary; and (c) at the end of lower secondary achieving at least a minimum proficiency level in (i) reading and (ii) mathematics, by sex

Indicator 4.2.2

Participation rate in organized learning (one year before the official primary entry age), by sex

Indicator 4.5.1

Parity indices (female/male, rural/urban, bottom/top wealth quintile and others such as disability status, indigenous peoples and conflict-affected, as data become available) for all education indicators on this list that can be disaggregated

SDG 6: Clean Water and Sanitation

Indicator 6.1.1

Proportion of population using safely managed drinking water services

Indicator 6.2.1

Proportion of population using safely managed sanitation services including a hand washing facility with soap and water

SDG 7: Affordable and Clean Energy

Indicator 7.1.1

Proportion of population with electricity

SDG 17: Partnerships for the Goals

Indicator 17.8.1

Proportion of individuals using the Internet

¹⁷ The indicators for this goal capture the proportion of those living in poverty, discussed in section 3, as well as track the level of access to services and support in the form of social protection and access to basic services.

To evaluate non-monetary poverty, we have selected SDG indicators from among the 132 identified by the Pacific SDG Taskforce as part of the Pacific Roadmap for Sustainable Development. All selected indicators describe Niue's access to basic services, here referring to 'the provision of public services systems that meet basic human needs', including drinking water, sanitation/hygiene, energy, mobility, waste collection, health care, education and information technologies. This means that not all of the basic services highlighted will be included in Pacific centric analysis on poverty.

In addition to capturing information on HH income, whether from employment or social protection schemes, and expenditure, 2015–2016 HIES captures information on several indicators of human needs –specifically access to clean drinking and cooking water, waste disposal, energy and information technologies. However, this data does not capture information on the level of access to services such as education and healthcare, nor on a variety of hygiene indicators such type of toilet or access to soap. Where the HIES could not be used, supplementary additional sources will be used for the various access to services indicators.

4.4 Clean water and hygiene

Most HHs in Niue have access to piped drinking and cooking water, and around 93% use a septic-tank sanitation system, with the balance using either a private or public latrine. Most HHs have public piped water as their main source of drinking and cooking water (87% and 94% respectively), including almost all of the HHs that are living below the BNPL.

4.5 Energy

The vast majority of HHs have access to public electricity (97%), including all but 6% of HHs living below the BNPL. This overall level is very similar to the proportion of HHs in the 2011 census that had access to electricity within the HH (approximately 98%). Very few HHs reported using open fires or wood stoves for cooking, since



most HHs use gas stoves or an electric range. Most HHs also reported having cooking areas both inside and outside their dwelling. Generally, poverty status was not an important factor in determining the location of a HH's cooking area.

4.6 Information technologies

Beyond the basic services of clean water and sanitation, most individuals in Niue also had access to the internet and/or a mobile phone. Of the 15–59 year olds that responded to these sets of questions, most in this age group (82%) had access to the internet. This was also true for individuals in this age group that were living below BNPL. The total number of persons in this age group living below BNPL is 23, with 20 of these individuals having accessed the internet in the month prior to the survey—most were women.

71% of the total population also had access to or used a mobile phone, however, only a small fraction of those below the BNPL had access to or used a mobile phone in this time period, and again, those that did were mainly women. However, given the very small size of this particular group, it is difficult to make any concrete inferences about any gender related difference that may exist relating to access to these services.

4.7 Existing social protection program

Pacific Island countries have traditionally based social protection mechanisms based on informal community networks. Nevertheless, a range of formal social transfer schemes financed by government operate across the Pacific Community countries, including Niue where there is a non-contributory universal pension providing a regular cash benefit to everyone aged 60+ years (Kidd, 2012). There are a number of other non-contributory social protection schemes that cover Niueans across the lifecycle including a children's allowance, a disability benefit, unemployment benefit and a new mother's grant. Specifications of these program can be found in the table next.

