



# TOKELAU

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

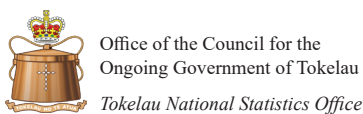
An analysis of the 2015/16 Household Income and Expenditure Survey (HIES)



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An analysis of the 2015/16 Household Income and Expenditure Survey (HIES)



Noumea, New Caledonia,

February 2025



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# 1 CONTENTS

Acronyms.....	iv
Acknowledgments.....	vi
Executive summary.....	1
1 Introduction.....	2
2 Socio-demographic profile of households.....	4
3 Monetary poverty and inequality.....	8
4 Assessing poverty and vulnerability in relation to the Sustainable Development Goals.....	20
5 Conclusion and policy recommendations.....	25
6 Bibliography.....	27
<b>Annex 1: Summary tables.....</b>	<b>30</b>

# ACRONYMS

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BNPL	Basic Needs Poverty Line
FHH	female-headed households
FPL	Food Poverty Line
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

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# LIST OF FIGURES

Figure 1: Average household size by household per capita expenditure deciles.....	5
Figure 2: Primary economic activities.....	6
Figure 3: Females tend to obtain a higher level of education compared to men.....	8
Figure 4: Poverty incidence in Tokelau and other Pacific Islands .....	10
Figure 5: Proportion of households living below BNPL.....	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 among working 15–59 year olds by poverty status and sex.....	14
Figure 9: Annual household consumption distribution by poverty status of household .....	16
Figure 10: Annual non-food household consumption expenditure by poverty status .....	16
Figure 11: Household food type consumption by poverty status .....	17
Figure 12: Proportion of annual household food consumption expenditure by nutritional groups for poor and non-poor or vulnerable households.....	19
Figure 13: Household Gini indexes of various Pacific Island countries.....	19
Figure 14: Tokelau Lorenz curve using per capita household consumption expenditure .....	20
Figure 15: Selected SDG indicators in Tokelau and other Pacific Islands.....	24
Box 1: The Pacific SDG Taskforce selected indicators tracking poverty and access to basic services .....	21

# LIST OF TABLES

Table 1: SDG summary table capturing the poverty and hardship situation in Tokelau.....	30
Table 2: Percentage of poor and vulnerable households .....	30
Table 3: Proportion of persons living in poverty by age and sex.....	31
Table 4: Existing social protection programmes in Tokelau.....	31

# ACKNOWLEDGMENTS

This is the first analysis of poverty in Tokelau. The report, based on information collected during Tokelau's 2015/16 Household Income Expenditure Survey (HIES), provides an in-depth analysis on the status of poverty and vulnerability of the people of Tokelau. The findings indicate the incidence of basic-needs poverty in Tokelau is low and there is no one living below the Food Poverty Line. While this provides a good baseline indicator for Tokelau moving forward, the ultimate challenge ahead is eliminating the high level of vulnerability within the community, particularly among women in the 60-years-old-and-over age group.

The report is rich with key information and intends to assist and guide local policy and decision-makers, government and village officials, and regional and international development partners in their respective roles. Regardless of its land size and small population, it is anticipated the information contained in this document will allow Tokelau, like any other country, to play its role in improving and enhancing the overall quality of life of the Tokelauan people.

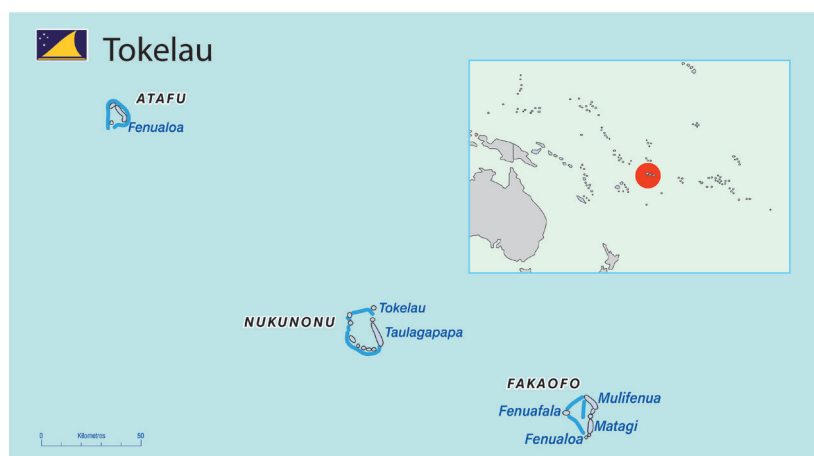
The Tokelau Government through the Tokelau National Statistics Office (TNSO) would like to acknowledge with gratitude the kind assistance and contributions from key donor partners towards this report. A special acknowledgement to the New Zealand Ministry of Foreign Affairs and Trade (MFAT) Aid Programme for the financial assistance which enabled TNSO to commission and put together this useful report. TNSO also gratefully acknowledges with appreciation the ongoing and continuous technical assistance from our very close statistical partners, Statistics New Zealand (SNZ) and the Statistics for Development Division of the Pacific Community (SPC). This report would not have been possible without your support. *Fakafetai lahi!*

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*Fakafetai lahi lele!*

**Malama Uaina Kitiona**  
**National Statistician**  
**Office of the Council for the Ongoing Government of Tokelau**





# EXECUTIVE SUMMARY

This report is based on the analysis of the Tokelau 2015/16 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 Tokelau. 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) (see definition 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 are defined as those with expenditure level is 100% or more above the BNPL.

The 2015/16 HIES reports that 3.9% of the Tokelauan population is living below BNPL and no reported cases of individuals living below FPL. Vulnerability incidence is high, and around 1 in 3 households are at least slightly vulnerable. Worryingly, poverty incidence is high among traditionally vulnerable groups, such as those aged 60+ years, and particularly women in that category. The proportion of men and women living below BNPL is relatively similar, but a gender disparity emerges when looking at poverty status based on the sex of the household's head as 12.9% of female-headed households live below BNPL compared to 8.9% of male-headed households. A greater proportion of females aged 60+ years are living below the BNPL compared to males of the same age group. When analysing educational attainment and poverty, the proportion of women with secondary school level education or less that are poor is greater than the proportion of men with the same level of education.

The report also assesses Tokelau's achievements and progress towards attaining the Sustainable Development Goals (SDGs). The analysis from 2015/16 HIES shows that Tokelau has a high proportion of the population using basic drinking water services, equal to 99.3% in 2017 and all Tokelau's villages are linked up to the solar power grid, edging the country closer to its goal of having 100% energy sustainability. However, Tokelau ranks poorly among Pacific Island countries regarding participation in education, as measured under the indicator 'participation rate in organised learning (one year before the official primary entry age).' Moreover, only around 42% of households had some access to internet at home, and of the 27 households that were living below the BNPL, only nine households had some access to internet at home.

# 1 INTRODUCTION

This report provides an in-depth analysis of poverty and vulnerability in Tokelau. 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 who are vulnerable or close to living below their basic needs.

The population of Tokelau is 1,647 (2019 est.) and is evenly distributed across its three atolls (Fakaofu, Nukunonu and Atafu). The combined land area of Tokelau is 12 km<sup>2</sup>; the atolls lie about 300 miles (480 km) north of Samoa and 2,400 miles (3,900 km) southwest of Hawaii. Considered in population terms, Tokelau is the fourth smallest state of any sovereign state or dependency. The entire population is considered to be living in rural areas. There is no formal country capital and each of the three atolls are independent administrative centres.

Politically, Tokelau is a self-administering territory of New Zealand and Tokelauans have New Zealand citizenship. The Council for the Ongoing Government of Tokelau comprises two elected leaders from each of the three atolls, from which the titular head of government is selected annually. The meeting place of the Tokelau Council is rotated yearly among the three atolls. New Zealand's Minister of Foreign Affairs and Trade appoints a three-year-term Tokelau Administrator based in Wellington, New Zealand.

Tokelau has the smallest economy in the world, with its GDP equal to approximately USD 9.9 million in 2018. Its GDP per capita equalled an estimated USD 7,069 in 2018 and is significantly higher than the average GDP per capita in the Pacific Island region (USD 4,274). Like many small island Pacific states, Tokelau faces significant development challenges, including isolation, a narrow and fragile resource base, and vulnerability to external shocks and natural hazards. The Tokelauan economy is dependent on aid from New Zealand, which accounted for NZD 35 million between 2015–2018, and income from the exclusive economic zone (EEZ) as part of Tokelau's participation in the Forum Fisheries Agency.<sup>1</sup> Agriculture is confined to the subsistence level due to scarcely fertile soil.

Owing to its isolation and resource constraints, Tokelau has few exports, though some limited revenue is generated from sales of copra, postage stamps, souvenir coins and handicrafts. Remittances from New Zealand are an important source of income, reflecting historic and ongoing patterns of Tokelauan migration because of the limited income-generating opportunities in Tokelau. Limited transport connections (two ships visiting four times a month and no air transportation) represent a challenge to resources entering the country.

With a tropical climate, Tokelau is increasingly affected by severe tropical cyclones, storm surges and rising sea levels. Small island states are particularly vulnerable to such natural hazards, and as the risk of natural hazards continues to be exacerbated and intensified by anthropogenic climate change, it is likely that these will pose an increasing threat to Tokelau, as with other Pacific Island states (Nurse et al. 2001).

