



Pacific
Community
Communauté
du Pacifique

COOK ISLANDS

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

An analysis of the 2015–2016 Household Income and Expenditure Survey (HIES)

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Noumea, New Caledonia,
August 2025

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Original text: English

Pacific Community Cataloguing-in-publication data

Cook Islands, The state of poverty and vulnerability in households: challenges and recommendations - an analysis of the 2015–2016 Household Income and Expenditure Survey (HIES)

Cover photo: Flickr, Abraxas3d

Layout: Le Gaëlle Le Gall

Prepared for publication at SPC's headquarters,
B.P. D5, 98848 Noumea Cedex, New Caledonia, 2025

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CONTENTS

Acronyms.....	iv
Acknowledgments.....	vi
Executive summary.....	vii
1 Introduction.....	1
2 Socio-demographic profile of households	5
3 Monetary poverty and inequality	9
4 Assessing poverty and vulnerability in relation to the Sustainable Development Goals.....	21
5 Conclusion and policy recommendations.....	31
6 Bibliography	33
Summary tables.....	35

ACRONYMS

ADB	Asian Development Bank
BNPL	Basic Needs Poverty Line
FAFH	food away from home
FHH	female headed households
FPL	Food Poverty Line
GDP	gross domestic product
HH	household
HIES	Household Income and Expenditure Survey
MFAT	New-Zealand Ministry of Foreign Affairs and Trade
MHH	male headed households
NCD	non-communicable diseases
ODA	overseas development assistance
PICs	Pacific Island countries
SDG	Sustainable Development Goals
SPC	Pacific Community

TABLE OF FIGURES

Figure 1: The private sector employs the majority of workers (main activity of working age population).....	6
Figure 2: Contribution to total income, by income type.....	7
Figure 3: Main health problems in the Cook Islands	8
Figure 4: Females tend to obtain a higher level of education compared to men.....	9
Figure 5: Poverty Incidence in the Cook Islands and other Pacific Islands (% of total population)	11
Figure 6: Percentage distribution of male and female headed households that are poor or vulnerable	12
Figure 7: Prevalence of poverty and vulnerability by key age groups	13
Figure 8: Main economic activity amongst working 15–59-year-olds, by poverty status and sex.....	14
Figure 9: Proportion of working age individuals engaged in some form of unpaid work, by sex and poverty status.....	15
Figure 10: Annual household consumption distribution by poverty status of household.....	16
Figure 11: Proportion of annual household food consumption expenditure by food groups for poor and non-poor or vulnerable households.....	18
Figure 12: Annual non-food household consumption expenditure by poverty status	19
Figure 13: Household Gini indexes of various Pacific Island countries.....	20
Figure 14: Cook Islands Lorenz curve using per capita household consumption expenditure	20
Figure 15: Selected SDG indicators in the Cook Islands and other Pacific Islands.....	26

LIST OF TABLES

Table 1: Food groups and dietary guidelines taken from SPC Pacific Guidelines to Healthy Living.....	17
Table 2: Social protection programmes in the Cook Islands.....	28
Table 3: SDG summary table capturing the poverty and hardship situation in the Cook Islands	35
Table 4: Percentage of poor and vulnerable households by gender.....	35
Table 5: Poverty and vulnerability status by economic activity	35
Box 1: The Pacific SDG Taskforce selected indicators tracking poverty and access to basic services	22

FOREWORD

This report marks an important step forward in deepening our understanding of poverty and vulnerability in our country, the Cook Islands. Drawing on the 2015–2016 Household Income and Expenditure Survey (HIES), this report presents a comprehensive assessment of poverty lines, the incidence of poverty, and the characteristics of households and individuals most vulnerable to poverty and hardship.

Behind every statistic in this report are real families, neighbours, and communities across the Cook Islands. Poverty is not only about numbers – it is about the daily struggles of putting food on the table, meeting basic needs, and having the security to face life’s unexpected challenges.

The findings are both encouraging and informative. The Cook Islands records one of the lowest incidences of poverty in the Pacific, with only 0.2 percent of the population living below the Food Poverty Line (FPL) and 8.4% below the Basic Needs Poverty Line (BNPL). Yet, the report also highlights that around 10 percent of households live below the BNPL, and a further 13.6% are vulnerable to slipping into poverty due to income instability, health and other disruptions.

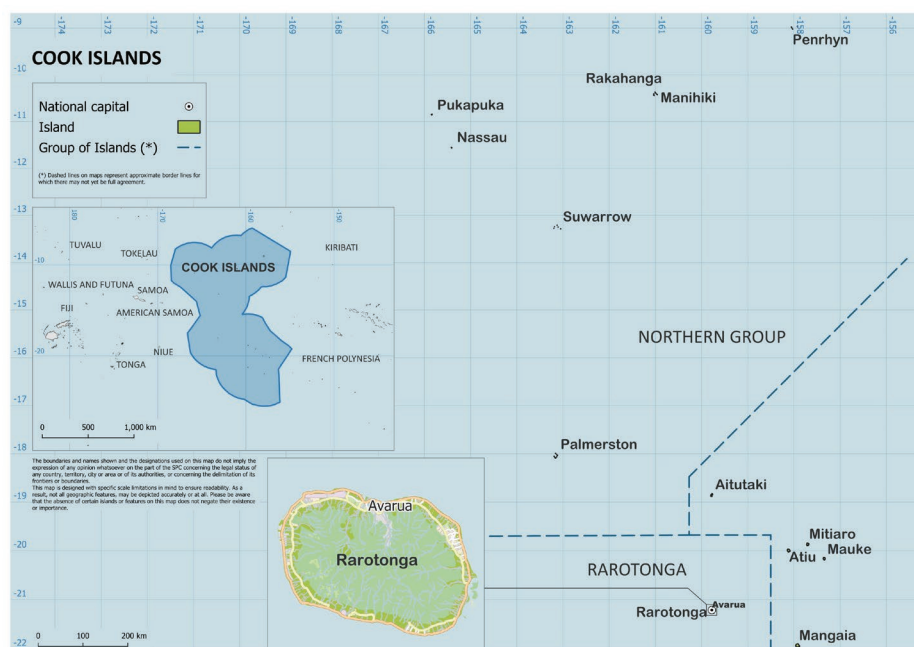
Reliable poverty data provides the foundation for evidence-based decision-making. These insights will enable the Cook Islands Government, development partners, and stakeholders to design precise and targeted interventions, ensuring that support reaches those who need it most.

I extend my sincere appreciation to the team at Pacific Community’s Statistics for Development Division (SDD) for their technical expertise and acknowledge the valuable contributions of our development partners. This collaborative effort strengthens our collective capacity to address poverty and safeguard the wellbeing of all Cook Islanders.

Taggy Tangimetua (Mrs)

Chief Statistician and Chief Electoral Officer
Cook Islands

August 2025



EXECUTIVE SUMMARY

This report is based on the analysis of the Cook Islands 2015–2016 Households Income and Expenditure Survey (HIES). It constructs the Food and Basic Needs Poverty Lines, computes the incidences of Food and Basic Needs Poverty, investigates the key characteristics of the poor and vulnerable, and provides a detailed analysis of poverty and inequality in Cook Islands. This report classifies households and individuals as extremely poor if their income falls below the food poverty line (FPL), poor if they are below the Basic Needs Poverty Line (BNPL) (defined below), 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.

Since the 1990's, the Cook Islands has made strong progress in strengthening economic sustainability. External assistance from international development partners has played an important role in the progress with the economy and development.

In the Cook Islands, 0.2% of the population is living below FPL and 8.4% is living below BNPL. Compared to other Pacific Island countries, the Cook Islands have the lowest poverty incidence after Niue. Encouragingly, these data suggests that the poverty incidence has reduced over time.

At the household level, 10% of households are living below the BNPL, and 13.6% are at least slightly vulnerable. The 2015–2016 HIES suggests a clear relationship between vulnerability to, or ongoing experience of, poverty and the type of employment individuals are engaged in. Public sector wage employment is the primary economic activity that most working poor and vulnerable individuals engage in, whereas non-poor and non-vulnerable individuals are more frequently engaged in the private sector.

In the Cook Islands, economic development depends on external tourism and imports. The over-reliance on tourism has caused several issues, including generating geographic inequalities, with individuals located in tourist viable areas, such as Rarotonga and Aitutaki, less likely to fall into poverty. Other regions (such as the Northern Group) are potentially at high risk of falling into poverty should individuals or households be hit with unexpected shocks. The poverty dynamics in the Cook Islands have significant policy implications, for example, to promote more precise and targeted poverty interventions designed at regional level.

1 INTRODUCTION

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

The Cook Islands comprise of 15 islands spread over 1.9 million square kilometres in the middle of the South Pacific Ocean, between Tonga to the west and the Society Islands of French Polynesia to the east. The majority of the national population lives in the southern Cook Islands, which consist of eight elevated, fertile, volcanic islands, including the largest island, Rarotonga, which is 67 sq km (CIA, 2020) and hosts the capital, Avaru. 70% of the total national population of the Cook Islands is concentrated in Rorotonga, with 20% residing in another 7 southern islands, and only 10% scattered throughout the remaining seven low-lying coral atolls in the northern Cook Islands. One island in the north (Takutea) and one in the south (Manuae) are uninhabited.

Since August 1965, the Cook Islands have been in a self-governing free association with New Zealand, where New Zealand takes responsibility for defence and foreign affairs in consultation with the Cook Islands. Cook Islanders hold New Zealand citizenship. The Cook Islands does not have a central bank and the New Zealand Dollar is used as legal tender.

While being a small economy, in July 2019, the Cook Islands graduated to the category of High-Income Country (it is the first Pacific Island country to do so), ending eligibility for OECD Overseas Development Assistance (ODA) from 1 January 2020. The Development Assistance Committee (DAC) graduation has minimal implications for the Cook Islands, apart from New Zealand's aid programme's effects. Financially, over half of the economy's ODA came from non-DAC sources. Moreover, China and international climate change agencies, such as the Global Environment Facility (GEF), are raising their importance as donors to the Cook Islands (Government of the Cook Islands).

The Cook Islands ranked fifth out of 22 Pacific Islands in terms of GDP per capita in 2018 (USD 175,556, in current values) and 13th out of 22 Pacific Island countries in terms of absolute GDP (USD 307.6 thousand in 2018 at current prices)¹. Since 2013, the economy has been continually growing both in absolute GDP and GDP per capita. The average yearly rate of growth of GDP per capita was 5.3% between 2006 and 2018 (SPC, Statistical Summary 2018).

The economy is heavily service based, representing 85.3% of value added, with industry and agriculture contributing to 8.6% and 6.1% respectively². The service industry is driven by a thriving high-end tourism sector, which brings external investment into the Cook Islands. Wholesale and retail trade, restaurants, and hotels represent roughly 50% of the value added by services (UNCTAD, 2020). The broadly positive economic trend was fuelled by the consistent growth of tourism over the past three decades. Since 2004, the number of visitors arriving in the Cook Islands has doubled, reaching more than 170,000 in 2019 (Government of the Cook Islands). However, investment from tourism is unevenly distributed, and is concentrated in the capital island, Rarotonga, which accounts for for 80% of tourist related economic activities, and in the second most populated island, Aitutaki. Tourists are mostly from New Zealand (approx. 61%) and Australia (approx. 13%; Government of the Cook Islands). While sustaining economic growth,

¹ UNCTAD Data Center.

² UNCTAD Data Center.

the rapid increase in the number of tourists represents a challenge for the local environment and social sustainability of the country (Newport, 2019).

Like many Pacific Islands, the Cook Islands faces development challenges, such as depopulation, dependency on external trade and investment, anthropogenic climate change, and natural hazards. Additionally, reflecting its geographic idiosyncrasies, the Cook Islands is limited by its scarce natural resources, remoteness from major trade and industrial centres, and a small labour force. The negative population growth was roughly 20% between 2006 and 2018 (from 23,800 in 2006 to 18,600 in 2018)³, with many young Cook Islanders emigrating to obtain overseas university degrees (Raymond, 2018). The number of Cook Islanders living in the diaspora is approximately nine times the resident population (Government of the Cook Islands). In many of the outer islands, the population has reached historic low levels, and a collapse of the local communities and loss of culture is imminent (UNFPA, 2014). Moreover, ongoing, long-term demographic shifts, particularly an ageing population, represent an impending challenge in the Cook Islands, with 14% of the population being aged 60+ years.