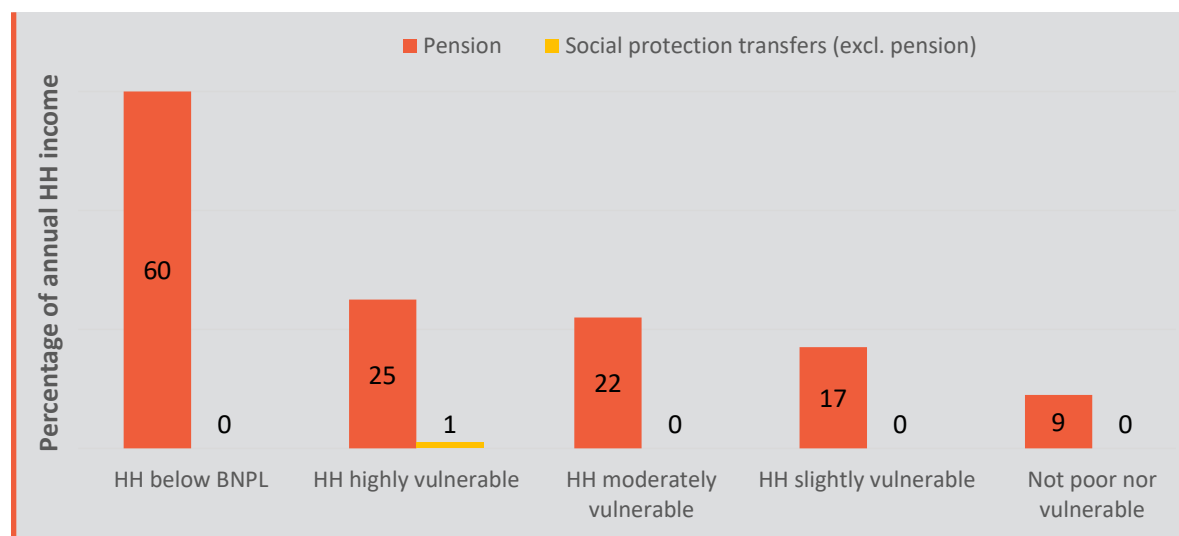
Table 1: Social protection programmes in Niue¹⁸

Program	Target population	Eligibility requirements	Benefit type	Transfer value	Frequency	Duration	Conditionality
Child Allowance	Children up to 12 years of age and disabled children up to 16 years of age	Children who are permanent residents in the country and those who are: (a) Niuean by descent; (b) permanent residents of Niue; or (c) New Zealand citizens. Qualifying children may apply for a child allowance. They must be: (a) permanent residents in Niue; (b) not married; (c) financially dependent; and (d) attending a recognised school in Niue.	Cash transfer	NZD 340 per child	NZD 85 is paid each quarter	Until the child leaves school at the age of 18	Child(ren) must be attending a recognised school
Welfare Special Benefit	Working-age individuals; people living with disabilities	Applicant must be of Niuean descent or a permanent resident, and fit into one of the following groups: young mothers; caregivers of elderly persons; or persons who cannot work or who have lost their jobs	Cash transfer	NZD 100 to NZD 150. Exceptional cases may be granted NZD 300, pending cabinet approval	Every two weeks	Six months. Those on full-time employment or who leave the country cease to receive the allowance	Conditional
New-born and Infant Grant	Children and mothers of new-borns	Children born to parents in Niue to parents that are either permanent residents or are of Niuean descent	Cash transfer	NZD 1,000	Every two weeks, for one month	One month after birth	None
Welfare Disability	Persons living with a disability	Disability and severity must be certified by the Niue Hospital or the Health Department	Cash transfer	NZD 150–180	Every two weeks	Until recipient passes away or obtains full-time employment	None
Old Age Pension	Persons aged 60+ years	Applicants must be of Niuean descent or be permanent residents, and be aged 60+ years	Cash transfer	60–69 years (NZD 370); 70–79 years (NZD 380); 80+ years (NZD 390)	Every two weeks	Until the recipient is deceased or moves abroad	Unconditional

¹⁸ [Socialprotection.org](http://socialprotection.org)

Using 2015–2016 HIES it is not possible to measure the proportion of the population that is covered by each individual social protection floor or system as per SDG 1 indicator 1.3.1 as selected by the Pacific SDG Taskforce. However, given the proportion of total HHs' income that is made up of social protection transfer, we can infer the adequacy of the existing social protection floors.

As discussed above, pension and social benefits represent the second main source of HH income (after wages and salaries), regardless of the sex of the HH head (16.2%). This increases in importance for HHs that are poor or vulnerable, making up 60% of total HH income for all HHs – 71% for MHH and 53% for FHH living below the BNPL.