The 2015/16 HIES is the main source of information for evaluating the economy and household wealth of Tokelau. Before this survey, there was extremely scarce information on the broad economy (e.g., GDP) and on poverty measures. Since the 2015/16 HIES was published, progress has been made on understanding Tokelau's economic development, while the Tokelau National Statistics Office's Statement of Intent for 2019/2020 offers encouraging signs of increased recognition and capacity to generate data on economic issues.<sup>2</sup>

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<sup>1</sup> TNSO report on 2015/16 HIES.

<sup>2</sup> TNSO 2015/16 HIES report.

The economic dependency on New Zealand and limited transport facilities render the Tokelauan population highly vulnerable to foreign economies and natural hazards. While Tokelau is self-administering, the budgetary dependency on bilateral support limits the efficacy of local policies should they not have support from New Zealand or multilateral organisations.

Tokelau's current National Strategic Plan (2016–2020) focuses on five strategic goals: good governance, human development, infrastructure development, sustainability and climate change. The goal is to improve the overall quality of life in Tokelau and enhance Tokelau's position in the global development arena. The 2030 Agenda and the 17 SDGs provide a universal framework by which nations can ensure dignity, peace and prosperity across a range of socio-economic development issues for all.

Since 2015, countries have strived to embed SDGs into their national plans and provide comparable and reliable data to ensure that these goal indicators may be measured and tracked. 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.

With assistance from SPC, the Tokelau National Statistics Office (TNSO) has recently made a tentative start to monitoring these indicators, which will provide invaluable information on Tokelauan socio-economic development trends. The Pacific SDG Taskforce has outlined 132 different indicators to support then 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 wellbeing-centric policies. For example, the Pacific SDG Taskforce highlighted indicator 1.3.1:

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

This indicator 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 Tokelau 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 dataset resulting from the first and most recent HIES in Tokelau. Implemented in Tokelau between May 2015 and February 2016, the HIES was conducted by the TNSO and developed by the Statistics for Development Division of SPC. This was the first HIES to be undertaken in Tokelau but was preceded by the Population and Housing Census (PHC), which has been conducted since 1991. The Government of Tokelau adopted the Pacific Islands' regionally standardised HIES instruments and procedures with the aim of collecting information on the total amount that households spent and earned over the 12 months prior to the survey. The HIES's ultimate aim is to inform policymakers about Tokelau's socio-economic development, therefore enabling evidence-based decision-making and more effective programming. Questionnaires were conducted over a 12-month period to capture the seasonality of households' income and expenditure.



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

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

This report provides a comprehensive analysis, and suggested policy responses, on the hardship, poverty, and vulnerability situation in Tokelau. Section two reviews the Tokelauan socio-economic and demographic status-quo. 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. Finally, 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 2015/16 HIES collected information on income and expenditure associated with subsistence production and consumption. This information captures data on main socio-economic characteristics of Tokelauan households, many of which have causal relationships to poverty and vulnerability. The households' 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 households' income, must be analysed as underlying factors when studying poverty. Each factor chosen has a widely



recognised impact on poverty and vulnerability, both regionally and globally, and can provide invaluable insights into Tokelau’s socio-economic development.

## 2.1 Household composition

The link between household structure and poverty risk has been documented in a range of global and regional studies, often focusing on vulnerable groups, such as families with multiple children, and thematic areas, such as how household composition impacts income or nutrition. The average number of members in a household in Tokelau was 4.6 persons, and **larger households were wealthier compared to small households**. This household size is similar to other Pacific Island community countries, for example the Cook Islands and Niue, but the relationship to wealth runs contrary to the expected relationship of poorer households having a larger number of members. Tokelauan households in the top three deciles of household per capita expenditure had on average 6.1 household members, while households in the bottom three deciles had an average of 2.3 household members. Households in the bottom two per capita expenditure deciles had an average household size of 1.8 members.

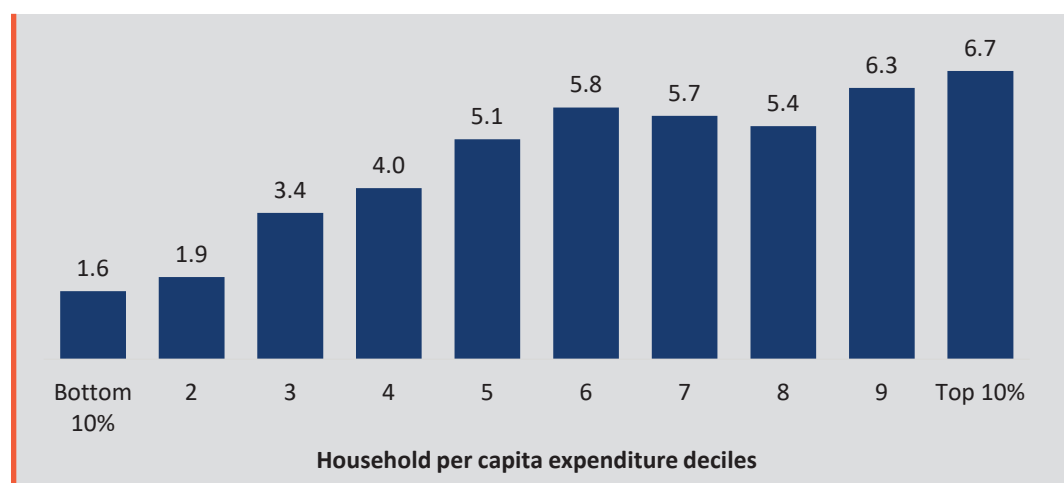


Figure 1: Average household size by household per capita expenditure deciles

Note: Based on own calculations using 2015/16 HIES data.

Most individuals in Tokelau reside in households that consist of couples with children, followed by households with an adult and children and grandchildren, and single-parent households with children. The majority of the population reside in households with children, which is unsurprising given that a **third of the population is aged 0–14 years**.

Overall, there is an equal male-to-female ratio in Tokelau, and similar age distribution between the two genders. One very minor difference between the two is that there is a very slightly larger proportion of males that are aged 5–14 years than there are females of the same age — 24% and 19% respectively.

## 2.2 Labour and other income sources

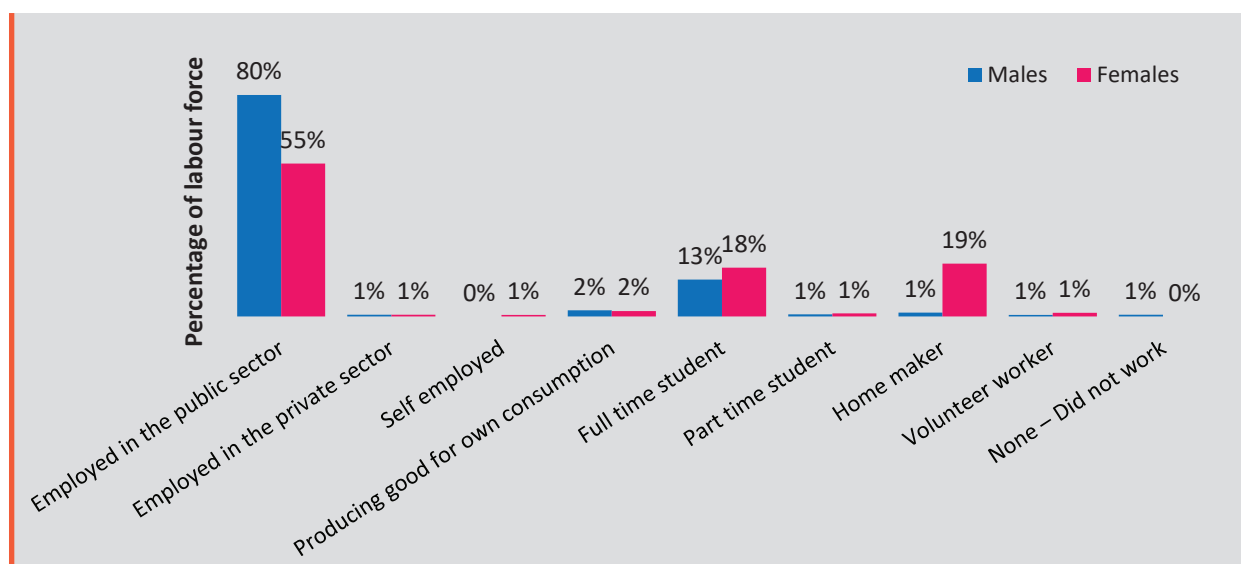
The impacts of an effective, equitable labour market on poverty, hardship, and vulnerability are significant (Berg 2015). Repeated analyses and reports, from both micro and macroeconomic perspectives, demonstrate the impact of labour market structure, size, and participation on poverty and vulnerability levels. The labour force in Tokelau includes **males and females aged 15–59 years and constitutes 57% of the total**



**population, with females making up a slightly larger proportion of this group — 53% of the working age population, or 347 women in absolute terms.** While total labour market participation is in keeping with regional levels, Asia and the Pacific have an average participation rate lower than that of other regions (ILO 2018). Of the 659 individuals in this age group, 461, or **70%, were listed as working** which covered employment in the public or private sectors, self-employment and production of goods for own consumption. **While women make up a slightly larger proportion of the working age population, working males make up a greater proportion of this age group, 44% and 56% respectively.**

Nearly **70% of all working age adults were employed in public sector**, which is the primary source of economic activity for 96% of the working population of Tokelau. Less than 1% of all working age adults are employed by the private sector, which is notable given that private sector growth is commonly considered a driver of poverty alleviation. Poverty reduction efforts must focus on two dimensions: income and access to public services (such as public health, education, sanitation, infrastructure and security). While the public sector is responsible for providing basic public services, the best way to raise income is to create employment opportunities for low-income individuals. The private sector, which provides some 90% of jobs in developing countries is the best engine for job creation (IFC 2013, Karnani 2017). Research shows that private sector job creation is inextricably linked to overall development and poverty reduction, making it crucial to understand how the private sector creates jobs, what obstacles limit job creation, and how those obstacles can be mitigated (IFC 2013).