The Cook Islands have a negative balance of trade and import food and live animals, machine transport and equipment, minerals, and fuels. There is a high import dependency on New Zealand, which accounts for more than 60%. More than 90% of exports are comprised of fish (fresh or chilled), with minor exports of tropical and citrus fruits (UNCTAD, 2019). Manufacturing activities are limited to fruit-processing, clothing and handicrafts. The main partners of Cook Island exports are New Zealand, China, and Japan.

The Cook Islands are highly vulnerable to natural hazards and the effects of climate change. Cyclones are the most frequently occurring extreme weather event, regularly causing casualties and severe damage to property and infrastructure. Globally and regionally, such events have been demonstrated to result in short and long-term devastating social, economic and environmental consequences that can set back a country's development. The Cook Islands have experienced a number of cyclones between 1997 and 2010. The most recent severe cyclone struck the Cook Islands in February 2010 and, though there were no deaths or casualties, the entire population of the island of Aitutaki was either directly or indirectly affected. While there is no data on the economic damages of such a disaster, there were eight injured people and a total of 2202 affected people (EM-DATA)^{4,5}. Additionally, the Cook Islands have experienced outbreaks of diseases, for example, a serious dengue outbreak in May 2009, with 1,246 cases reported on the main island of Rarotonga (EM-DATA).

Though the Cook Islands are considered to be one the most prosperous countries in the region, with the lowest inequality and little visible poverty, and with emigration keeping unemployment low and putting a floor under real wages (Bertram, 2018), there are many sources of economic and social vulnerability for Cook Islanders. Pacific Islanders are heavily afflicted by Non-communicable diseases, including obesity and diabetes. The prevalence of both diseases has risen disproportionately fast in the Pacific region over the past three decades than in the rest of the world (Foster et al., 2018), and in the Cook Islands 56% of adults and 32.2% of children are overweight. As an example, in 2016, the highest rates of childhood obesity rates (over 30%) in the world were in Nauru for girls and in the Cook Islands for boys (9%).^{6,7}

3 *Annual National Account* (<http://www.mfem.gov.ck/economic-statistics/national-accounts>).

4 <https://www.emdat.be/>

5 <https://www.unocha.org/office-pacific-islands/cook-islands>

6 *World Health Organization*. <http://apps.who.int/gho/data/view.main.BMIPLUS2C05-19v?lang=en>

7 <https://www.cta.int/en/article/tackling-obesity-in-the-pacific-islands-sid0f9c9bd02-e3ea-4177-b179-a307093fc1eb>

Furthermore, the Cook Islands, like many Pacific Island States, is subject to high and increasing exogenous risks. Small Island Developing States are characterised by having populations concentrated in coastal areas, poorly developed infrastructure, and high dependence on marine resources for their livelihood needs. Reliance on limited resource bases and external forces, such as trade flows, renders adaptive capacity low.

Anthropogenic climate change will likely increase the prevalence and intensity of natural hazards, for example tropical cyclones, which threaten infrastructure, livelihoods, and resources. Vulnerability studies conducted for some small regional islands have shown that the costs of post-disaster recovery, and pre-emptive disaster risk reduction, can be beyond the financial means of countries such as the Cook Islands. Meanwhile, the COVID-19 pandemic disrupted global trade patterns, especially international tourism, and undermined the external support available. Therefore, given these risks and latent vulnerabilities, despite the Cook Islands' strong economic development, it is vital to ensure low levels of poverty. Beyond improving the lives of those in poverty, and securing the status of those vulnerable to poverty, poverty alleviation strengthens wider society as evidence suggests that poverty can undermine social cohesion and hinder the ability of individuals and households to weather adverse shocks.

The 2030 Agenda and the 17 Sustainable Development Goals (SDGs) provide a universal framework by which nations can ensure dignity, peace, and prosperity across a range of socio-economic development issues for all. Since 2015, nations have strived to embed SDGs into their national plans and to provide comparable and reliable data to ensure that these indicators measuring progress towards achievement of the 17 Goals may be measured and tracked. The Cook Islands National Development Plan (2016–2020)⁸ defines sixteen specific goals that represent the national aspirations across the different dimensions of Cook Islands society and development. The framework provides international accountability and consistency, requiring national statistics offices to select and commit to country specific SDG indicators by which they measure their progress.

The Pacific SDG Taskforce has outlined 132 different indicators to support the tracking of the region's performance against the SDGs. These indicators, chosen because of their specific regional relevance, can provide 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, newborns, work-injury victims and the poor and the vulnerable'.

This indicator could inform the construction of a variety of lifecycle 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). 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 the Cook Islands begins to measure such indicators more rigorously, the government will be able to measure the success of various policies against issue-specific indicators and review progress over time.

This poverty and vulnerability analysis was performed using the most recent Household Income and Expenditure Survey (HIES) that was implemented in the Cook Islands between November 2015 and November 2016 by the Cook Islands Statistics Office (CISO) and developed by the Statistics for Development Divisions of the Pacific Community (SPC). This was the second HIES implemented in the Cook Islands with

8 <https://www.adb.org/sites/default/files/linked-documents/cobp-coo-2017-2019-ld-01.pdf>

the first in 1998. In 2004/05, a HES was conducted, which excluded questions on income. CISO adopted the Pacific Islands' regionally standardized HIES instruments and procedures with the intermediary aim of collecting information on the total amount that households spent and earned over the 12 months prior to the survey. Questionnaires were conducted over a 12 month period to capture the seasonality of households' income and expenditure. Over time, repeated HIES will allow longitudinal analysis of trends. The HIES's ultimate aim was to inform policymakers about the Cook Islands socio-economic development, therefore enabling evidence-based decision making and more effective programming.

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

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

The 2011 Census of Population and Dwellings was used as the sampling frame for the 2015–2016 HIES of Cook Islands where a sample size of 770 households was selected for participation. The sample was stratified by urban (Rarotonga) and rural (all outer islands). In Rarotonga, the sample of 320 households were selected using two-stages, with enumeration areas firstly selected based on their probability according to size, then 10 households per cluster were selected for participation in the HIES (with 5 additional households selected as replacement households in the case the selected household could not participate due to reasons or non-response or the household being absent at the time of the survey). The rural strata also adopted a two-stage sample selection, however it was the islands that were randomly selected based on probability proportion to size, then households were randomly selected with a sample allocation based on the population size of the selected island. The final rural sample 160 households in Aitutaki, 80 in Mangaia, 80 in Atiu, 80 in Pukapuka, and 50 in Manihiki (with an additional 50% of the sample selected as replacement households). The final response was 691 households, including 370 in urban areas and 421 in rural areas.

In this report, poor and vulnerable households and individuals are identified using the following criteria:

- Extremely poor: household expenditure below the Food Poverty Line (FPL);
- Living in poverty: household expenditure below the Basic Needs Poverty Line (BNPL);
- Highly vulnerable: household expenditure is within 20% of the BNPL;
- Moderately vulnerable: household expenditure is between 20% and 50% greater than the BNPL; and
- Slightly vulnerable: household expenditure is between 50% and 100% greater than the BNPL.

This report provides a comprehensive analysis, and suggested policy responses, on hardship, poverty, and vulnerability in the Cook Islands. Section two covers the general socio-economic and demographic situation, discussing factors such as household composition and labour. Section three explores the different measures of monetary poverty such as poverty incidence, depth, and severity of poverty over time, as well as the correlates and characteristics of vulnerable individuals and households. Section four assesses access to basic services and existing social protection programmes, per the SDG indicators, covering dimensions such as access to clean water and sanitation, access to internet, and the proportion of household income that comes from social protection. Throughout the report, comparisons are made with other Pacific Island countries. Finally, the report will conclude with the summary of the main findings and the policy implications.

2 SOCIO-DEMOGRAPHIC PROFILE OF HOUSEHOLDS

The 2015–2016 HIES collected information on income and expenditure, including that associated with subsistence production and consumption. Information on socio-economic characteristics of Cook Island households were also collected, many of which have relationships with poverty and vulnerability. The household size, the gender and education of the household head, and the presence of the most vulnerable people in the household (children, older persons, and people with health issues), as well as the source of household income, are such socio-economic variables to be analysed as underlying factors when studying poverty. Each factor is widely recognised to impact poverty and vulnerability, both regionally and globally, and can provide invaluable insights into socio-economic development of the Cook Islands.

2.1 Household composition

The link between household structure and poverty risk has been documented in a range of global and regional studies. The average number of members in a household nationally was 3.3 persons but **larger households are wealthier compared to smaller households**. Contrary to the expected relationship of poorer households having a larger number of members, in the Cook Islands, households in the bottom three deciles have fewer members than households in the top three deciles (3.1 persons and 3.5 persons, respectively). This may be due to the fact that the larger a household's size, the more available home production support is available. The household size to wealth correlation is also visible in Niue and Tokelau, but not in larger countries such as Samoa.⁹

Considering the number of persons by household, there are many households composed of a single

⁹ See HIES poverty reports for Niue, Tokelau and Samoa.



person (26% of all households, or 3,924 persons), and households in the bottom wealth decile average 2.7 household members, close to the total household average number of members and suggesting no clear relationship between household size and poverty.

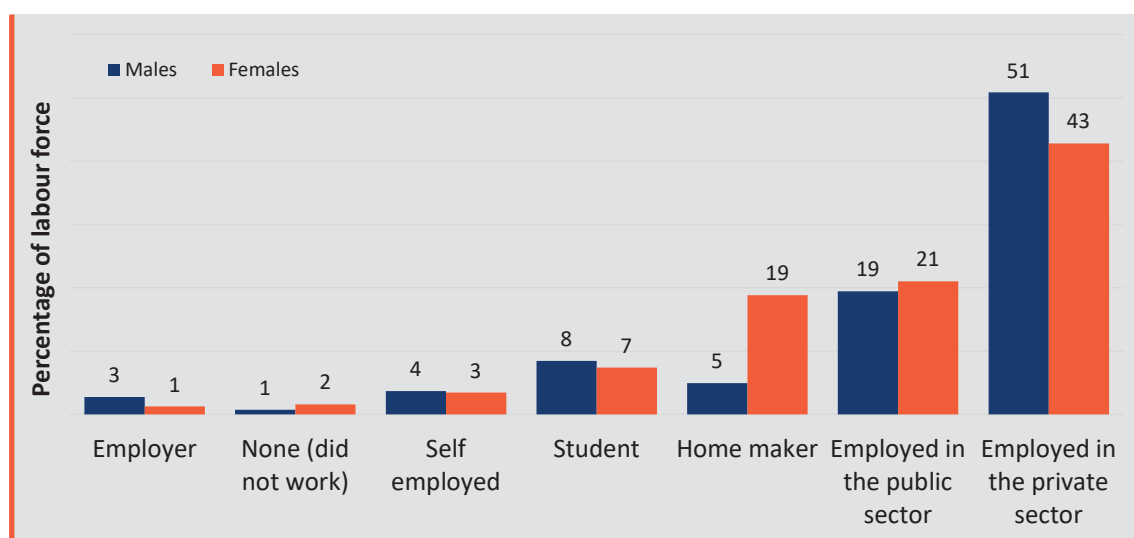
The most common household type is a couple with children (51%). Thirteen percent of households are formed by a single parent and child, and another 25% of the population reside in some other household composition that includes children. Children are defined as those aged 0–14 years and make up 24% of the population, with a slight majority being boys. Most households are male headed, with 3,125 out of 4,623 households being headed by males. The majority of household heads, both male and female, are of working age (30–59 years; 61 and 60%, respectively). Male heads aged 60+ years account for 32% of male headed households (MHH), and 7% are less than 29 years old. 36% of female headed households (FHH) have household heads that are aged 60+ years, and 4% are aged less than 29.