Based on own calculations using 2015–2016 HIES

Figure 4.1: Percentage of household income from pension and from other forms of social protection income by different poverty statuses of households

However, all other existing social protection programmes make up a negligible portion of total annual HH income for all HHs regardless of gender of HH head, though social protection does represent a large part of HH income for highly vulnerable FHH, this is approximately three HHs. For all HHs, other social protection programmes make up 0.1% of total HH income—this is about the same for all HHs regardless of poverty status. As mentioned, it is not possible to ascertain whether this is due to poor coverage or due to an inadequate level of transfer.

5 CONCLUSION AND POLICY RECOMMENDATIONS

According to 2015–2016 HIES, there are low levels of poverty incidence, depth and severity in Niue, and, whilst there is no information on the type of housing, the majority of Niueans enjoy a relatively high standard of housing and have access to basic services such as safe cooking and drinking water, clean fuels and improved sanitation services. Most also have access to internet and a mobile phone.

Niue fares very well in terms of SDG 2 – ‘end hunger, achieve food security, and improved nutrition’—since there are no persons living below the food poverty line, however access to nutritious diets may be an issue given the high prevalence of obesity and morbidity. The incidence of poverty and poverty depth are also low, particularly when compared to other countries in the region such as Samoa which had a national poverty rate of 18.8% and a poverty depth of 4.9 in 2013–2014. However, in Niue there are clear differences between men and women, with women disproportionately represented in the population living below the BNPL (6.8% of all females vs 2.5% of all males) who comprise 75% of all those living below the BNPL, and among the employed population living below the BNPL. One significant difference between men and women can be seen when looking at the proportion of elderly persons below the BNPL. Again, elderly women make up the majority of the elderly poor.

Nevertheless, whilst extreme poverty is not an underlying characteristic of any Niuean, poverty and vulnerability is still an issue. One in 10 HHs are living below the BNPL; another 9% of HHs are at high risk of falling below the poverty threshold. Moreover, inequality and gender disparities may have wider implications on social cohesion, welfare and ultimately economic growth, particularly when considering the level of vulnerability amongst those living in Niue.

For Niue, like other Pacific countries, all findings should be placed in the context of high levels of emigration and low rates of population growth, economic volatility, and exposure to natural hazards. Further, due to recent fiscal pressures government expenditure on essential spending on health, education and infrastructure may be under threat.

As anthropogenic climate change accelerates, and amid the ongoing COVID-19 pandemic, supporting the most vulnerable is more important now more than ever. In this context, more comprehensive social policies for social protection have been demonstrated to have significant potential benefits, particularly in relation to micro level outcomes such as poverty alleviation, labour market participation, and macro level outcomes such as economic growth and reduction in inequality (Hemerijck, 2016; Thome et al., 2016; Khondker, 2014; Zandi, 2008; Kidd, 2012; Samson, 2012).

Regionally, a report produced by the Asian Development Bank (ADB, 2016) shows that social protection programmes reached more extensively the non-vulnerable than the vulnerable population in Pacific Island countries.¹⁹ This is partially due to the relative importance of the social protection components (social insurance, social assistance, and labour market programmes) within the overall policies. Collecting data on Pacific Island countries, the ADB finds that the dominant component of Social Protection Indicator (SPI) is the social insurance component, that is a principally a contributory provident fund scheme, representing two-thirds of the overall SPI. However, there is a discrepancy between the high level of expenditure on social insurance and social protection coverage, which may undermine efficacy. Only 18.9% of potential beneficiaries were actually covered by social protection. At the same time, the small proportion of potential beneficiaries received generous benefits. Finally, men benefit slightly more than women.

Niue already employs a number of life-cycle focused non-contributory schemes that are either universal, such as the pension benefit, or are categorically targeted e.g., permanent residents aged 0–17. One immediate and misleading conclusion would be that social protection schemes should be targeted at those that need it most. However, as demonstrated by Kidd and Athias (2019), in many developing countries social protection policies do not reach the poor and many examples demonstrate that effective poverty targeting is often impossible to achieve and, indeed, errors across all poverty-targeted programmes are high. Kidd and Athias (2019) find many examples of social protection programmes where almost all intended recipients were actually being

¹⁹ The report does not include the data for Niue, but we consider their findings as general for all the Pacific Island countries, including Niue.

excluded. On the contrary, universal schemes were demonstrated to reach their intended recipients, with significantly improved coverage amongst the poorest, and have positive impact on poverty in Pacific Islands (Kidd (2012)).