Given that males make up a greater proportion of the working population, it is not surprising that a larger proportion of males are also engaged in public sector employment. Men are significantly more likely to be working in the stable, comparatively well-paid public sector, while women are more likely to function as home makers. For those males and females that were not working, full-time studying made up the main activity for 77% of males aged 15–59 but was the main activity for 42% of non-working women aged 15–59. This is slightly less than the proportion of non-working females in the same age group that were listed as homemakers, 46%.



*Figure 2: Primary economic activities*

*Note: Based on own calculations using 2015/16 HIES data.*

Of the total population aged 15–59, 512 individuals or **78%, were engaged in some form of secondary economic activities** including the production of goods for home consumption, homemaking, unpaid

family worker in a family business or plantation, and unpaid household duties. 54% of individuals engaged in a secondary economic activity were female with 80% of all women aged 15–59 undertaking some secondary economic activity compared to 74% of men in the same age group. Of those men that did have a secondary activity, the majority (61%) were engaged in the production of goods for home consumption and a third were engaged in homemaking. There is a significant gender disparity on secondary activity distribution with **over 90% of those women that were engaged in secondary activity reported working as a homemaker and only 9% engaged in production of goods for home consumption.**

## 2.3 Disability, health and prevalence of non-communicable disease

It is widely known that there is a close link between persons with disabilities and the risk of poverty. Persons with disabilities are less likely to have access to healthcare, education, labour markets and to well-paying jobs (ILO 2014). According to the Tokelau 2015/16 2015/16 HIES, there is a very low prevalence of disability in Tokelau — approximately 1.1% — that is just 13 people, 7 of which were women aged 60+ years. This is one of the lowest disability prevalence rates in the region.

A 2014 report by WHO analyses the risk factors associated with non-communicable diseases in Tokelau. It is reported that almost a third (31.8%) of all study participants experienced oral pain or discomfort (women 41.4% and men 20.8%), with the highest percentage among young women aged 18–29 (48.9%). Furthermore, hypertension was identified in 24.5% of the survey population in Tokelau. The highest rates of hypertension was among elderly women with 73.5% of women in the age group 60–69 experiencing this form of morbidity. Diabetes was identified in 24.4% of the population (27.3% among men and 21.8% among women). The results for raised total blood cholesterol indicate that about 60% of the study population is at high risk of developing coronary artery disease. Among men, 47.2% had raised blood cholesterol while among women, 54.1% had raised blood cholesterol increasing to 76.5% in the oldest age group. Moreover, of those aged 40–69, 11.4% are at a 30% increased risk of developing cardiovascular disease in the next 10 years.

## 2.4 Education

The link between poverty and lack of education is a research topic increasingly more common in the last decade. Most families living in conditions of extreme poverty cannot afford to send one or all of their children to school. Moreover, children also have to quit school to earn money for their families. This leads to the perpetuation of child poverty and low capacity to improve quality of life (Mihai et al. 2015). There are three schools in Tokelau, one school per atoll, with each providing pre-primary through to first year university education – the latter via a satellite link with the University of the South Pacific in Fiji. All education is free in Tokelau. Government scholarship schemes finance higher education after year one, which needs to be taken outside of Tokelau upon the condition that recipients work in Tokelau for at least two years after completion of their course. Historically, Tokelau’s education system faced the conventional challenges associated with remote, isolated island nations, such as the lack of reliable telecommunication services and transport. This has been compounded by a shortage of qualified and experienced teaching staff, though efforts are being made to address this through a partnership with New Zealand.

The **majority of the population has at least secondary school level education** (66%) and this is the case for both men and women over the age of 15, and only a small group of individuals have no education completed (5%). However, very few individuals aged 15+ years have higher education with only 70 people having at least a bachelor’s degree.

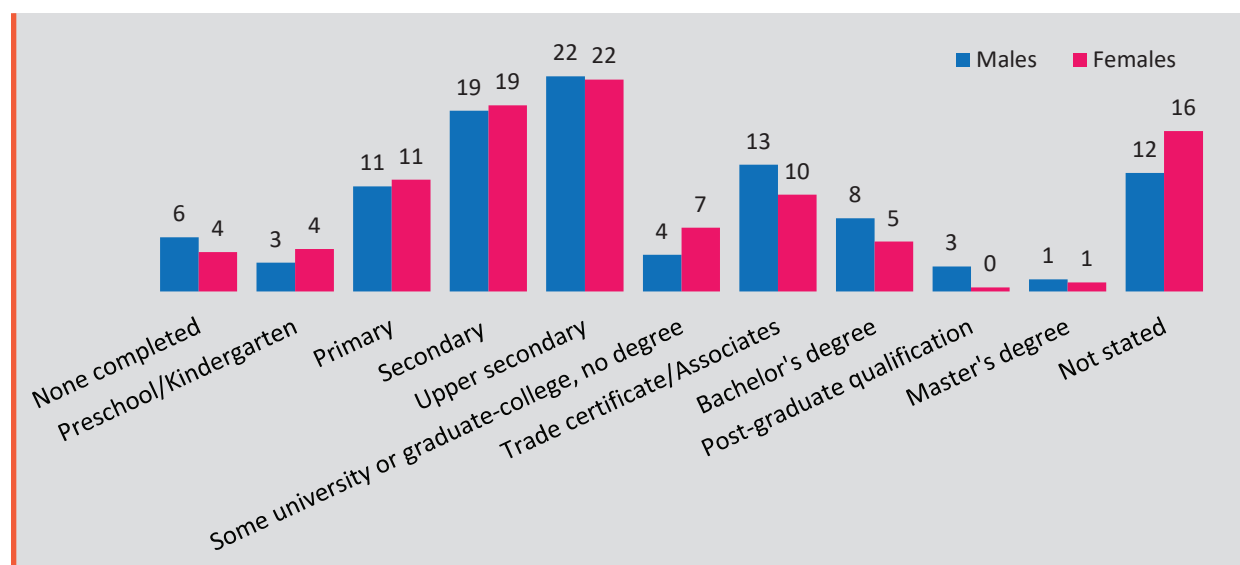


Figure 3: Females tend to obtain a higher level of education compared to men

Note: Based on own calculations using 2015/16 HIES data.

## 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 Tokelau. 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. Vulnerability is defined as a risk that a household will experience at least one episode of poverty in the near future. Many households, while not currently in poverty, recognise that they are vulnerable to events — a bad harvest, a lost job, an illness, and unexpected expense, an economic downturn — that could easily push them into poverty (World Bank 2000). 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. Abbott and Pollard (2004) noticed how traditional Pacific societies did not recognise the concept of poverty, believing in the strong bond within families and communities, and providing social safety nets for the most vulnerable and disadvantaged. As a result, in 2001, when the ADB started analysing poverty in the Pacific 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, for example the development of comprehensive social protection schemes. Although the ADB has actively worked to analyse the linkages between poverty and social protection in the Pacific Islands (ADB, 2016), it recognises that more work is required to support the design of social protection schemes able to reach those households and individuals that live in a state of poverty and hardship.

### 3.1 Poverty measures

Poverty measures in 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 kilocalories 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 Needs 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 Tokelauans. Households and individuals are considered as **extremely poor** if their expenditure falls below the FPL; **poor** if they are below the BNPL; **highly vulnerable** to becoming poor if their expenditure is 20% or less above the BNPL; **moderately vulnerable** if their expenditure is between 20–50% above the BNPL; **slightly vulnerable** if their expenditure is between 50–100% above the BNPL; **non-poor** if their expenditure level is more than above the BNPL. While 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, while poverty severity is a measure of how severe the level of deprivation is for those living below the poverty line, incorporating inequality among those below the poverty line. To measure poverty depth and severity, we use the poverty gap index (PGI) and the poverty gap index squared (PGI squared). The former is calculated by evaluating the extent to which individuals on average fall below the poverty line, captured by the average difference between 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 Tokelau, there is no one living below the FPL, however, 3.9% of individuals and 10.9% of households live below the BNPL. This discrepancy between household and individual poverty rates reflects that **most individuals living below the BNPL are in single person households. The average household size for individuals living below the BNPL is 1.6.** There is an inverse relationship between household size and poverty status, with households that are neither poor nor vulnerable having an average household size of 5.9 members. **Poverty incidence in Tokelau is the lowest in the Pacific region** — lower even than Niue.