2.2 Labour and other income sources

The impacts of an effective, equitable labour market on poverty, hardship, and vulnerability are significant. Labour market policies can play a decisive role in eradicating poverty by increasing access to job opportunities and improving working conditions. In particular, the combination of income support with active labour market support allows countries to tackle multiple decent work barriers (Asenjo et al, 2019), and analysis has demonstrated the impact of labour market structure, size, and participation on poverty and vulnerability levels.

The 2015–2016 HIES collected information on the labour activity of the Cook Islands workforce. There are 8,563 Cook Islanders aged 15–59 years, of which 4,286 are males and 4,277 are females. Most of the employed people are working in the private sector. Half of male workers are employed in the private sector, and 20% in the public sector, while 43% of female workers are employed by the private sector, and 21% by the public sector.

Figure 1: The private sector employs the majority of workers (main activity of working age population)



Note: Based on own calculations using data from the 2015–2016 HIES.

Of those persons that are part of the workforce, 3,441 individuals are employed in a secondary activity. The main secondary activity is ‘home maker’ (50%), followed by ‘producing good for own consumption’

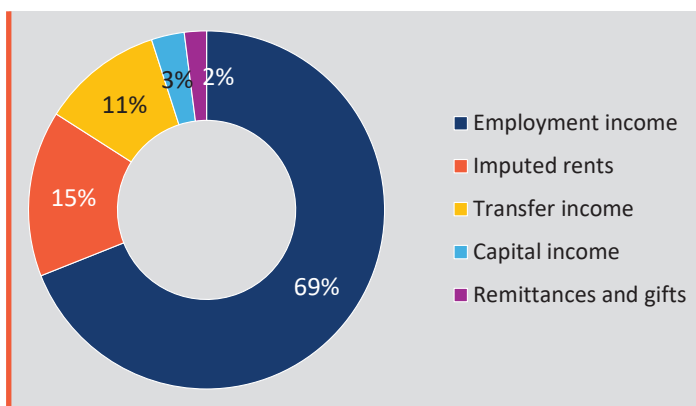
(33%). The private sector is important as a second activity employing 13% of the workforce. Males engage in a secondary activity principally to produce their own goods (48%), 30% as home makers, and 12% in the private sector, whereas women are mainly occupied as home makers (65%), as producers of their own consumption (17%), and 14% in the private sector for their second activity.

According to the Cook Islands 2015–2016 HIES report, the total households income in the Cook Islands amounts to around NZD 235 million per annum, with an average annual household income of NZD 50,620. Roughly 79% of total households income is attributable to residents in urban Rarotonga, marginally higher than one would expect given Rarotonga is home to 70% of the population.

The major contribution to household income is from wages and salaries (60%), while imputed rents contribute for 15%, pension and social benefit income for 11%, capital income for 3%, and remittances, gifts, and other casual receipts contribute roughly 2%.

Wages and salaries sustain more incomes of urban households compared to their rural counterparts (62.3% and 50.7% of total income, respectively). Cash-based agricultural activities are of limited impact in both urban and rural areas (1.6% and 1.5% of total income, respectively), however, in rural areas, home production generates 5.3% of total income, while in urban areas it accounts for 0.4% of total income. In rural areas, fishing activities account for only 1.1% of households cash income, while social transfers, predominantly pensions (73%) generate 16.8% of total income. Meanwhile, in urban areas, social transfers generate 8.9% of total income.

Figure 2: Contribution to total income, by income type



Note: Based on own calculations using data from the 2015–2016 HIES.

Around 70% of total annual household income in the Cook Islands was from MHHs, reflecting the fact that most households are male headed (68%). For all sources of income, MHHs earned more than FHHs.

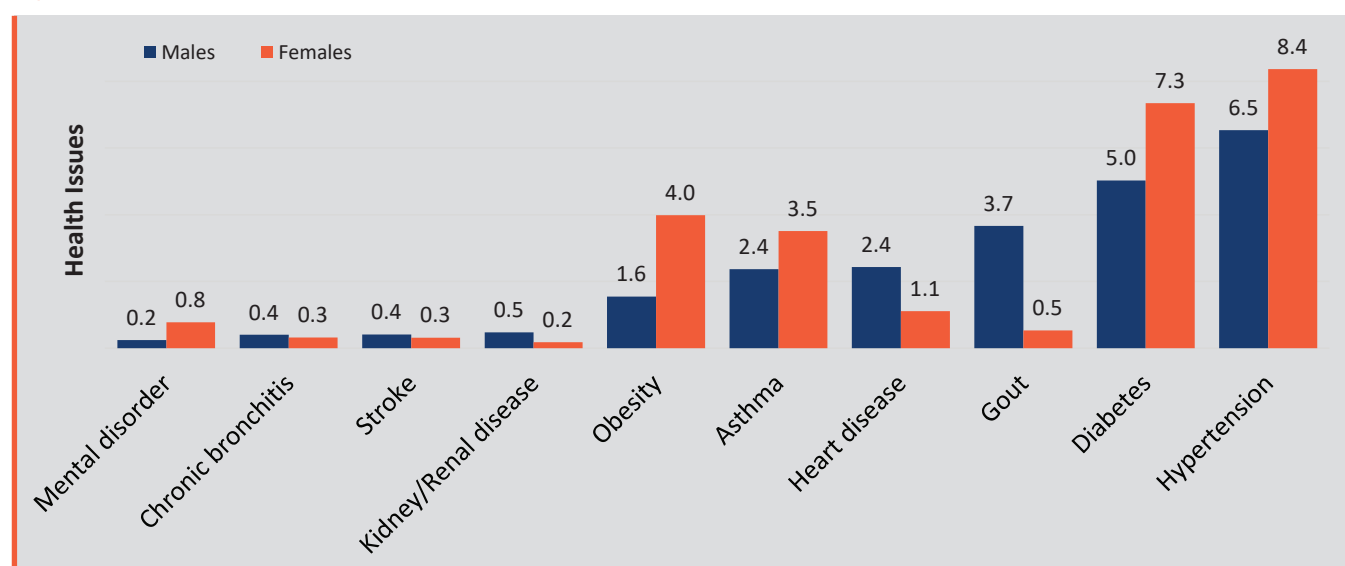
2.3 Disability, health and prevalence of non-communicable disease

Of the total population, about 24.4% of the total population reported having an underlying health problem, and the most common problems reported being non-communicable diseases (NCD), including hypertension (7.5% of total population), diabetes (6.2%), asthma (2.9%), and obesity (2.8%). The HIES results show that females are more affected by non-communicable diseases (especially hypertension, obesity, diabetes, and asthma) compared to men. The male population is instead more affected by gout (3.7% of males compared to 0.5% of women).

The Cook Islands STEPS survey, conducted between September 2003 and May 2004, provides a comprehensive population-wide snapshot of the state of NCDs and their risk factors. Data collected shows that 33.2% of population suffer from hypertension (40.6% of males and 25.5% of females). Moreover, the overall prevalence of diabetes (fasting glucose level ≥ 6.1 mmol/L) among Cook Islanders aged 25–64 years was 23.6%. Finally, the survey found that overall, 88.5% of the population was overweight (BMI ≥ 25.0 kg/m²), 61.4% (± 2.7) of the population was obese (BMI ≥ 30 kg/m²). The obesity prevalence was significantly higher among women (65.7% ± 3.2) compared to men (57.4% ± 3.6).¹⁰

Data from the STEPS are not comparable with the 2015–2016 HIES, due to different population groups of the surveys and the different type of questions and health indicators used in the two surveys. Nevertheless, it is possible to assert that when looking at the information from STEPS and those from the HIES, there is a decreasing trend of NCDs among the population. Despite having among the highest rates of non-communicable diseases in the world, the Cook Islands have tried to react proactively (Dodd et al., 2020). With the declaration of the ‘NCD Crisis’ at the Pacific Island Forum in 2011, efforts to address NCDs have also been intensified in the Cook Islands, supported by increased national attention and commitment. The National Strategy and Action Plan for non-communicable diseases 2015–2019 described the need for ‘strong and innovative interventions to prevent the ongoing loss incurred by NCDs on the population, and burden placed on individuals, families, communities and the government.’

Figure 3: Main health problems in the Cook Islands



Note: Based on own calculations using self-reported data on chronic illness in the 2015–2016 HIES

2.4 Education

Government institutions are the main providers of education in the Cook Islands. There are 31 providers, including 1 standalone Early Childhood Education (ECE) Centre, 11 primary schools (10 of which have ECE centres attached), 4 secondary schools, 14 area schools (all with ECE centres) and a tertiary institute (Government of the Cook Islands, 2016).¹¹

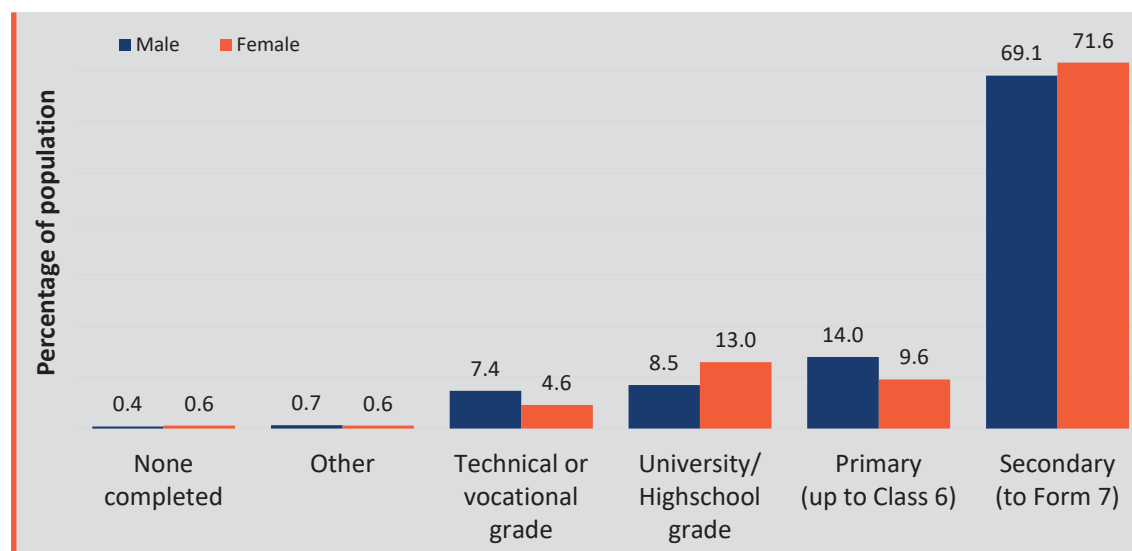
Education is widely acknowledged to be a critical factor in a household, or personal, socio-economic

¹⁰ https://www.health.gov.ck/wp-content/uploads/2022/04/2003_CookIslands_STEPS_Report.pdf

¹¹ <http://www.education.gov.ck/wp-content/uploads/2016/12/2016-Education-Statistics-Report.pdf>

condition and influences resilience in the face of external shocks. The 2015–2016 HIES captures data on the individuals' highest level of education: the vast majority achieved secondary education (70%); 12% obtained only primary education; 11% achieved a University/higher education; 6% achieved a technical or vocational grade. Overall, females have a higher level of education than men, with a higher percentage of females obtaining secondary education and university/high school grade levels compared to men.

Figure 4: Females tend to obtain a higher level of education compared to men



Note: Based on own calculations using data from the 2015–2016 HIES.

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 the Cook Islands. Ideally, the collected information should guarantee the comparability of data over time, multiple/varying information sources, and build upon agreed international indicators to allow for international comparison.

