







A REPORT ON
VULNERABILITY AND
EXCLUSION IN A TIME OF
RAPID CHANGE













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# THE STATE OF HUMAN DEVELOPMENT IN THE PACIFIC:

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#### **FOREWORD**

Pacific Island countries (PICs) are facing enormous challenges related to profound changes underway across their societies and economies. Climate change, migration, monetization, slow and volatile economic growth and the transition from traditional subsistence-based economies to market-based ones, together with the erosion of natural and social capital, and the diminution of traditional social structures are among some of the factors shaping new ways of life in the Pacific. Despite the fact that most PICs are middle-income countries, and are ranked as having medium-to high human development, and are among the highest per capita aid recipients in the world, progress on achieving the MDGs is mixed, and only two PICS - Niue and Cook Islands - are on track to achieve all of the MDGs by 2015.

This report provides an updated picture on the state of human development in the Pacific, drawn from new data and analysis from Household Income and Expenditure (HIES) surveys conducted in various PICs, as well as other recent research. While UNDP's Pacific Centre has led the production of this report, many UN agencies, and other development partners working in the Pacific have also made substantial contributions to its content and analysis. UNDP is grateful to all these agencies and partners for their support in helping to produce this report.

The report examines the dimensions and drivers of economic exclusion (income poverty and inequality) and the causes and characteristics of social exclusion and vulnerability in the Pacific from a human development perspective. Much of the data and analysis presented in the report particularly relating to social exclusion has not been previously considered from a regional perspective, and the report therefore adds value in the context of a renewed interest in the social dimensions of sustainable development in the Pacific.

The report shows that poverty (hardship), vulnerability, inequality and exclusion are on the rise in many PICs, and that the most vulnerable people are likely to be women, youth, the disabled and the elderly, as well as those living in the outer islands and rural areas. Dealing with the challenge of reversing this rising tide of vulnerability and exclusion while also providing safety nets and social protection for those at risk will require Pacific governments to adopt new policy approaches and make some difficult choices. This report also provides policy options and insights for decision-makers, development partners and communities on how to foster more inclusive and sustainable human development in the Pacific during a time of change.

The findings presented in this report also come at an appropriate time. As a result of the recent Pacific Plan review process, regional leaders have reaffirmed that the culture and values of the Pacific translate naturally into the idea of sustainable development, and that Pacific Islanders have a richer more multidimensional view of poverty and development that goes beyond measuring income and reflects the value they place on protecting and promoting culture, family, social cohesion, and the environment, upon which all Islanders depend.

In September 2014, the Third International Conference on Small Island Developing States will be held in Apia, Samoa. The fact that the conference is being held in the Pacific will focus global attention on the multiple development challenges confronting PICs, while at the same time allowing Pacific countries to make inputs into the post-2015 global development agenda that reflect their specific concerns in terms of addressing issues of poverty, vulnerability, exclusion and sustainable development.

At the same time, the 2014 Human Development Report (HDR) focuses on the topic of 'Reducing Vulnerabilities and Building Resilience', thus complementing, and providing a global perspective, on the findings of this regional report. The HDR introduces the idea of life cycle vulnerabilities, and explores in some detail those risk factors that make people vulnerable, and what can be done to mitigate these risks. It also urges governments to commit to the universal provision of basic social services and social protection to build resilience, especially for the poor and the vulnerable.

The twin issues of poverty and inequality are at the heart of UNDP's new strategic plan for the period 2014-2017. The organization remains committed to helping countries, including in the Pacific, to achieve the simultaneous eradication of poverty and a significant reduction of inequalities and exclusion.

As the Pacific region seeks to address these challenges of vulnerability and exclusion in a time of profound change, I hope that the analysis as well as the recommendations from this report will be useful to all decision makers, not only in the countries of the Pacific, but also to their many development partners. For it is only by addressing vulnerability and exclusion that human development can become more equitable and sustainable.

Haoliang Xu

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