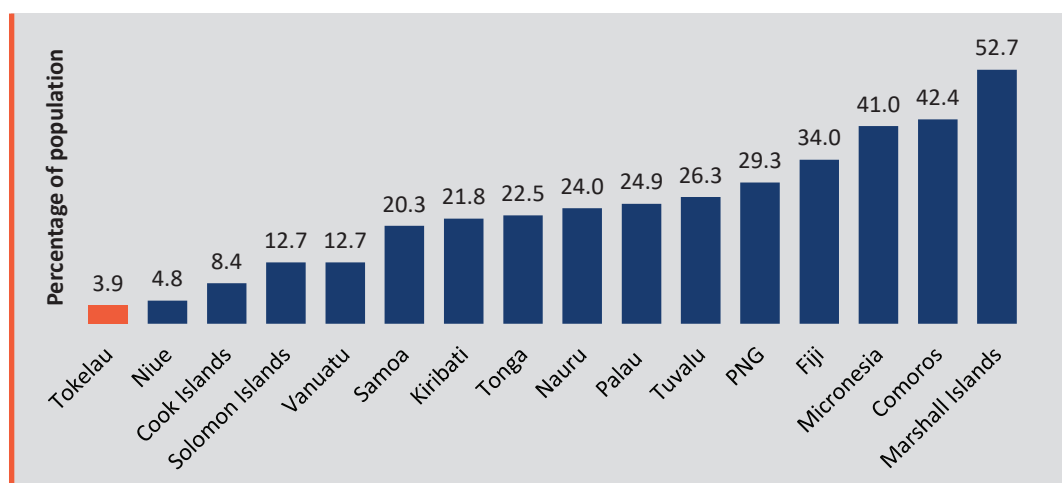


Figure 4: Poverty incidence in Tokelau and other Pacific Islands

Note: Based on own calculations using 2015/16 HIES



Furthermore, **Tokelau has the lowest poverty gap in the region** with a PGI of 1, as well as a low squared PGI of 0.3 — suggesting that **Tokelau has low depth and severity of poverty**. Again, in relation to other countries in the region, **Tokelauans may have a better standard of living than their wider Pacific Island community counterparts**.

Nevertheless, it should still be noted that, **while incidence of poverty is low at the individual level, at the household level Tokelau’s poverty rate means that 1 in 10 households are living in poverty. Furthermore, at least 23.4% of the population can be classified as living in at least a slightly vulnerable situation, suggesting that, though poverty incidence is comparatively low, many could be pushed into poverty when faced by an external shock.**



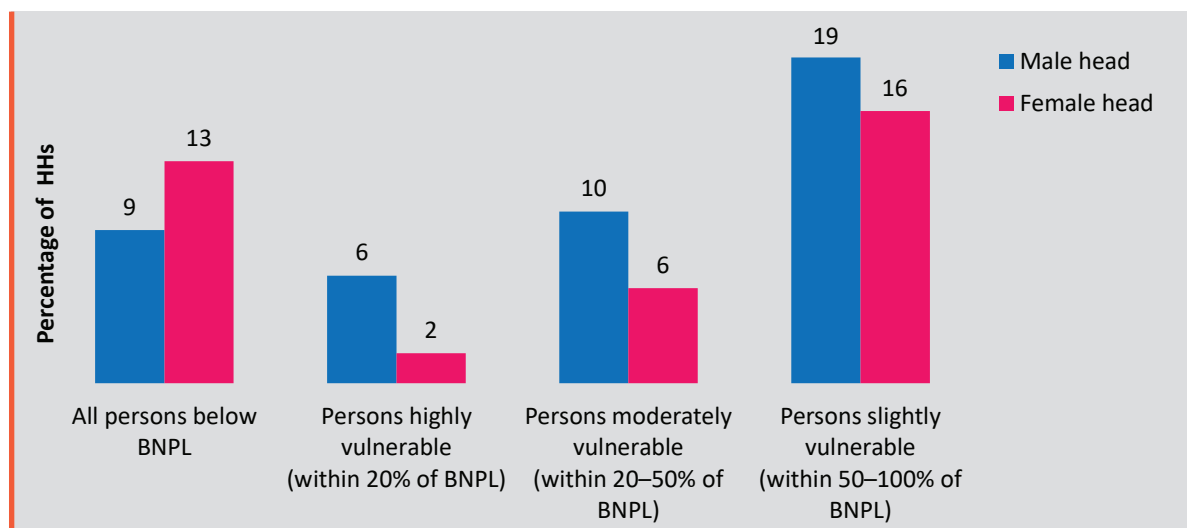
Figure 5: Proportion of households living below BNPL

### 3.3 Poverty and vulnerability correlates

As we outlined above, many socio-economic factors have causal relationships with poverty levels. These include, inter alia, gender, age, and education. In Tokelau, the proportion of men and women living below basic-needs poverty is relatively similar at 3.7% and 4%, respectively, as is the proportion of the male and female population living in some level of hardship. However, a gender disparity emerges when looking at poverty status based on the sex of the household head. **A greater proportion of female-headed households and individuals living in female-headed households were living below the BNPL — 12.9% of female-headed households (FHH) vs 8.9% of male-headed households (MHH), and 4.6% of individuals living**

**in FHH vs 3.1% of individuals living in MHH.** Such households are not a homogenous group, varying in, for example, their composition, age structure, and extent of external support. Globally, data on FHH compared with MHH is mixed, and given the heterogeneity in this socio-economic group, it is challenging to identify the cause behind the disparity. There are many factors that contribute to high poverty incidence among FHH. For example, differences in earnings play an important role in higher poverty incidence in FHH, gender disparities in land and property ownership, gender divisions of labour within and beyond the home. Moreover, women are exposed to time poverty as a result of multiple labour burdens, many of which are unpaid or underpaid, and which impact heavily on their scope to exit poverty through engaging in activities with higher returns (LSE 2011).

The differences between the two genders become even more stark when we look at age groups. There is a higher poverty incidence rate among FHH where the household head is aged 60+ years. **Nearly one in three households that are headed by a female aged 60+ years was living in poverty**, compared to one in 23 households headed by a male of the same age. Looking across the population, **one in four individuals living in household that are headed by females aged 60+ years are living in poverty** compared to nearly one in 50 individuals that are living in households headed by males of the same age group.



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

*Note: Based on own calculations using 2015/16 HIES data.*

Age and sex are determinants of poverty when considering the poverty rate by age and sex of the individuals, and not just the sex and age of the household head. Again, the 2015/16 HIES suggests that a **greater proportion of females aged 60+ years are living below the BNPL compared to males of the same age group** — 17.0% of females aged 60+ years, compared with 5.3% of their male counterparts. This likely reflects an accumulation of gendered pay disparities, a pattern which has been documented elsewhere, both in the Pacific region and globally. The gender pay disparity is a persistent phenomenon and its causes are complex. Social pressures and norms influence gender roles and often shape the types of occupations and career paths which men and women follow, and therefore their level of pay (Equality and Human Rights Commission 2017). Nevertheless, the incidence of poverty of those aged 60+ years — regardless of sex — is 11.6%, compared with poverty incidence rate of 5.4%, 1.4% and 1.1% among those aged 30–59 years, 15–29 and those aged 0–14 years, respectively.

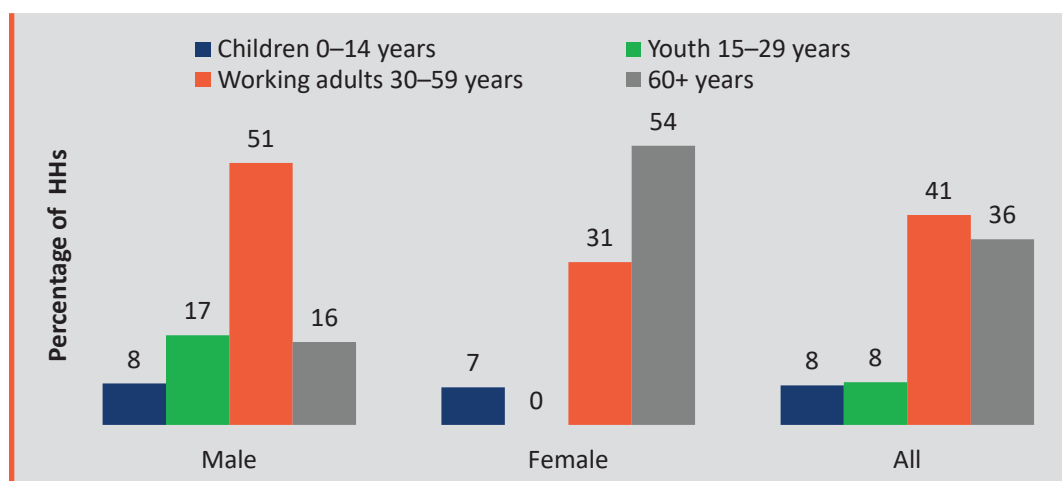


Figure 7: Prevalence of poverty and vulnerability by key age groups

Note: Based on own calculations using 2015/16 HIES data.

Living in poverty is associated with lower levels of education, with those with an educational attainment of secondary school or less making up a disproportionate number of those living below the BNPL and those that are highly or moderately vulnerable. We can also see from 2015/16 HIES that, for **those with education of secondary level or less, poverty incidence (8%) is double that of those with upper secondary education or higher (4%)**. Again, we see a more pronounced difference when educational attainment and poverty is disaggregated by sex. **The proportion of women with secondary school level education or less that are poor is greater than the proportion of men with the same level of education that is poor — 64% and 56% respectively**. However, the incidence of poverty among the population of women with secondary or less education is relatively similar to that of their male counterparts.

Much research (World Bank 2016; Mihai et al. 2015 and Raffo et al. 2007) suggests that the level of schooling of the population is correlated with the level of economic development, and poverty. It has been empirically demonstrated that, in the context of normal assumptions regarding competitive labour markets, more highly educated individuals are more productive, and therefore earn higher wages. This relationship explains poverty levels and education correlation in Tokelau, while raising further concerns about the potential of the gender education gap to reinforce gender disparities.

### 3.4 Characteristics of poor households and individuals

#### 3.4.1. Economic activity and poor households

**Four percent of those aged 15–59 with formal employment are living below the BNPL, and 23% of those that are of working age and are working are listed as at least slightly vulnerable or living below the BNPL.** In the 2015/16 HIES, all of those identified as living below the poverty line or are considered vulnerable are employed in the public sector. Considering the entire non-poor nor vulnerable group, including both employed and unemployed individuals, there is more variation in the main primary activity, with more of these individuals engaged in either full-time or part-time work. There are very few poor or vulnerable individuals engaged in unpaid work, such as homemaking and volunteering, whether considering men and women.