Conceptually, hardship and vulnerability are closely related, because households 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 or 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. Abbot 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 to support policy-design and decision-making, the work was not considered a priority. The SDGs refocused attention on poverty, contributing to an increasing will to combat the challenges linked to poverty, inequality and climate impacts in small island developing states, including the Pacific Islands. This has included analysis of strategies to reduce poverty, such as 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 to ensure they reach households 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 household 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 person 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 household or a person acquires enough food by comparing expenditure per capita against food consumption (in kilocalories per person per day). This is the Food Poverty Line (FPL). The FPL represents the cost of a food basket that is produced or purchased by the household/individuals and that is sufficient for survival. It has an absolute base (Average Daily Food Cost Adjusted to 2100 kcal per capita per day) derived from the actual consumption patterns of the lowest three deciles but does not necessarily represent what household/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 household/individual in the lowest expenditure quantiles 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 household quantiles 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 households and individuals. These indicators are analysed against the socio-economic characteristics of Cook Island households where individuals are considered as **extremely poor** if their expenditure falls below the FPL; **poor** if their expenditure falls 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 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 below the poverty line a household or an individual is, whilst poverty severity is a measure of how severe the level of deprivation is for those living below the poverty line, incorporating inequality amongst those below the poverty line. To measure poverty depth and severity, we shall 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 household 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 households 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.

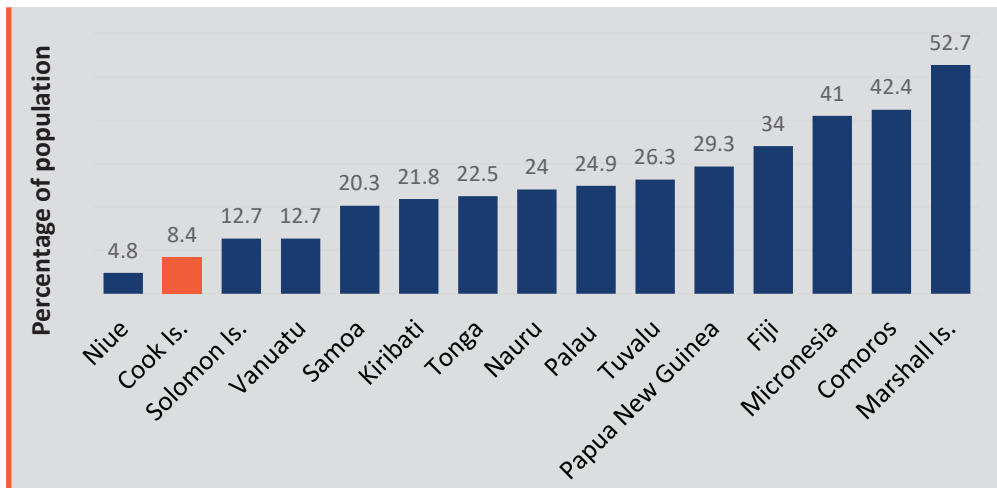
3.2 The prevalence of poverty in the Cook Islands

A small portion of the entire population (0.2%) is living below the food poverty line. In absolute numbers, it means 24 persons have insufficient intake of calories. In 2016, the poverty incidence, defined as the percentage of people living below the BNPL, is 8.4% (1,281 persons). Compared to other Pacific Island countries, the Cook Islands has the lowest poverty incidence after Niue. Encouragingly, these data suggests that the poverty incidence has reduced over time. In 2005, the proportion of people living under the food poverty line was 2% of the population¹², with 28.4% living below the BNPL. Therefore, in ten years, extreme poverty reduced by 10 times, and poverty incidence reduced 4 times.

The national poverty gap (i.e. the depth of poverty in the Cook Islands), is relatively low, with a Poverty Gap Index of 2.8. While the index is not the lowest among the Pacific Island countries, the poverty gap has been decreasing. The index for 2006 equals 8.5, with a stark difference between the islands: Rarotonga (9.4); Southern Group (6.2); Northern Group (1). On average, in all islands, the extent to which individuals fall below the poverty line has decreased, when measured as a percentage of the poverty line. Not only has the quantity of people in poverty reduced but those in poverty in 2016 are comparatively well-off than their equivalents in 2006.

Figure 5: Poverty Incidence in the Cook Islands and other Pacific Islands (% of total population)

¹² https://www.undp.org/sites/g/files/zskgke326/files/publications/UNDP_WS_MDG2010-CKI.pdf



Note: Based on own calculations using data from the 2015–2016 HIES.

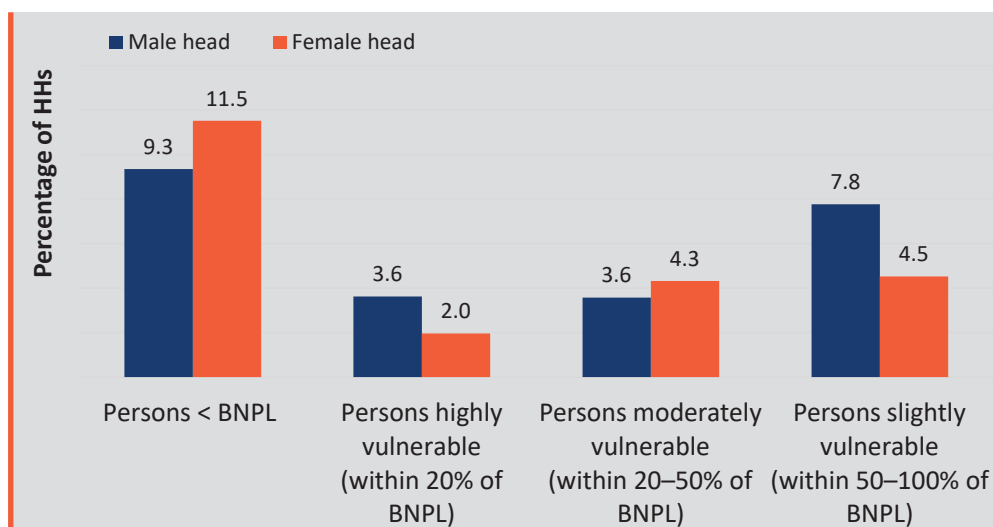
3.3 Poverty and vulnerability correlates

The overall prevalence of undernourishment, as proxied by the FPL, is 0.2% for women and 0.1% for men—18 of the 24 individuals estimated to live below the FPL are female. A similar proportion of women to men are living below the BNPL, 8.2% of women compared with 8.4% of men. When we compare households that are headed by men and women, we see that the proportion of MHHs below the BNPL is 9.3% and the proportion of FHHs living below the BNPL is 11.5%, however there is a greater proportion of ‘highly vulnerable’ MHHs than FHHs (3.6% against 2.0%, respectively).

However, if we broaden our analysis to calculate the proportion of households either poor or slightly vulnerable, there is minimal difference in the prevalence vulnerability between male and FHHs. The proportion of MHHs that are poor or at least slight vulnerable is around 24%, for their female headed counterparts the proportion is 22%. This uniform, high rate suggests that a significant proportion of Cook Islanders could be pushed into poverty if exposed to an external shock, for example extreme weather events, or be forced to adopt negative coping strategies.

Figure 6: Percentage distribution of male and female headed households that are poor or vulnerable

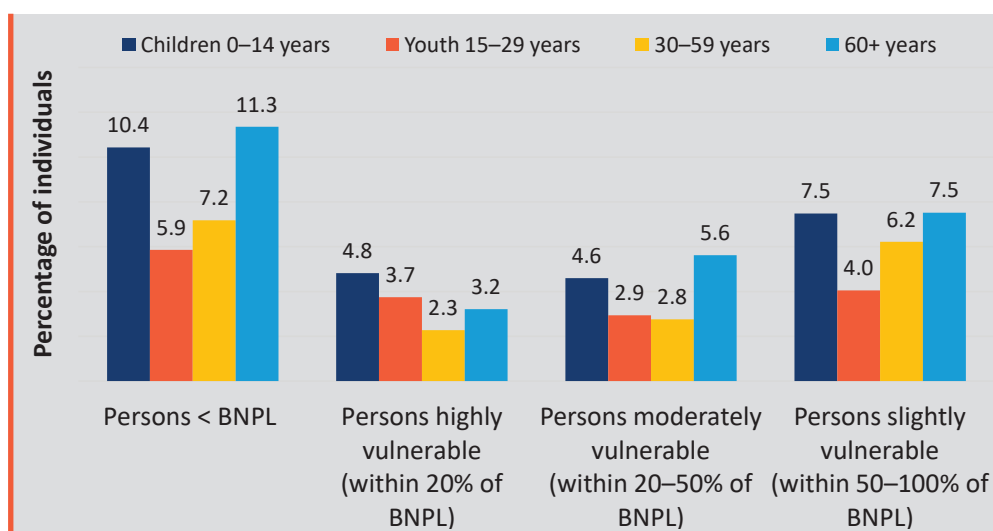




Note: Based on own calculations using data from the 2015–2016 HIES.

The very young and the very old are particularly vulnerable to living in poverty and/or hardship. Over 80% of those living in extreme poverty, below the FPL, are aged 60+ years. When disaggregating by age, children (0–14 years old) and the elderly (60+ years old) disproportionately live under the BNPL when compared with those aged 15–59 years as shown in **Figure 7**. Furthermore, a larger proportion of the two former groups were at least slightly vulnerable compared to the youth and working age populations.

Figure 7: Prevalence of poverty and vulnerability by key age groups



Note: Based on own calculations using data from the 2015–2016 HIES.

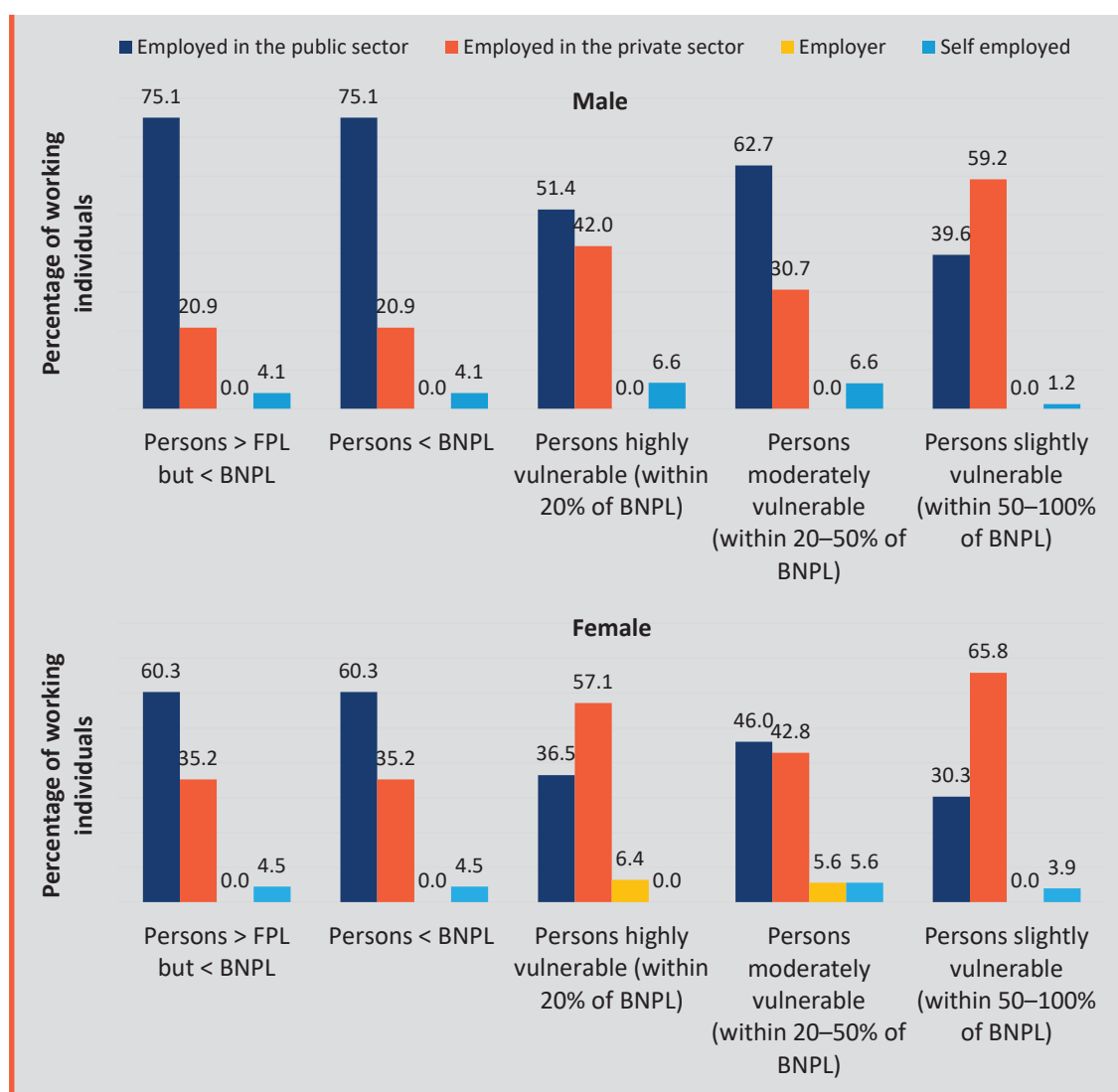
According to the HIES data, secondary education does not increase the capacity to escape from poverty. For the majority of those living in poverty or hardship, the highest level of education is secondary (up to Form 6). This is the case for most of the population (i.e., those that are neither poor nor vulnerable also predominantly have education levels up to Form 6). However, the proportion of those that are poor with secondary level education is considerably higher than the proportion of non-poor or vulnerable individuals: the latter group has 20% of its population with a technical diploma or higher-level education compared with only 1% of those living below the BNPL with the same level of education.