Unfortunately, with the current data, it is not possible to evaluate the level of coverage and the adequacy of existing social protection programmes in Niue. One beneficial policy would be the inclusion of a more detailed social protection module in the HIES, to capture the types of social protection programmes received by HHs/individuals and the amount that is received. This will be crucial in understanding whether the existing programmes are fit for purpose. At present, the most that can be confidently demonstrated is that social protection schemes, other than the universal pension, do not have a material impact on HH income, and therefore are unlikely to have a significant impact on welfare. Given that most HHs have children and high disability, the existing social protection schemes, which include components on children and disability, should have a greater impact in alleviating vulnerability. Moreover, the differences in poverty by gender and age suggests that more gender sensitive policies are needed alongside better information on HH resources but generally appears that there is a highly unequal allocation of resources.

The 2015–2016 HIES data provides information on poverty incidence against gender and age. However, there is limited information on the level of education which is one of the key determinants of poverty and vulnerability. Similarly, data on the prevalence of disability lacks reliability because it is constructed using self-reported reasons for not participating in economic activities, and thus is subject to an individual's interpretation of disability, which could lead to under or over reporting. This will be problematic when trying to assess the effectiveness of various policies in alleviating poverty or vulnerability as the measures will not be consistent nor internationally comparable. Furthermore, analysis of living conditions would benefit from information on the number of rooms HHs occupy. In particular, Niuean's current level of vulnerability has implications for a few of the goals within SDG 1:

“By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of 13 property, inheritance, natural resources, appropriate new technology and financial services, including micro-finance.”

And,

“Create sound policy frameworks at the national, regional and international levels, based on pro-poor and gender-sensitive development strategies, to support accelerated investment in poverty eradication actions”

Therefore, it would also be valuable to have greater information on the types of resources different HHs and individuals have, and to evaluate whether the existing policies are gender sensitive. Finally, given the geographic and climate risks associated with the Pacific Islands, it is important that governments in this region strengthen the provision of post-disaster social protection. Edmonds and Noy (2018) underline the importance of this as a priority in Pacific Small Island Developing States (SIDS). In response to post cyclone disaster response, the “National progress report on the implementation of the Hyogo Framework for Action (2011–2013) – Interim” underlines the implementation of programs looking at post-cyclone crops implemented by the Niue's Department of Agriculture, Forestry and Fisheries (DAFF), which address potential socio-economic risks to vulnerable populations. Moreover, the DAFF addresses the reliance on imported goods (particularly food) to return to traditional means to support the population. Other social protection measures exist throughout Niue's 14 villages in the form of cultural support offered through strong kinship ties, which was proved to work after Cyclone Heta in 2004.

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ANNEX 1: SUMMARY TABLES

Table 2: SDG summary statistics

Indicators	% of HHs	% of all Persons	% of all Males	% of all Females
1.2.1 Proportion of HH and population below Basic Needs Poverty Lines (BNPL) %	9.8	4.8	2.5	6.9
Proportion of population vulnerable to falling into poverty; per capita expenditure <20% above BNPL %	8.5	6.8	8.0	5.7
Proportion of employed population below the national poverty line (the working poor)	2.3	0.9	3.8	
Proportion of the elderly (60+ years) below the national poverty line (the elderly poor)	16.3	10.1	20.5	
Poverty Gap Index (PGI) – Depth of Poverty	1.5			
Ratio of share of expenditure of poorest quintile (20%) to highest quintile	6.5			
Gini Coefficient: (0 = perfect equality 1 = perfect inequality)	0.36	0.46		

Based on own calculations using 2015–2016 HIES

Table 3: Percentage of poor and vulnerable households by gender

Poverty/vulnerability Status	All HHs	MHHs	FHHs
HH below Food Poverty Line (FPL)	0	0	0
HH > FPL but < Basic Needs Poverty Line (BNPL)	10	5	21
Total HH < BNPL	10	5	21
HH highly vulnerable within 20% of BNPL	8	12	2
HH moderately vulnerable within 20–50% of BNPL	12	7	23
HH slightly vulnerable within 50–100% of BNPL	12	12	12
Not poor or vulnerable	58	65	43

Based on own calculations using 2015–2016 HIES



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