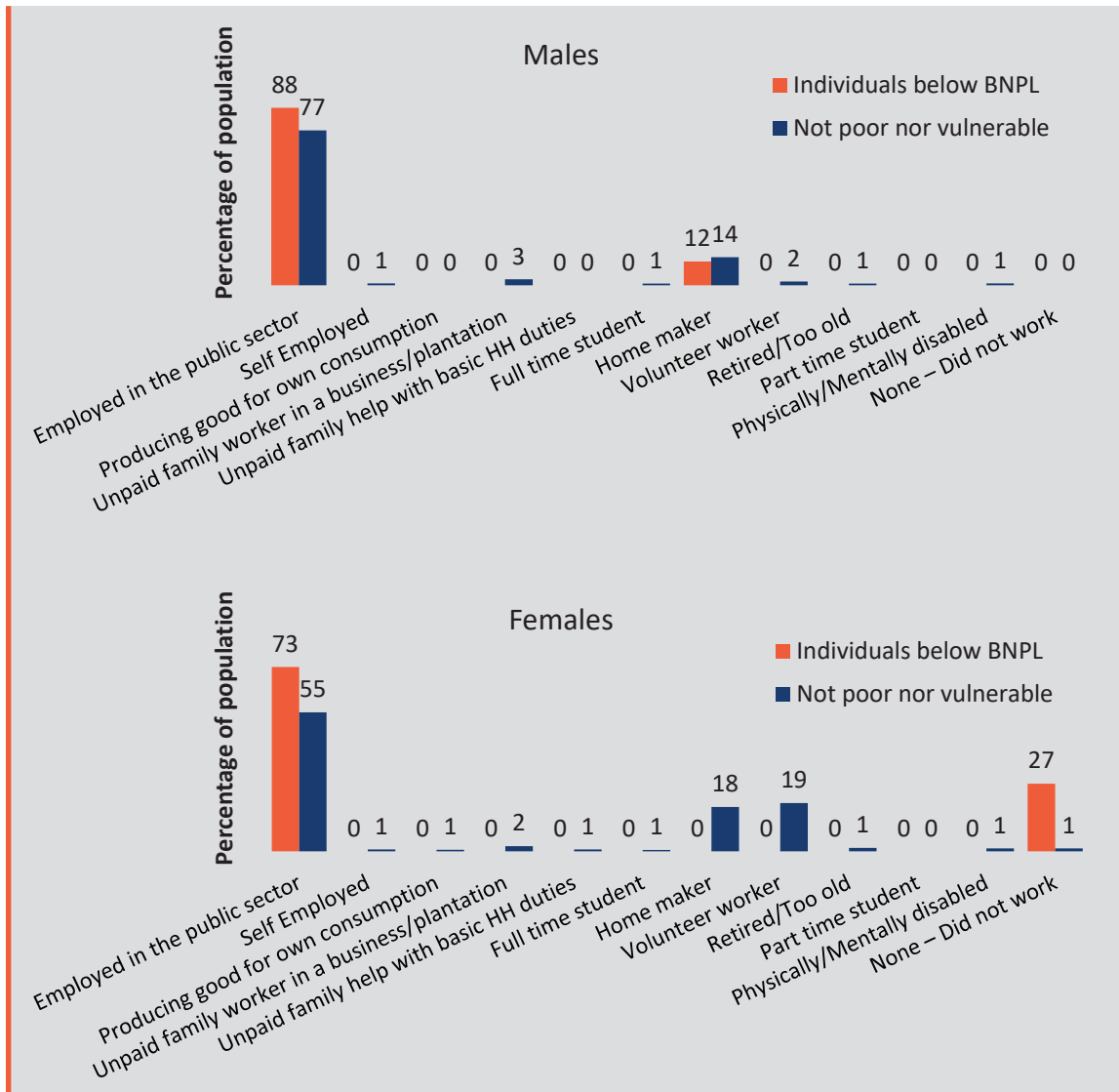


Figure 8: Main economic activity among working 15–59 year olds by poverty status and sex

Note: Based on own calculations using 2015/16 HIES data.

As mentioned previously, **the majority of the 15–59 population is engaged in some form of secondary economic activity, with nearly four-fifths of the of the population reported to be involved in a secondary economic activity.** There is, however, variation when comparing how 15–59 year old individuals of different levels of poverty or vulnerability engage in secondary activities. In fact, while nearly 80% of those that are neither poor nor vulnerable reported to have some secondary activity, only 50% of those living below the BNPL were engaged in secondary activities. We are however, working with a very small sample size — out of the 24 individuals aged 15–59 and living below the BNPL, only 12 reported to be doing some secondary activity. Nearly one-third of those that did report having a secondary activity were producing goods for own household consumption, while the remaining two-thirds reported to be engaged in homemaking. There is little variation when comparing the poor with the neither poor nor vulnerable, however the sample size caveat remains pertinent.



### 3.4.2. *Engagement in fishing and livestock*

When looking at the proportion of households that are engaged in different forms of fishing or livestock rearing activities, we can see a great deal of difference between non-poor nor vulnerable and less wealthy households. For example, while around **85% of those that are neither poor nor vulnerable owned pigs, only two households out of the 27 that are living below the BNPL reported owning pigs**. A similar pattern is observed in terms of the various fishing activities — i.e., more wealthier households were engaged in some type of fishing activity. This reflects the proportion of households that are engaged in secondary economic activities and explains some of the consumption expenditure patterns that are observed by poverty status of a household.

### 3.4.3. *Consumption expenditure and poor households*

For all households, regardless of poverty status, the largest proportion of household consumption expenditure goes towards the purchase of non-food items such as housing and utilities, household furnishings and transport. Alcoholic beverages, tobacco and narcotics fall under this category and makes up on average 18.4% of household non-food expenditure.

**Poorer households, however, spend a larger proportion of their total weekly household expenditure on non-food items, compared to their neither poor nor vulnerable counterparts.** Households in the lowest quintiles spent 72.8% of their household expenditure on non-food expenditure, compared to those in the highest quintile which spent 61.6% on the same category. This is contrary to what we would usually expect which would be that the proportion of household food consumption is greater for poorer households than for wealthier households. Wealthier households spend 38% of their weekly household consumption expenditure on food compared to 27.2% spent by households in the lowest quintiles. This may reflect Tokelau’s isolation, which makes the import of non-food items more difficult. Furthermore, wealthier households produce more subsistence foods than their poorer counterparts and engage more frequently in fishing and animal rearing activities, which can be attributed to their greater access to assets and resources, and which could reduce other costs.





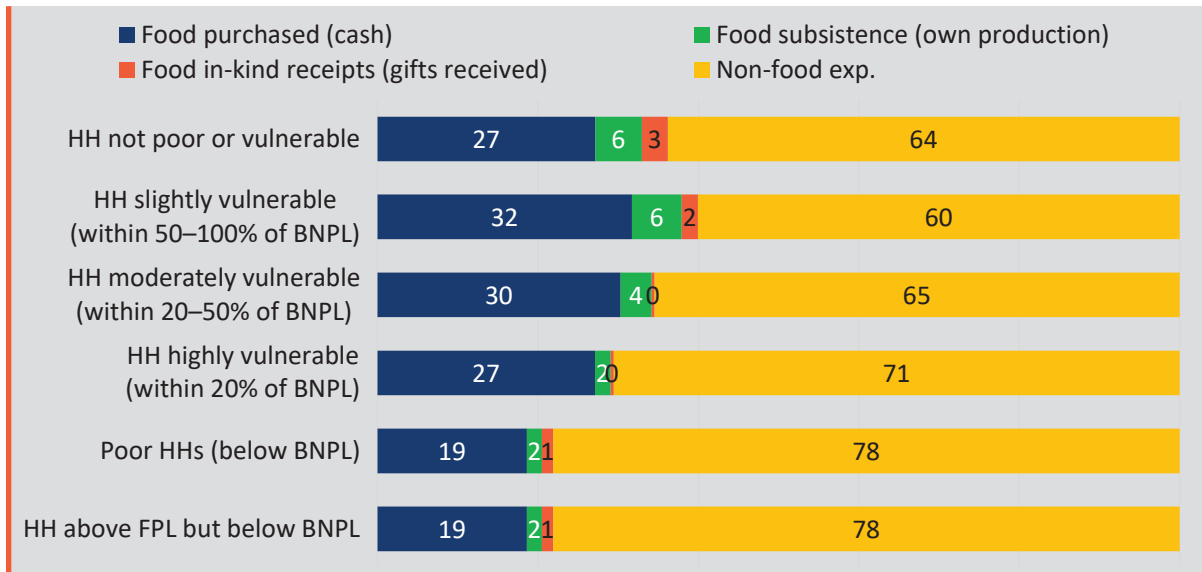


Figure 9: Annual household consumption distribution by poverty status of household

Note: Based on own calculations using 2015/16 HIES data.

### 3.4.3.1. Non-food consumption expenditure

Households of different poverty statuses purchase similar primary non-food items, with housing and utilities constituting a substantial proportion of total household non-food expenditure. **However, more socio-economically secure households have a more varied non-food expenditure.** Over the course of a year, only 28% of their non-food household expenditure is on housing whereas those living below the BNPL spent on average over 50% of their non-food expenditure on housing and utilities. Wealthier households spend a greater proportion of their household non-food expenditure on recreational and cultural activities, clothing and footwear, household furnishings and equipment, and transport.