3.4 Characteristics of poor households and individuals

3.4.1. Economic activity and poor households

Approximately 13.7% of the working 15–59-year-old population is either poor or at least slightly vulnerable. This poverty status distribution is very similar amongst working men and women aged 15–59 years. Public sector wage employment is the primary economic activity that most working poor and vulnerable individuals engage in, whereas non-poor and non-vulnerable individuals are more frequently engaged in the private sector. For individuals living in poor and non-poor households, wages constitute the majority of total annual household income.

Figure 8: Main economic activity amongst working 15–59-year-olds, by poverty status and sex

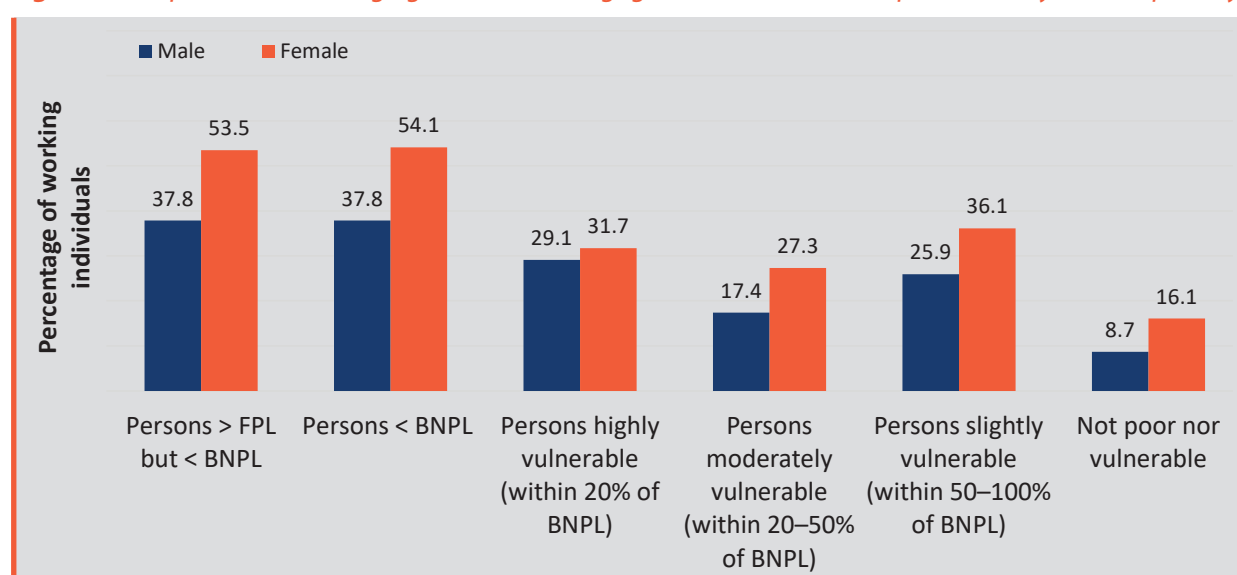


Note: Based on own calculations using data from the 2015–2016 HIES.

Looking at main economic activities for all labour force participants, poor and vulnerable individuals make up a greater proportion of the population engaged in less secure or unpaid economic activities. For example, individuals living in poverty make up 32.6% of all unpaid domestic workers, a form of employment predominantly made up of women aged 15–59 years.

Furthermore, a significantly larger proportion of poor and vulnerable populations engage in subsistence activities compared to non-poor nor vulnerable individuals, with nearly 16% of those living below the BNPL engaged in subsistence activities compared to only 2% of non-poor nor vulnerable individuals. Poor and vulnerable populations engage more in agriculture, fishing or livestock activities than their non-poor nor vulnerable counterparts. For example, the proportion of individuals living below the BNPL that engage in fishing is 4 times greater than the proportion of non-poor individuals.

Figure 9: Proportion of working age individuals engaged in some form of unpaid work, by sex and poverty status



Note: Based on own calculations using data from the 2015–2016 HIES. Unpaid forms of economic activities include, volunteering, home makers, and producer of goods for own consumption/subsistence

This risk of working in unsecure and/or unpaid employment is especially heightened for poor and vulnerable women. As demonstrated in **Figure 9**, women are overrepresented in all categories of unpaid work, reinforcing patterns of gendered labour which have been observed throughout the region and world (ILO 2017). Nearly 54% of women living below the BNPL are occupied as homemakers, subsistence producers or unpaid family workers, compared to 38% of men living at the same level of hardship. Such gender differences are reflective of wider national gender disparities in economic activity distributions. The proportion of poor women engaged in unsecure or unpaid activities is nearly four times greater than the proportion of non-poor women, and nearly seven times more than the proportion of non-poor men engaged in these types of activities.

Due to increases in unsecure and non-wage employment amongst the poor and vulnerable, it is likely that many poor and vulnerable individuals engage in secondary economic activity. The proportion of

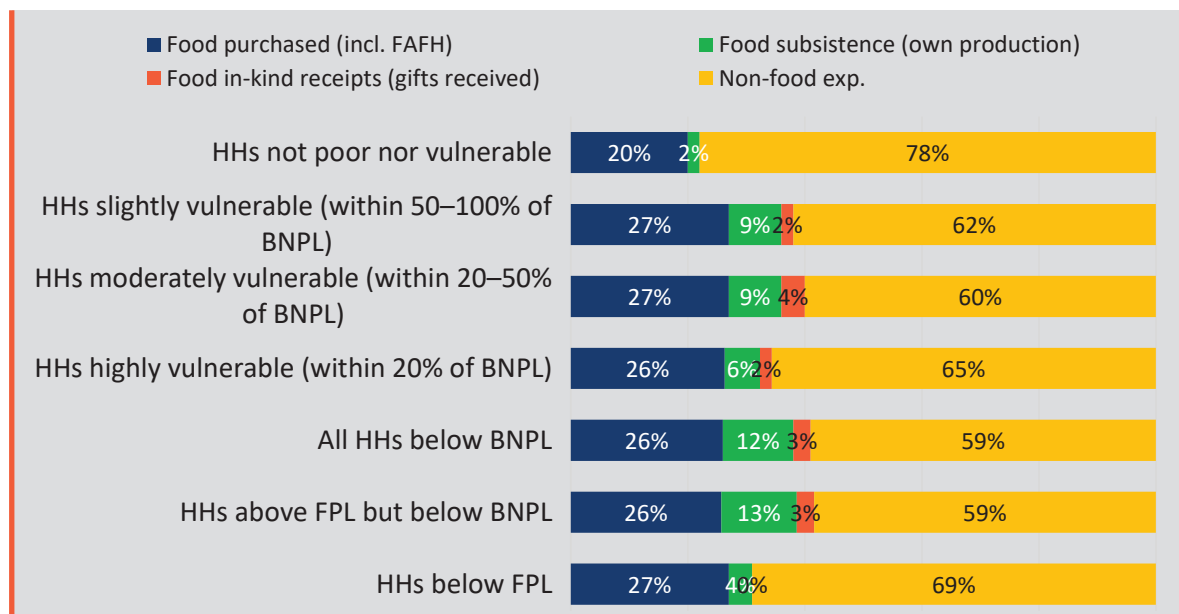
all poor 15–59-year-olds that engaged in secondary economic activity was 2.4 times greater than the proportion of non-poor 15–59-year-olds who engaged in a secondary activity—75% and 31%, respectively. Overwhelmingly, women living in poverty reported being either a home maker or engaged in subsistence activities, compared to males living below the BNPL, whose secondary activity was primarily subsistence production.

3.4.2. Consumption expenditure and poor households

The weekly per capita expenditure of poor households is NZD 113.47, of which most is spent on non-food consumption. The primacy of non-food expenditure is consistent across all households, regardless of poverty status. However, food consumption makes up a greater proportion of household consumption expenditure for poor households than for non-poor households, with the latter averaging 23% less on purchased food than those living below the BNPL. Furthermore, food from subsistence activities contributes a significantly higher proportion of household consumption—6 times—for those living in poverty than it does for those neither in poverty nor vulnerable to falling into poverty.

All food related expenditure makes up at least 30% of household consumption expenditure for poor or vulnerable households. This can be compared to non-poor nor vulnerable households, for whom food related consumption expenditure makes up approximately 23% of total household consumption expenditure.

Figure 10: Annual household consumption distribution by poverty status of household



Note: Based on own calculations using data from the 2015–2016 HIES.



3.4.2.1. Household purchased food expenditure

There is little difference in the nutritional quality of foods consumed by households of varying poverty status. However, more secure household status is linked with increased consumption of less healthy foods. Using the Pacific guidelines for healthy living, we construct food groups and subcategories within each group to understand the types of foods that are being consumed by households.

For all households, the majority of household food consumption expenditure is spent on either energy or body building foods. Households living below the BNPL spend around 45% of household consumption on energy foods, 16% on protective foods, 37% on body building foods and 2% on items such as condiments and seasoning. This is very similar to non-poor nor vulnerable households, who spend 47%, 12%, 38% and 3% on energy, protective, body building and other foods, respectively.

However, we can see that as households become wealthier, more is spent on better quality and local foods –particularly body building foods like local fresh local meat. For non-poor nor vulnerable households, for example, the food items that make up the top 50% of household food consumption expenditure includes taro, lamb, fish, vegetables, fruit, bread, and chicken.