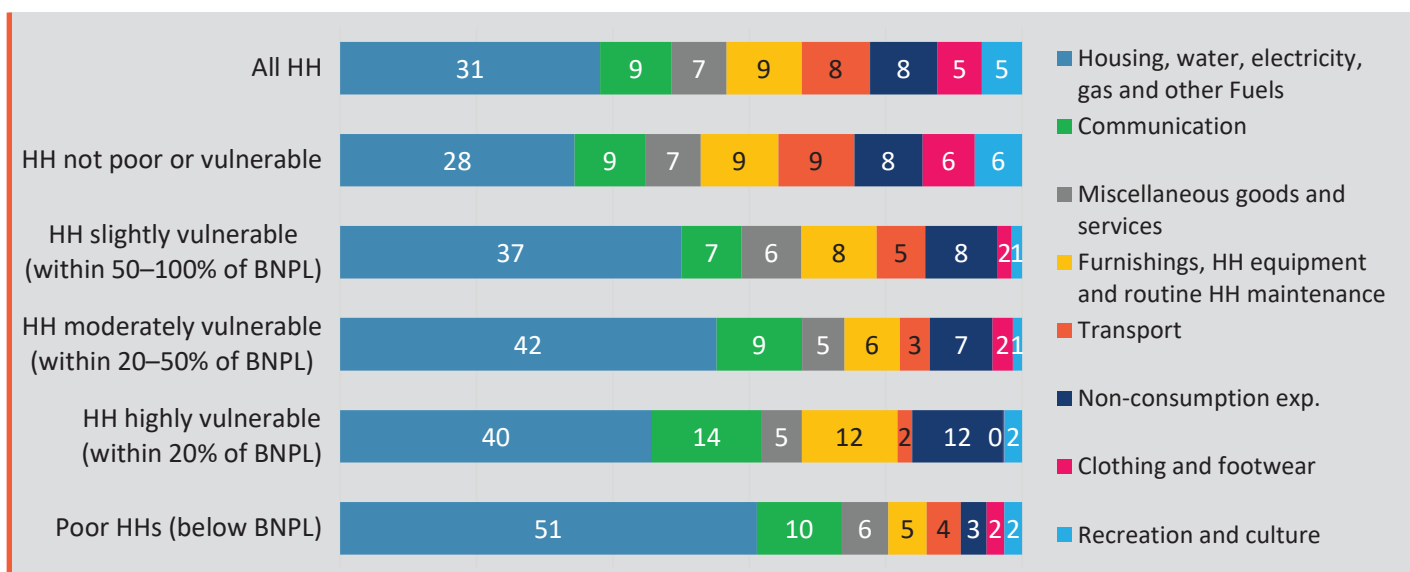


Figure 10: Annual non-food household consumption expenditure by poverty status

Note: Based on own calculations using 2015/16 HIES data.

There was no consumption expenditure on education and health.

### 3.4.3.2. Food consumption expenditure

Poverty levels impact the types of foods Tokelauan households purchase. Using the Pacific guidelines for healthy living to categorise commonly bought food items, there is **an inverse relationship between poverty status and the proportion of household food consumption expenditure spent on energy foods, such as grains and root vegetables**. When comparing poor and non-poor nor vulnerable households, the latter spends around 40% of their food expenditure on such foods compared to the former, who spend 29% of their household food consumption expenditure.

Wealthier households spend a greater proportion of their food consumption expenditure on body-building foods such as meat, fish and dairy. Households living below the BNPL spend around 43% of their food consumption expenditure on body-building foods, while non-poor and non-vulnerable households spent around 60% of their food consumption expenditure on these foods. Households of all degrees of vulnerability follow this trend i.e., **the wealthier the household, the more is spent on body-building foods and less is spent on energy foods**.

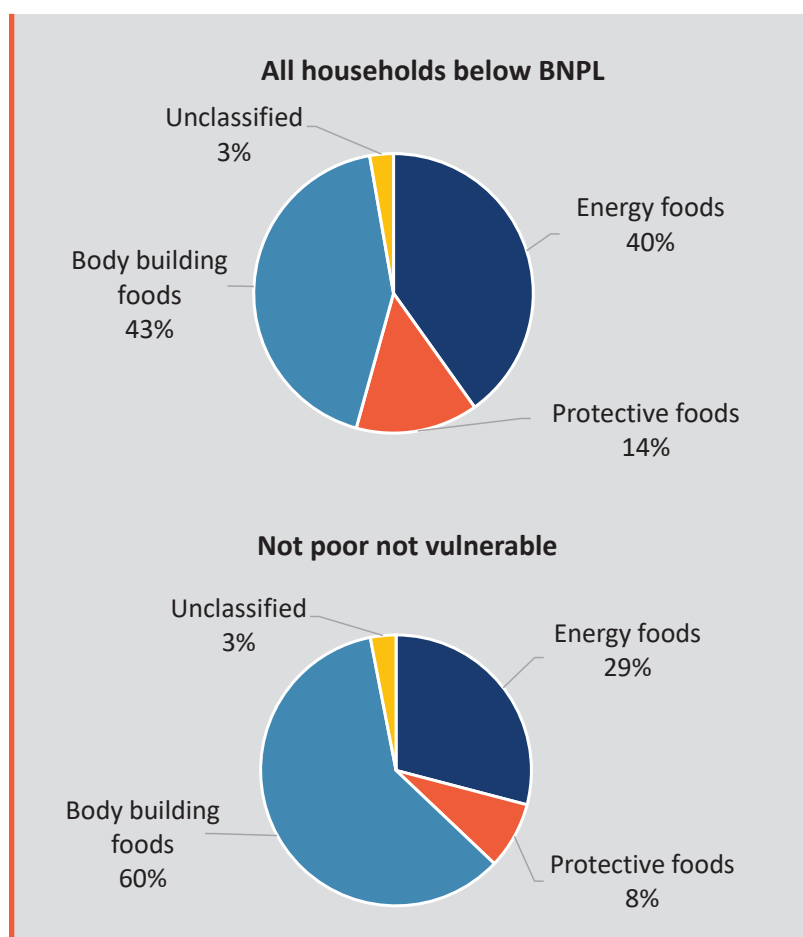





Figure 11: Household food type consumption by poverty status

Note: Based on own calculations using 2015/16 HIES data.

Considering the nutritional quality of the foods consumed by households of varying poverty status, again there is a difference between households that are considered to be poor or vulnerable and those that are wealthier — **more secure household status is linked with increased consumption of healthier foods**.

Using the Pacific guidelines, we can construct a ranking of “healthy” foods those foods for which consumption should be limited, and finally those which should be avoided altogether. Using this ranking, we see that the proportion of a household’s food expenditure that goes towards “healthy” foods increases with household wealth. Again, comparing poor households with those that are neither poor nor vulnerable, we can observe that the latter groups spend 60% of its household food consumption expenditure on “healthy” foods compared to the former group which only spends 48% of its food consumption expenditure on the same foods. Greater household food consumption expenditure for those households living below the BNPL goes towards foods that should be limited, 17%, compared to those households that are neither poor nor vulnerable, 8%.

	Good/healthy	To limit	To avoid
 <p>Energy food (Starchy staples)</p>	<ul style="list-style-type: none"> <li>• Locally grown root crops</li> <li>• Breadfruit, cooked green bananas</li> <li>• Whole grain breads</li> <li>• Brown rice</li> </ul>	<ul style="list-style-type: none"> <li>• Refined grains and cereals such as white rice, pasta, noodles, vermicelli and bread</li> <li>• Foods prepared with fats and sugar, e.g., biscuits and cakes</li> </ul>	<ul style="list-style-type: none"> <li>• Processed and deep-fried foods</li> <li>• Sugar and free sugars</li> <li>• Sugar-sweetened beverages</li> </ul>
 <p>Protective food (All vegetables and fruits)</p>	<ul style="list-style-type: none"> <li>• All fresh fruits and vegetables, locally grown</li> <li>• All frozen vegetables and fruits with no added sugar or salt</li> </ul>	<ul style="list-style-type: none"> <li>• Canned fruit in juice is a good alternative if fresh fruit is limited</li> <li>• Dried fruits with no added sugar or preservatives</li> <li>• Canned vegetables containing little salt</li> </ul>	<ul style="list-style-type: none"> <li>• Canned vegetables</li> <li>• Dried fruits with added sugar or preservatives</li> <li>• Cordials and fruit drinks</li> <li>• Fruit juice and fruit juice concentrate</li> </ul>
 <p>Body-building food (Protein-rich foods)</p>	<ul style="list-style-type: none"> <li>• Local, lean cuts of meat, chicken</li> <li>• Fish</li> <li>• Eggs</li> <li>• Dried beans and legumes</li> <li>• Nuts</li> <li>• Reduced fat milk and milk products</li> </ul>	<ul style="list-style-type: none"> <li>• Meat with visible fat</li> <li>• Canned meat or fish with high salt content</li> </ul>	<ul style="list-style-type: none"> <li>• Processed meat – spam, canned corned meat</li> <li>• Corned beef/brisket in container, burgers, sausages, condensed milk, mutton flaps</li> </ul>

However, both households spend a similar proportion of food consumption expenditure on foods that should be avoided altogether — this includes corn beef and lamb flaps — all of which are imported. A historic reliance on imported, often nutritionally poor, foods has been documented widely<sup>3</sup> and could explain the consistent household expenditure on such food items.

Vulnerable households spend a greater proportion of their food consumption expenditure on nutritionally desirable foods than their wealthier counterparts. Highly or moderately vulnerable households spend a smaller proportion of their food consumption expenditure on food items that should be avoided compared to slightly vulnerable or not poor households.

<sup>3</sup> Porkka et al. (2017)

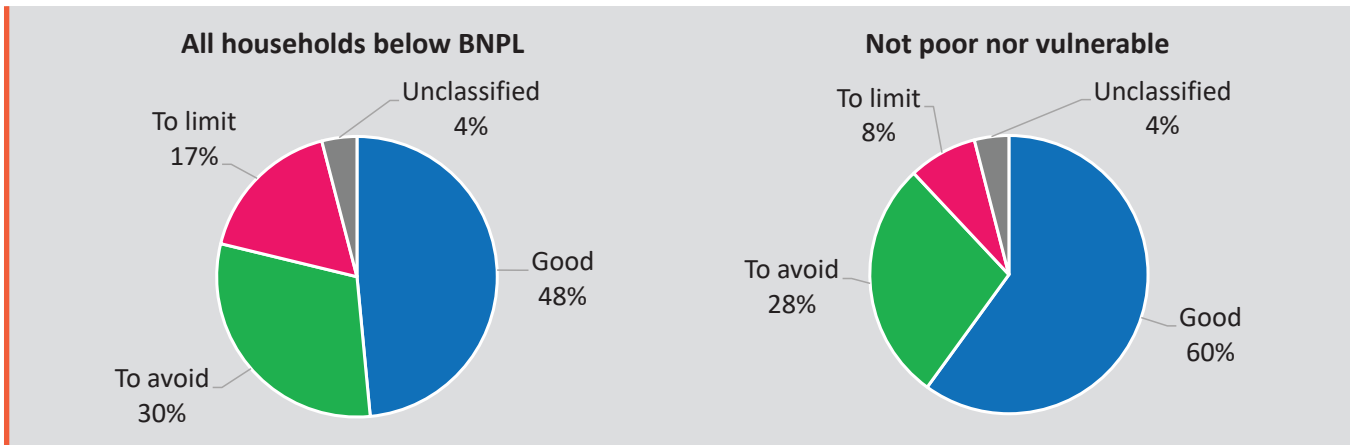


Figure 12: Proportion of annual household food consumption expenditure by nutritional groups for poor and non-poor or vulnerable households

Note: Based on own calculations using 2015/16 HIES data.

### 3.4.4. Monetary inequality

Like poverty, inequality measurements are subject to intense conceptual and methodological debates. While 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 percent 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%).

On the Gini index, which ranges from 0–100, Tokelau has a low Gini index of 10 at the population level, but a higher index of 28 at the household level. This reflects that, while only a small proportion of individuals live in poverty, they make up 11% of households because the poorest households have fewer members than their wealthier counterparts. Regardless, even when looking at the higher household Gini index, Tokelau has one of the lowest levels of inequality in the region, surpassed only by Cook Islands.

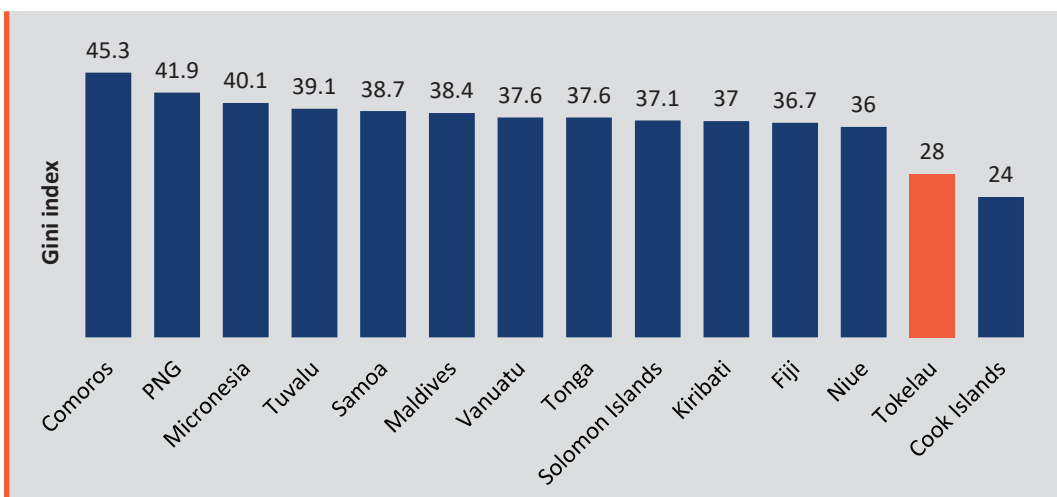


Figure 13: Household Gini indexes of various Pacific Island countries

Note: Based on own calculations using 2015/16 HIES data.

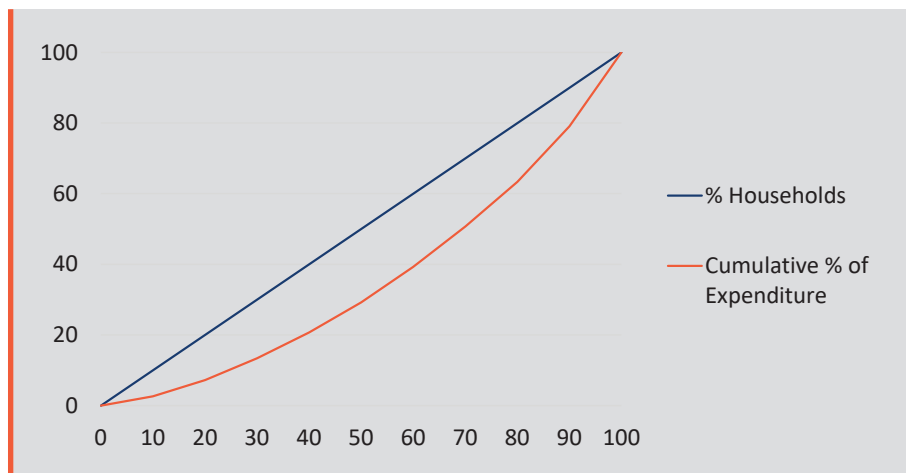


Figure 14: Tokelau Lorenz curve using per capita household consumption expenditure

Note: Based on own calculations using 2015/16 HIES data.

### 3.4.5. Housing conditions

Housing conditions are relatively homogenous regardless of poverty status. For example, all vulnerable, non-poor, and most households living below the BNPL reported having corrugated iron roofing and concrete walls and flooring. Furthermore, most households, regardless of poverty status, live in houses which: contain only one household/family per living quarters; are detached from other houses; and are owned without a mortgage.

After disaggregating by poverty status, there is also little difference in terms of household asset ownership. Certain assets – such as water tanks, refrigerators, and washing machines – are widely owned, while some assets – for example microwaves, air conditioners, solar panels, and generators – are owned by very few. However, households that do happen to own such goods are generally those that are neither poor nor vulnerable.

## 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 Tokelauan's access to basic services, here referring to "the provision of public services systems that



meet basic human needs, including drinking water, sanitation/hygiene, energy, mobility, waste collection, health care, education and information technologies.” This means that not all the basic services highlighted will be included in Pacific-centric analysis on poverty.

In addition to capturing information on household income, whether from employment or social protection schemes, and expenditure, the 2015/16 HIES captures information on several human needs indicators – specifically access to clean drinking and cooking water, waste disposal, energy and information technologies. However, this data does not capture information on the level of access to services such as education and healthcare, nor on a variety of hygiene indicators such type of toilet or access to soap. Where the HIES could not be used, supplementary additional sources will be used for the various access to services indicators.

*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 households with access to basic services*

**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 organised 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*

## 4.5 Access to basic services and social protection

SDG 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.

### 4.5.1. 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.

Tokelau has an excellent proportion of the population using basic drinking water services, equal to 99.3% in 2017 (2015/16 HIES). This has improved since 2000 (98.5%). Moreover, 96.7% of the population have access to basic sanitation services, and again the country ranks well alongside other Pacific Islands and has shown improvement since 2000 (76.75%).<sup>4</sup> Using 2015/16 HIES to compare households that are poor or vulnerable with those that are not, we can see that most households living below the BNPL had access to improved toilet facilities. However, there remained households with no access to any form of sanitation facilities. While this was equivalent to only two households (both considered highly vulnerable), there is clearly scope for improvement.

SDG 7 is to ensure access to affordable, reliable, sustainable and modern energy. While there is no data available for Tokelau of indicator 7.1.1, on access to electricity, all Tokelau’s villages are linked up to the solar power grid, edging the country closer to its goal of having 100%energy sustainability.

### 4.5.2. 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. 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. As we have discussed above, education also has significant impacts on poverty rates.

Tokelau ranks poorly 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 entry age)”. Participation rate was 88.4%<sup>5</sup> in 2016 (compared to 99.14% in the Cook Islands and 100% in Niue).

<sup>4</sup> <https://unstats.un.org/sdgs/indicators/database/>

<sup>5</sup> <http://tcg.uis.unesco.org/wp-content/uploads/sites/4/2019/03/TK.pdf>

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 the female children in one or more organised learning programme, including programmes which offer a combination of education and care, to the male children in the same programme. Early childhood and primary education are both included, but 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. A GPI of 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 GPI indicator for Tokelau equals 1.28 in 2016, reflecting a marginal positive gendered difference in the access to education. The indicator value for Tokelau is second only to Niue, where the indicator equals 4.3 in 2015 (Niue 2015/16 HIES report). While Tokelau does not rank well regarding the quality of education, the volume of official development assistance flows for scholarships quadrupled between 2014 and 2016, from 25,069 USD to 100,921 USD (constant USD).