Table 1: Food groups and dietary guidelines taken from SPC Pacific Guidelines to Healthy Living

Food groups	Good/healthy	To limit	To avoid
 Energy food (Starchy staples)	<ul style="list-style-type: none"> Locally grown root crops Breadfruit, cooked green bananas Whole grain breads Brown rice 	<ul style="list-style-type: none"> Refined grains and cereals such as white rice, pasta, noodles, vermicelli and bread Foods prepared with fats and sugar, e.g., biscuits and cakes 	<ul style="list-style-type: none"> Processed and deep-fried foods Sugar and free sugars Sugar-sweetened beverages
 Protective food (All vegetables and fruits)	<ul style="list-style-type: none"> All fresh fruits and vegetables, locally grown All frozen vegetables and fruits with no added sugar or salt 	<ul style="list-style-type: none"> Canned fruit in juice is a good alternative if fresh fruit is limited Dried fruits with no added sugar or preservatives Canned vegetables containing little salt 	<ul style="list-style-type: none"> Canned vegetables Dried fruits with added sugar or preservatives Cordials and fruit drinks Fruit juice and fruit juice concentrate



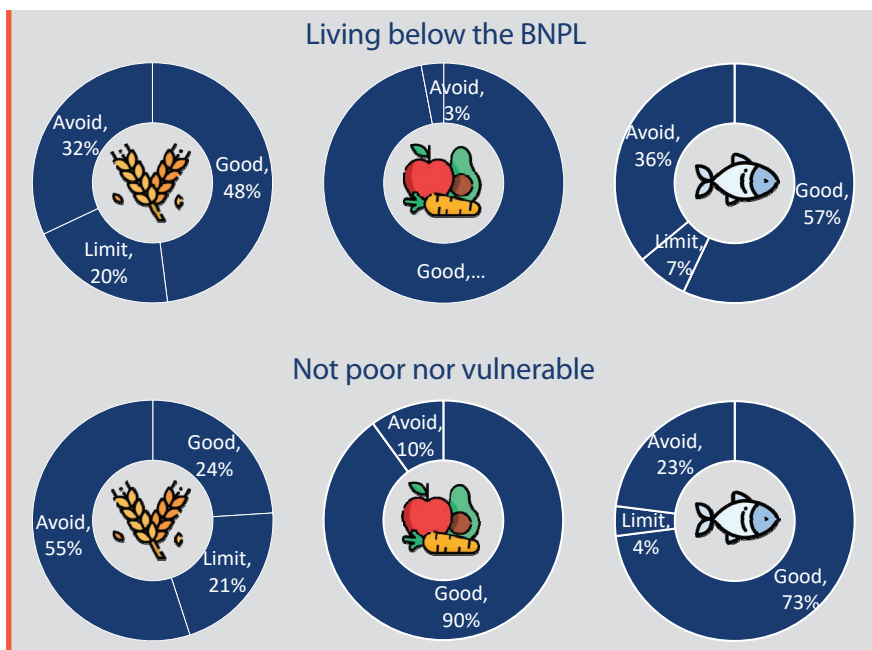


Body-building food
(Protein-rich foods)

- Local, lean cuts of meat, chicken
- Meat with visible fat
- Processed meat – spam, canned corned meat
- Fish
- Canned meat or fish with high salt content
- Corned beef/brisket in container, burgers, sausages, condensed milk, mutton flaps
- Eggs
- Dried beans and legumes
- Nuts
- Reduced fat milk and milk products

Households living below the BNPL rely on cheap sources of protein—such as canned or processed meat—and spend a larger proportion on foods that should be avoided or limited than non-poor and non-vulnerable, or vulnerable households. These foods are relatively cheap and non-perishable sources of protein, thus explaining why household living below the BNPL, and particularly those living below the FPL, spend a significantly higher proportion of their household food consumption on these items than wealthier households.

Figure 11: Proportion of annual household food consumption expenditure by food groups for poor and non-poor or vulnerable households



Note: Based on own calculations using data from the 2015–2016 HIES.

However, non-poor nor vulnerable households also spend more on less nutritious, non-essential and sometimes harmful energy foods. Ranking foods by proportion of total household food consumption expenditure, for example takeaway food is in the top 50% of foods purchased across all household types, regardless of poverty status. Yet, the proportion allocated to takeaway food increases with household socio-economic security status i.e. non-poor households spend a higher percentage of their total household food purchase expenditure on takeaway foods. Additionally, of the aforementioned expenditure distributions within each food group, non-poor and non-vulnerable households spend over half of their energy food consumption on food items that are identified as foods to be avoided—predominantly sugary drinks,

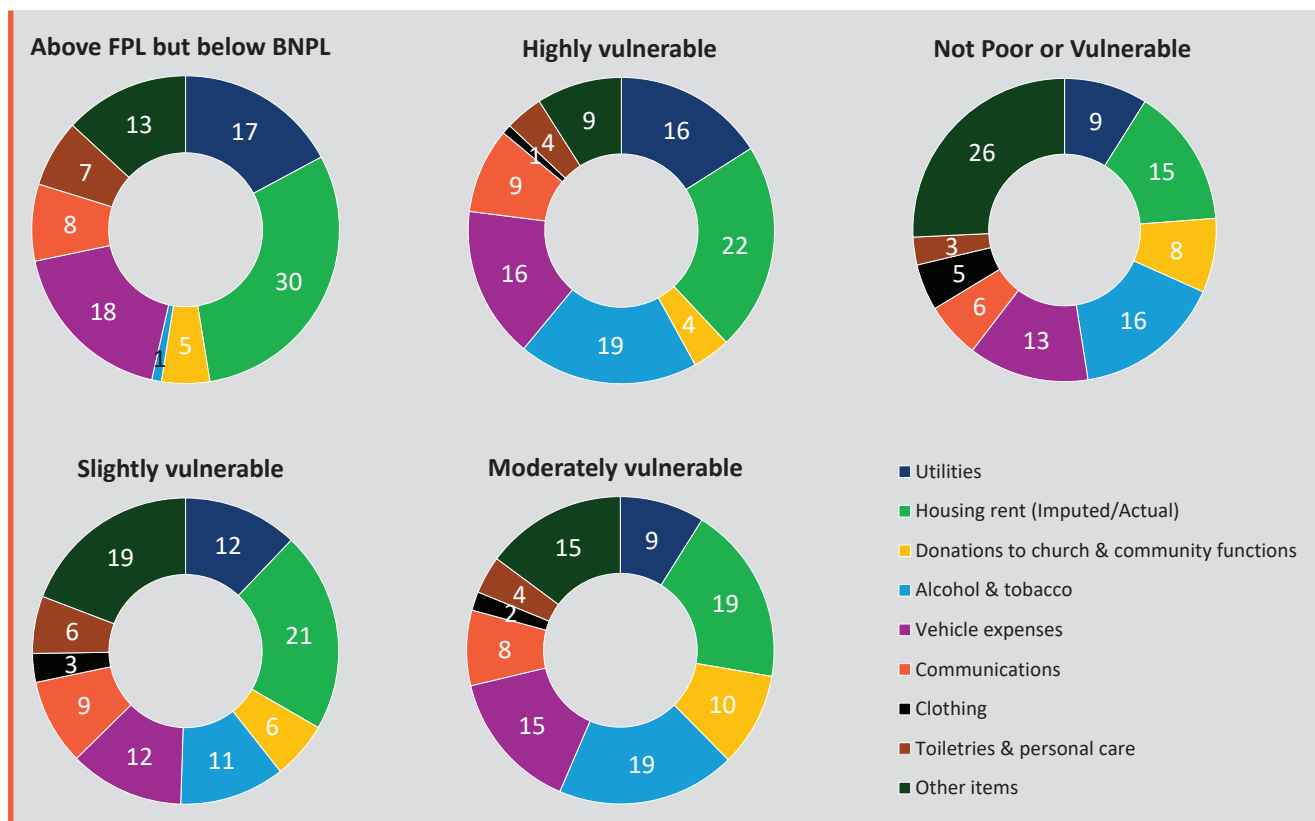
sweets, pastries and fried foods. Households living below the BNPL, on the other hand, spend a smaller proportion of their total household energy food consumption (32%) on foods that should be avoided. A similar trend can be seen with regards to the protective foods; for less poor and vulnerable households, the proportion of protective food expenditure spent on foods to be avoided is greater than for their counterparts living below the BNPL. Overall, these trends suggest that, as household wealth increases, so does the prevalence of unhealthy food stuffs. This has clear potential implications for human health, particularly diabetes, obesity, and hypertension.

3.4.2.2. Non-food household consumption expenditure

For all households, housing and utilities make up 12.2% of household non-food consumption expenditure. However, for households below the BNPL, it accounts for a considerably greater proportion of household non-food consumption expenditure than for non-poor nor vulnerable households. The former spent nearly twice the proportion of their non-food consumption expenditure on housing and utilities compared to the latter. Households living below the BNPL spend 29.8% of their household expenditure on housing or rent, 16.8% on utilities, and the next largest non-food household expenditure is vehicle expenditure (17.9%).

For non-poor nor vulnerable households, this distribution is noticeably different, with a larger proportion of household non-food expenditure channelled towards alcohol, tobacco, and other non-essential expenditure—16% on housing, 8.6% on utilities, 13% on vehicle, 15.3% on alcohol and tobacco, and 23.7% on other items. Again, as with food consumption, we see that as households become less vulnerable, the trend suggests that a greater share of total household consumption expenditure is directed towards potentially harmful goods.

Figure 12: Annual non-food household consumption expenditure by poverty status



Note: Based on own calculations using data from the 2015–2016 HIES.

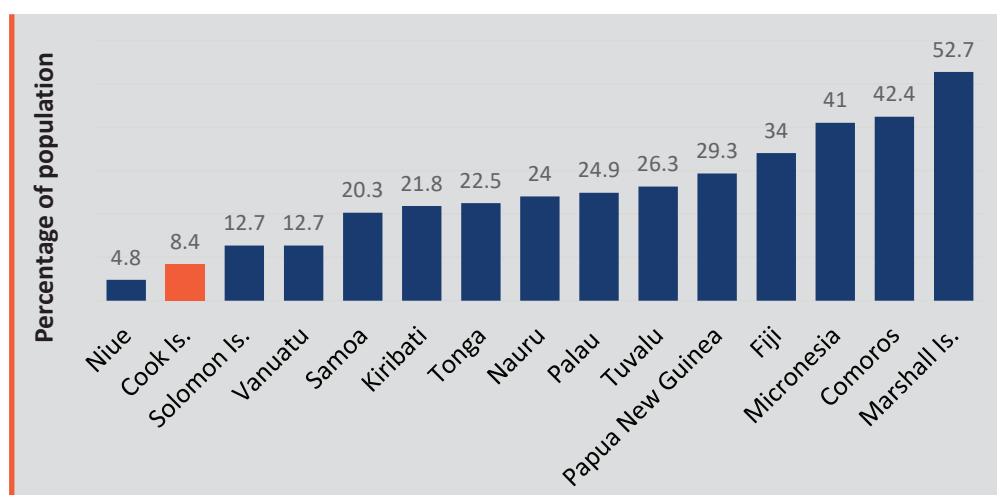
3.4.3. Monetary inequality

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 households or populations by income or household 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 household level Gini coefficient in the Cook Islands is 0.24 and 0.21 for individuals, which by regional standards is very low and has decreased since 2005–2006 when it stood at 0.38 (individuals at the national level).

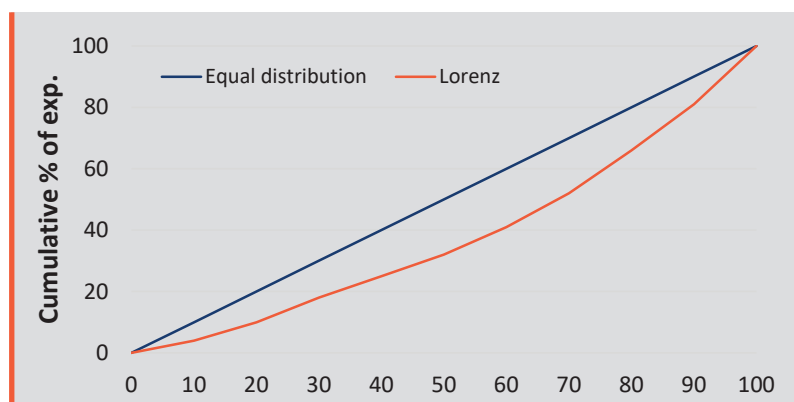
Figure 13: Household Gini indexes of various Pacific Island countries



Note: Based on own calculations using data from the 2015–2016 HIES.

Nevertheless, 50% of the richest population are responsible for 70% of total consumption expenditure. Additionally, a quintile ratio of 3.3 suggests that the richest 20% have consumption expenditures that are 3.3 times greater than that of the poorest 20%. As with many countries in the Pacific region, limited economic markets mean that only a few households are able to leverage investments in productive markets (e.g., investments in international tourism), thus generating, and perpetuating, greater inequality.

Figure 14: Cook Islands Lorenz curve using per capita household consumption expenditure



Note: Based on own calculations using data from the 2015–2016 HIES.

3.5 Housing conditions

Although the 2015–2016 HIES does not capture information on the type of housing in which individuals reside, there is information on the type of building materials. On the whole, most households, regardless of poverty status, reside in a dwelling with improved housing material such as concrete. For example, 91% of households living below the BNPL reside in dwelling with metal or tin roofs, compared with 93 to 95% of vulnerable and non-poor nor vulnerable households. Households without metal roofs are generally made from concrete or, in some rare instances, wood. Similarly, regardless of poverty status, for most households the main material for household walls is concrete (44%). There is, however, some variation in the type of concrete used. 48% of the households that are neither poor nor vulnerable reported having block concrete as the main wall material, whereas households living below the BNPL reported having poured concrete as the main material. Finally, as with roofing and walls, most households reported having concrete flooring (88%). Wooden flooring is predominantly reported by non-poor households (13%). Overall, these construction similarities suggest a similar level of physical resilience to external shocks, for example extreme weather events.

Overall, households living below the BNPL either owned their own homes without a mortgage or were living in a dwelling where the rent was paid by someone else. Whilst most non-poor households also lived in dwellings owned without a mortgage, around 16% resided in dwellings owned with mortgages and 13% live in rented houses.

4 ASSESSING POVERTY AND VULNERABILITY IN RELATION TO THE SUSTAINABLE DEVELOPMENT GOALS

To develop a holistic, comprehensive understanding of poverty and hardship that appreciates their multidimensional, systematic, and pervasive nature, it is important to look beyond monetary measures. Generally, this approach entails an examination of how individuals can be excluded from areas including

education, health, and standard of living in terms of housing and access to basic services such as clean water and sanitation.

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 Cook Islands household 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. Box 1 lists the selected indicators.

Box 1: The Pacific SDG Taskforce selected indicators tracking poverty and access to basic services

SDG 1: End poverty in all its forms everywhere

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

4.1 Access to basic services and social protection

SGD 1 looks at poverty not only in terms of the proportion of the population living below the monetary poverty threshold but also in terms of access to basic services. SDG Goal 1.4 is to 'ensure that, by 2030, all men and women, in particular the poor and vulnerable, have equal rights to economic resources, as well as access to basic services'. Thus, indicators for this goal capture the proportion of those living in economic poverty, discussed in section 3 and track the level of access to basic services and support. The two key indicators that capture this information include indicators 1.3.1 and 1.4.1 and have been selected by the Pacific SDG Taskforce as part of the roadmap towards sustainable development.

4.1.1. Access to clean water and hygiene, affordable and clean energy

Considering WASH—Water, Sanitation and Hygiene—indicator 1.4.1 is supplemented by two indicators under SDG 6, Clean Water and Sanitation, which measure access to drinking water and to the basic sanitation. SDG 6 relates to guaranteeing safe and affordable drinking water for all by 2030, requiring investments for adequate infrastructure, provision of sanitation facilities, and encouraging hygiene. Among Pacific Island countries, the Cook Islands has the highest proportion of the population using basic drinking water services, that is equal to 99.9%, considering all areas (urban and rural). This indicator has not changed since 2000, when the last data was available. Moreover, 97.6% of the population have access to basic sanitation services, and again the country ranks well alongside other Pacific Islands countries and has shown improvement since 2000 (from 92.1%).

SDG 7 is to ensure access to affordable, reliable, sustainable and modern energy. The Government of the Cook Islands has implemented a 'Power Subsidy' to provide electricity support to households of selected welfare programme beneficiaries, of which there are roughly 300 households. As a result, 100% of the population has access to electricity. Additionally, in 2016, 84% of the population relied primarily on clean fuel and technology. Renewable energy has also grown. The share of renewable energy in total energy consumption and reached 1.25% in 2015, after being 0% between 2000–2010. Despite slow growth, renewable energy electricity generation has increased with solar energy being the main source of renewable energy in 2016. The country's employment rate in electricity, gas, steam and air conditioning was only 1.0% in 2011.¹³

4.1.2. Access to quality education for all

The inclusion of early childhood development in SDG 4 urges countries to ensure that by 2030 'all girls and boys have access to quality early childhood development, care and pre-primary education so that they are ready for primary education'. There is enormous potential in early childhood to set the basis for lifelong learning and well-being. Beyond having positive long-term economic consequences, a stimulating environment of structured opportunities to learn and play influences neurological development and improves the chances that children will complete school, experience good physical and mental health, and contribute positively to society.

The Cook Islands rank well among the Pacific Island countries regarding participation in education, as measured under the indicator 'participation rate in organized learning (one year before the official primary

¹³ https://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/documents/publication/wcms_627162.pdf

entry age)'. Participation rate was 99.14% in 2016 (compared to 88.4% in Tokelau and 100% in Niue). As is the case for the majority of the Pacific Islands, female participation is higher than male participation in the Cook Islands, standing at 100% and 98.3%, respectively.

The indicator 4.5.1 'Gender parity index (GPI) for participation rate in organized learning (one year before the official primary entry age)' is defined as the ratio of female children in one or more organised learning programme, including programmes which offer a combination of education and care, to male children in the same programme. Early childhood and primary education are both included. The age range varies by country depending on the official age for entry to primary education. A GPI value of 1 signifies that there is no difference in the indicator for female and male children, whereas a GPI less than 1 indicates that the value is higher for male children than for female children, while the opposite is true when the GPI is greater than 1. The indicator for the Cook Islands equals 1.02, reflecting an extremely marginal difference in the access to education between females and males. As demonstrated in **Figure 16**, this is within the regional range, and about average.

Though the Cook Islands ranks well regarding access to education, access to school infrastructure for the disabled is very scarce compared to the other Pacific Islands. The SDG indicator 'proportion of schools with access to adapted infrastructure and materials for students with disabilities' is only 4.2% for primary schools, 0% for upper secondary schools, and 4.5% for lower secondary schools. This is a significant barrier to education for people with disabilities, especially considering that HIES data suggests that over 20% of the Cook Islands population have an underlying health issue.

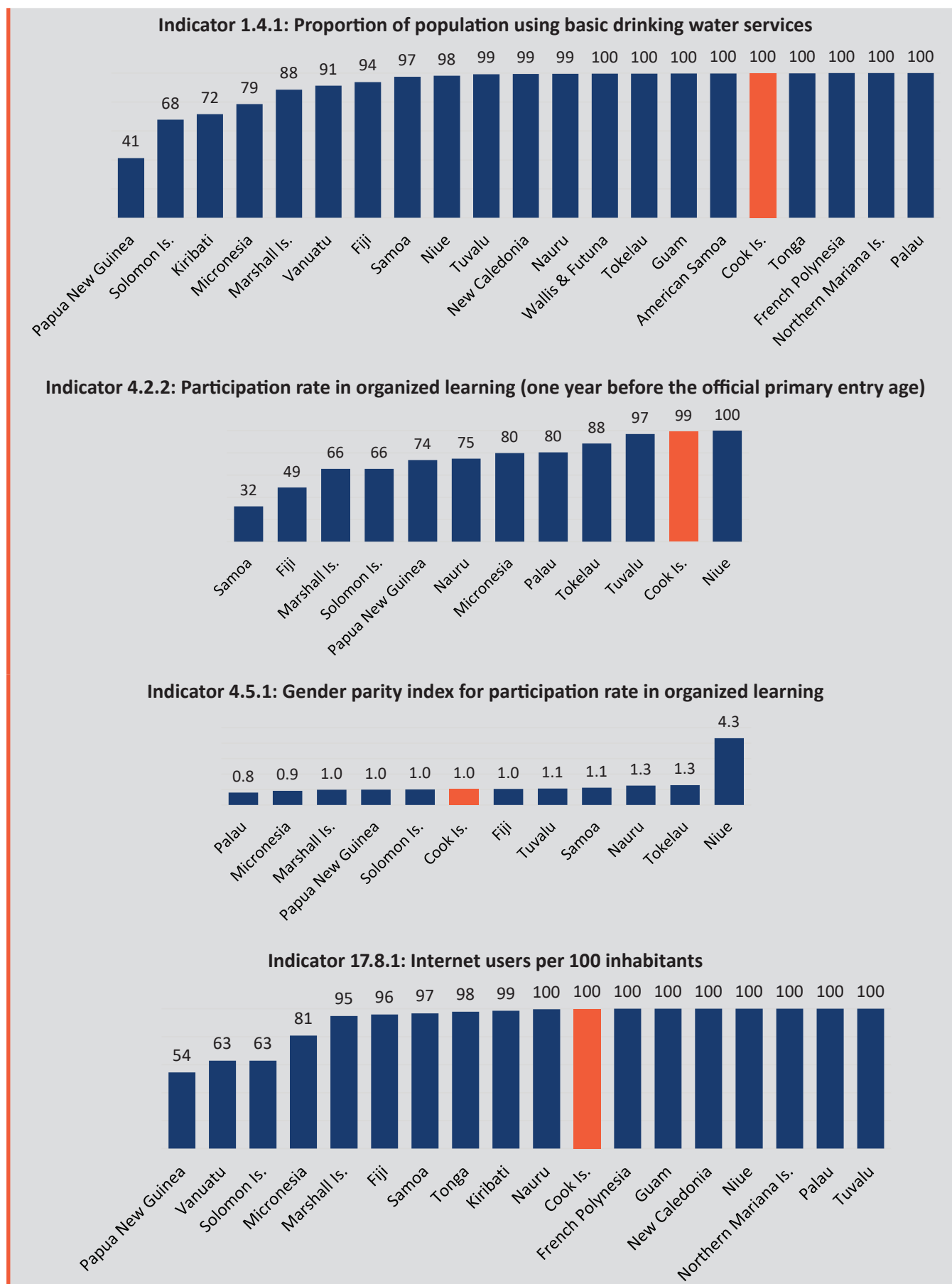
4.1.3. Access to technology

SDG 17 is to 'Strengthen the means of implementation and revitalize the global partnership for sustainable development'. Target 17.8 is to 'Fully operationalize the technology bank and science, technology and innovation capacity-building mechanism for least developed countries, and enhance the use of enabling technology, in particular information and communications technology.' It is measured through indicator 17.8.1, 'the proportion of individuals using the internet'.

The Cook Islands are making great progress in the use of the internet, with a consistent increase in usage. Between 2000–2016, the number of regular internet users has tripled (from 15.7% to 54%). Nevertheless, still only half of the population uses the internet, creating a digital divide—constructed along geographic, age, and wealth lines—that may exacerbate, and cement, pre-existing socio-economic differences.

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Figure 15: Selected SDG indicators in the Cook Islands and other Pacific Islands

Note: Based on own calculations using data from the 2015–2016 HIES.

4.1.4. *Social protection coverage*

Overall, the Cook Islands have extensive social protection system with programmes modelled on those in New Zealand. A detailed list of social protection programmes currently in effect in the Cook Islands can be found in Table 41. As the indicator 1.3.1 is not available for the Cook Islands, we look more broadly at existing social protection schemes. Information provided by the national government suggests that coverage is substantial. Using a combination of the 2015–2016 HIES data and Cook Islands Government Budget Estimates for 2017–2018, we can compare the number of target individuals supported by these programmes with the estimated population size of these groups (where possible to identify).

According to the Weaving Social Safety Nets report produced by the Asian Development Bank, old age pensions and child benefits are a vital source of income for outer island communities where tourism, and therefore work, can be scarce (ADB, 2010). Examining the proportion of household income from pensions in the 2015–2016 HIES, it is clear that pensions represent a significant proportion of income, and are therefore particularly important for poor or vulnerable households. This should not be surprising given that older persons constitute 23% of the total population living below the BNPL. Furthermore, individuals of working age that live below the BNPL are often employed in the public sector where wages are comparatively low, hence contributing a smaller amount to the total household income compared with non-poor households.

Unfortunately, because of the way HIES categorises social protection transfers, it is challenging to comment on the level of income coming directly from child benefits. However, the level of income from ‘social security benefits’, for most households regardless of poverty status, makes up an extremely small amount of household income. Among non-poor households these benefits represent a larger proportion of income (3%) compared to 1% for households below the BNPL. Non-poor households receive approximate 1.2 time more in social security benefit transfers than the national average, whilst households below the BNPL receive about 0.2 times more in social security benefits transfers than the national average. Slightly vulnerable households also benefit more from ‘social security benefits’, like their non-poor nor vulnerable counterparts. This may reflect that most such households are composed of working age couples with children, rather than single person households or elderly headed households, which are more commonly poorer and vulnerable households.

Despite this largely positive coverage, one that is not currently support by social protection schemes are unemployed individuals. At present, unemployment benefits can only be acquired in New Zealand meaning that many unemployed Cook Islanders opt to emigrate (ADB, 2010). As one might expect, this has significant policy and poverty implications.

Additionally, the destitute benefit, targeted at individuals who cannot work due to special circumstances, such as old age or abandonment, represents a key social protection programme but the data were not collected in the HIES.

Table 2: Social protection programmes in the Cook Islands

Program	Target population	Eligibility requirements	Benefit type	Transfer value	Frequency	Duration	Conditionality	Coverage
Child allowance	Children up to 12 years of age and disabled children up to 16 years of age	Either of the child's parents must be a Cook Island national or a permanent resident. Children returning to the Cook Islands from overseas after being absent from the country for more than a year are put on a 3 month stand-down period prior to application	Cash transfer	NZD 100 per child plus NZD 50 as a one-off Christmas bonus	Every 2 weeks	Until the child turns 12 years old or if they migrate overseas; or until 16 years of age for children with disabilities	Child(ren) must be attending a recognised school	3,388 children (2017)
Caregiver allowance	People who have high-care needs e.g. elderly, persons with severe disabilities	Cook Island nationals or permanent residents. A medical certificate issued by the Ministry of Health is required for all cases. The medical certificate should highlight the care needs of the individual(s)	Cash transfer	NZD 165	Monthly	Caregivers of children with disabilities can continue to receive this benefit for as long as the care needs remain high, or until the benefit recipient is deceased or migrates overseas	Unconditional	149 individuals (2017)
Destitute and Infirm benefits	Working-age individuals; people living with disabilities	Destitute benefit: Individuals that are unable to work due to special circumstances such as old age and abandonment. In some cases, individuals with no family or children and who have not yet met the old age criteria; or abandoned mothers/widows that have either never worked or are not employable due to old age. Applicants must be unable to engage in any form of employment due to special circumstances, and not qualify for other welfare assistance	Cash transfer	NZD 1,000	Every two weeks, for 1 month	One month after birth	None	

Program	Target population	Eligibility requirements	Benefit type	Transfer value	Frequency	Duration	Conditionality	Coverage
Infirm benefits: Applicants must have a medical certificate attesting to their condition. A review of beneficiary's health status must be carried out every 3 months	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 2 weeks	Until recipient passes away or obtains full-time employment	None	
For both, individuals must be Cook Is. nationals or permanent residents	Cash transfer	NZD 200	Every two weeks	Destitute benefit: ceases once an individual finds employment or qualifies for another benefit, such as the old age pension Infirm benefits: until they are deceased; or unless the individual can be rehabilitated and finds employment or until they turn 60 and move on to the old-age pension	Unconditional	Destitute benefit: 23 beneficiaries (2017). Infirm benefits: 191 people (2017).	Unconditional	
New-born Allowance	New-borns	Babies born in New-Zealand or Cook Islands to mothers who reside in the Cook Islands. Upon presentation of the following documents: birth certificate or birth notification for babies born in the Cook Islands; a copy of passport for babies born in New-Zealand; and evidence of mother being a Cook Islander/permanent resident.	Cash transfer	NZD 1,000 per child	One-off payment	Within 6 months of child's birth	Unconditional	200 babies (2017)

Program	Target population	Eligibility requirements	Benefit type	Transfer value	Frequency	Duration	Conditionality	Coverage
Funeral Allowance	Families of deceased current social protection programme beneficiaries	The deceased individual was enrolled in a state social protection programme upon death. Including Cook Islanders on a New-Zealand pension, provided they resided in the country for a year prior to death.	Cash transfer	Payment amounts to 6 months of the current entitlement;				
The family deceased child benefit: NZD 600								
Families of beneficiaries of New-Zealand pensioners residing in the Cook Islands, and families of recipients of destitute and infirm allowances: NZD 1,200								
Families of recipients of old pension benefits: NZD 2400	One-off payment		Unconditional	70 individuals were expected to be covered				
Old Age Pension	Persons aged 60+ years	Pensioner must have lived in the Cook Islands for at least 10 years (for Cook Islanders) or 20 years (for non-Cook Islanders), from the age of 18, and not receive a pension from another country. The amount is reduced if the person has another source of income.	Cash transfer	NZD 500 for 60–69 year olds and NZD 660 for 70+ years	Every two weeks	Until the recipient is deceased or moves abroad	Unconditional	1,047 60–69-year-olds and 740 70+ years (2017)

Source: <https://socialprotection.org/>

5 CONCLUSION AND POLICY RECOMMENDATIONS

As a result of sustained economic growth, strong provision of public services, and close bilateral relationships with key partners, the Cook Islands have become one of the most prosperous Pacific Island countries, resulting in encouraging reductions in inequality and poverty. Moreover, the Cook Islands have an extensive social protection system with adequate coverage, and which is underpinned by a life cycle approach, guaranteeing a social protection floor for individuals throughout the course of their lives.

Nevertheless, the economic dependency on external tourism and imports, high prevalence of health issues, and geographic vulnerability to extreme weather events raise important concerns regarding the sustainability of this economic prosperity. As anthropogenic climate change exacerbates the intensity and frequency of climatological natural hazards, and global shocks such as COVID-19 threatens the reliability of external tourism and bilateral support, socio-economic development cannot be taken for granted.

Furthermore, despite boasting low poverty incidence, even by regional standards, one in ten households in the Cook Islands are living below BNPL, and 13.6% of all households are at least slightly vulnerable — approximately 2,038 people. The 2015–2016 HIES suggests a clear relationship between vulnerability to, or ongoing experience of, poverty and the type of employment individuals are engaged in. In particular, individuals which are neither poor nor vulnerable benefit from involvement in the private sector, supported by the Cook Islands' profitable tourism industry. An economic over-reliance on tourism has caused several issues, including generating geographic inequalities, with individuals located in tourist viable areas such as Rarotonga and Aitutaki, less likely to fall into poverty. One key policy recommendation is to assess the possibility of alternative sources of employment. For example, whilst agricultural activities are currently marginal in both urban and rural areas, opportunities for job creation in sustainable production and organic farming could serve local demand and tourism whilst reducing the food import dependency. Furthermore, such programmes could alleviate ongoing health issues such as obesity and other NCDs. Vulnerable and poor households would benefit especially, given that as households become wealthier in the Cook Islands, more is spent on better quality and local foods. However, this will also have a significant impact on the total population seeing as wealthier households devote a significant share of their household food consumption expenditure towards less healthy foods.

Dependency on tourism also increases the risk posed by climate change, global economic trends, and unforeseen events due to the sensitivity of the tourism industry to external shocks, natural disasters, and economic downturns. While several climate-change policies or planning frameworks are in place (e.g., 'Te Kaveinga Nui'; the JNAPII 'Are We Resilient'; the Cook Islands 2nd Joint National Action Plan 2016–2020; the Cook Islands Intended Nationally Determined Contributions 2015 submitted to the UNFCCC; Cook Islands Climate Change Policy 2018–2028), and a sustainable tourism development plan (Cook Islands Sustainable Tourism Development Policy Framework and Goals), greater policy attention could be given to buffer businesses from climate-change related stressors, including natural hazards. Implementing measures to mitigate for infrastructure and property damage, and increase institutional adaptive capacity could increase multidimensional, cross-sector resilience and may trigger job creation. Developing greater renewable energy supplies would drive green job opportunities, reduce long-term energy costs, and support eco-tourism.

The Cook Islands education system ranks well internationally and has a minimal gender access gap. The vast majority of working age adults have achieved secondary school education but obtaining this education does not appear to reduce the risk of poverty or hardship and despite the comparatively low level of inequality, an inequality of opportunity remains. The key educational difference between individuals living in poverty and wealthier individuals is that the latter are far more likely to achieve a diploma from technical schools or even university. Moreover, access to school infrastructure for disabled students remains scarce compared to other Pacific Islands, even after the introduction of the Inclusive Education Policy in 2011. Moreover, though schooling and the education system should take advantage of the use of digital resources, only half of Cook Islanders have access to the internet, posing limitation to the education system and the provision of public services. Sustained, focused investments in increasing access digital technologies are, therefore, crucial to ensure the efficacy of education, reach isolated areas, and prevent the exacerbation of a digital divide.

Finally, while the social protection system of the Cook Islands is extensive, and social protection spending makes up 8% of total government revenue, the next stage will be to understand better whether existing programmes and transfers are sufficiently large and reliable to prevent individuals from falling into poverty. Subsequent HIES can play a vital part in collecting the necessary information for this, for example by enhancing the HIES module on income to include questions on household income from specific social protection programmes.

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SUMMARY TABLES

Table 3: SDG summary table capturing the poverty and hardship situation in the Cook Islands

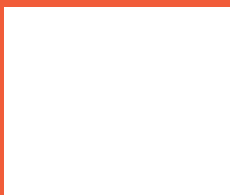
Indicators	% of HHs	% of all persons	% of all males	% of all females
1.2.1 Proportion of population below BNPL (%)	10.05	8.4	8.5	8.3
Proportion of population vulnerable to falling into poverty (i.e., per capita expenditure <20% above BNPL; %)	3.1	3.3	3.4	3.2
2.1.1 Prevalence of undernourishment (Proxy Indicator: Proportion of households with per capita expenditure below the FPL (%))	-	0.2	0.1	0.2
Proportion of employed population below the national poverty line (the working poor)	-	4.1	4.4	3.6
Proportion of the elderly (60+ years) below the national poverty line (the elderly poor)	-	11.3	11	11.6
Poverty Gap Index (PGI) – Depth of poverty	-	2.8	-	-
Ratio of share of expenditure of poorest quintile (20%) to highest quintile	3.3	-	-	-
Gini coefficient: (0 = perfect equality 1 = perfect inequality)	0.24	0.21	-	-

Table 4: Percentage of poor and vulnerable households by gender

Poverty/vulnerability Status	All HHs	MHHs	FHHs
Persons < FPL	0.5	0.2	1.2
Persons > FPL but < BNPL	9.5	9.1	10.3
Persons < BNPL	10.1	9.3	11.5
Persons highly vulnerable (within 20% of BNPL)	3.1	3.6	2.0
Persons moderately vulnerable (within 20–50% of BNPL)	3.8	3.6	4.3
Persons slightly vulnerable (within 50–100% of BNPL)	6.7	7.8	4.5
Not Poor or vulnerable	76.3	75.7	77.7

Table 5: Poverty and vulnerability status by economic activity

	Employed in the public sector	Employed in the private sector	Self employed	Employer	Producing good for own consumption	Unpaid family help; basic HH duties	Home maker
Persons < FPL	0.0	0.0	0.0	0.0	0.4	0.0	0.0
Persons < BNPL	10.1	1.7	0.0	3.5	16.8	32.6	7.3
Persons highly vulnerable (within 20% of BNPL)	3.6	1.7	2.3	1.7	4.2	7.2	2.6
Persons moderately vulnerable (within 20–50% of BNPL)	4.1	1.2	2.3	2.6	2.9	5.1	5.1
Persons slightly vulnerable (within 50–100% of BNPL)	6.4	4.9	0.0	2.6	9.6	13.2	2.0
Not poor or vulnerable	75.8	90.5	95.4	89.6	66.5	41.8	83.0



Produced by the Pacific Community (SPC)
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