### 4.5.3. 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.”<sup>6</sup>

Tokelau has made great progress towards this indicator. In 2003 only 1.5% of the population had access to the internet. However, the 2016 census measured the frequency of internet use in the previous month by usual residents aged at least 15 years.<sup>7</sup> Over the previous month, it found that 39% of adults did not use internet at all; only 16% of adults used the internet every day; 26% at least once per week; approximately 10% at least once fortnightly; and 8% at least once. Tokelau is expected to make great progress for internet access, with new investments for connecting Tokelau’s three atolls to Australia, New Zealand and the west coast of the USA. Construction on the cable landing stations is expected to begin in 2020.<sup>8</sup>

Still a substantial part of the population does not use the internet, creating a digital divide that may exacerbate the socio-economic differences between those living in poor conditions and the rest of the population. According to 2015/16 HIES, only around 42% of households had some access to internet at home, and of the 27 households that were living below the BNPL, only nine households had some access to internet at home.

6 2030 Agenda for Sustainable Development

7 [https://www.tokelau.org.nz/site/tokelau/files/TokelauanSO/2016Census/EngVer\\_Module3B.pdf](https://www.tokelau.org.nz/site/tokelau/files/TokelauanSO/2016Census/EngVer_Module3B.pdf)

8 <https://www.mfat.govt.nz/en/media-and-resources/news/tokelau-internet-set-to-get-faster-and-cheaper/>



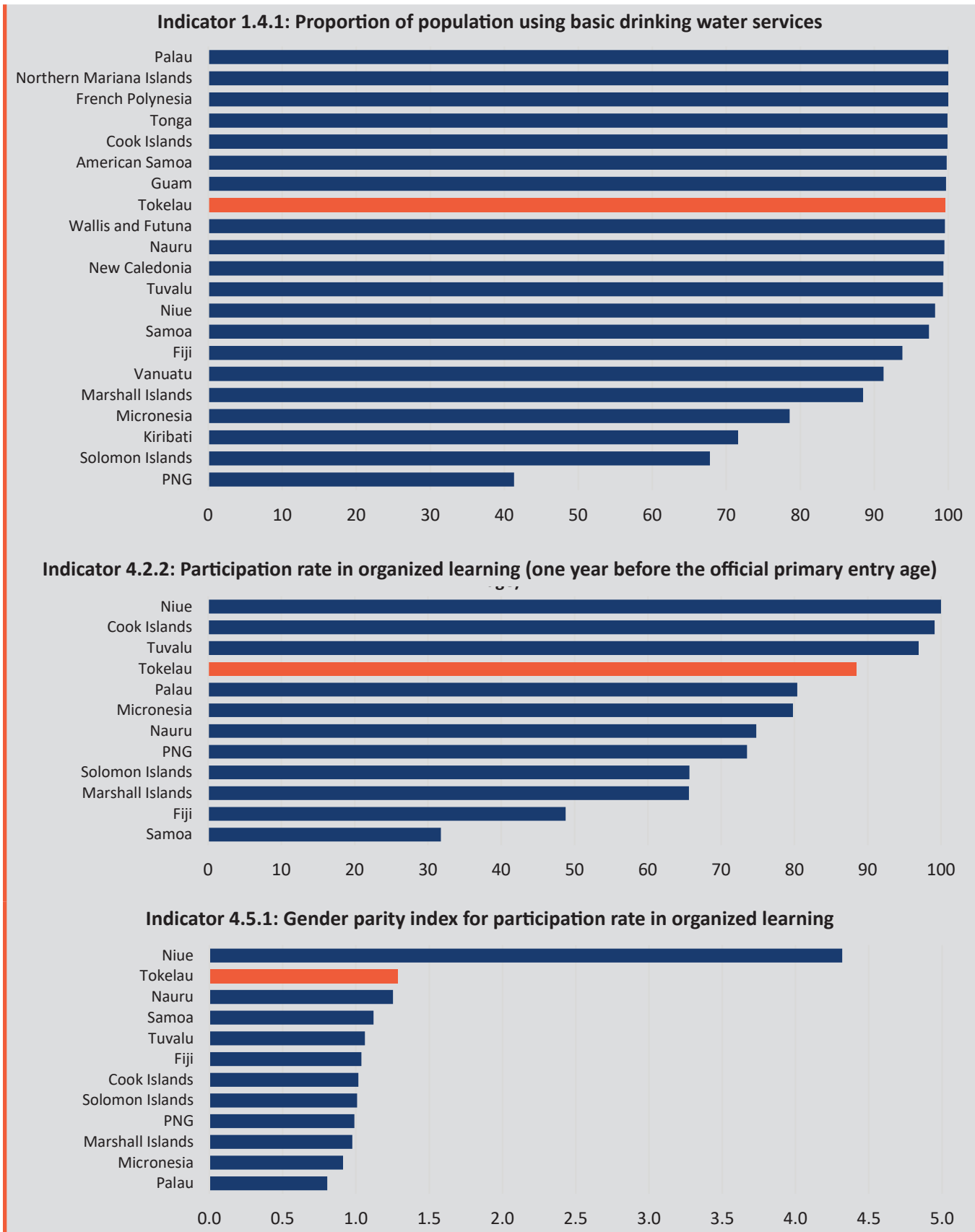


Figure 15: Selected SDG indicators in Tokelau and other Pacific Islands

Note: Based on own calculations using the SDG-UNSTAT Database.

#### 4.5.4. Social protection coverage

Being a self-administering territory of New Zealand, residents of Tokelau can access several social protection schemes available to eligible residents of New Zealand. One key example is the New Zealand superannuation and veteran's pension, which is available to all permanent residents and citizens of New Zealand aged 65+ years who usually live in Cook Islands, Niue, New Zealand or Tokelau. Payments are made fortnightly, and the value varies based on the number of years that an individual has lived in any of the applicable countries, as well as living arrangements, and those living as a couple within a household will also be subject to a review of their partner's income. Some Tokelauans may also be eligible to several child, health and disability, and unemployment benefits also provided by New Zealand's Ministry of Social Development.

The social protection programmes in Tokelau are aimed at different demographic groups across the country. The old age pension provides financial security to the elderly population upon retirement. Elderly people above 60 years of age are paid NZD 700 per month. The transfer payment is made nationally through the payroll system. Furthermore, only Tokelau residents are eligible to receive pension. A Tokelau resident is defined as a "Tokelau national or a person who has been officially granted a permanent residency status." Child allowance of NZD 25 per week per child is given to households who have children under the age of 16 years. This allowance is given to parents/caregivers to assist with the costs associated with maintaining an appropriate standard of care for children. Moreover, a social benefit of NZD 100 is given every two weeks to unemployed working age adults to help them with their living costs. The social benefit is paid to individuals between the age of 18 and 59 and who are neither working or studying (at the University of the South Pacific) or receiving any other benefit.

Taupulega honoraria compensates those no longer in the workforce. This scheme was introduced at a time when there were no pension payments available. An annual amount of NZD 11,000 is paid on fortnightly basis (\$423) to the recipients. A disability allowance of NZD 150 is given every two weeks to caretakers of disabled persons. The disability allowance is given to those who are proven to have disabilities following an assessment conducted by the department of health and do not have any other source of income.<sup>9</sup>

## 5 CONCLUSION AND POLICY RECOMMENDATIONS

Overall, poverty incidence is low in Tokelau, with incidence of 3.9% and no reported cases of individuals living below the FPL. However, vulnerability incidence is high, and around 1 in 3 households are at least slightly vulnerable. Worryingly, poverty incidence is high among traditionally vulnerable groups, such as those aged 60+ years, and particularly among women.

Unfortunately, the absence of sufficient information relating to social assistance and coverage makes it difficult to evaluate the coverage, access, and impact of such programmes. In particular, given the incidence of poverty is highest among those aged 60+ years (11.6%), further evidence on the efficacy of NZ pension scheme is important. A key recommendation would be further investigation into all social assistance programmes available to those living in Tokelau, including analysis of the extent to which social transfers are

<sup>9</sup> Table 4 in Annex 1 summarises the existing Social Protection schemes in Tokelau



supporting total household income, reaching the intended population, and reducing poverty. The presence and effectiveness of social protection schemes is especially vital given Tokelau's exposure to a high level of risk of natural hazards, such as severe tropical cyclones, storm surges and rising sea levels – risks that will increase due to anthropocentric climate change.

Worldwide, the COVID-19 pandemic has reinforced the importance of social protection schemes and, given the likelihood of a global economic downturn, threatens the external bilateral support on which Tokelau is dependent. As such, now more than ever, more evidence on, and support for, social protection schemes would be invaluable for Tokelauan poverty and vulnerability. The level of hardship for those living below the BNPL is visible across myriad dimensions, including the quantity, variety, and quality of food consumption, access to alternative forms of employment and other sources of acquiring food.

A number of existing research reports point to the importance of improving the quality of food that is imported and consumed in Tokelau.<sup>10</sup> In particular, Rush and Pearce (2013) recommend shifting towards locally grown goods. One key observation from the 2015/16 HIES data is the lack of access to various fishing and livestock activities by vulnerable and poor households, compared to the non-poor nor vulnerable households; the majority of which reported being engaged in some kind of fishing or animal rearing activity. Again, while we observe a low Gini index, it does not capture the disparity in the ownership of livestock and engagement in various forms of fishing which are likely to play a vital role in not only increasing household consumption but also in improving the quality of the foods that are consumed by vulnerable households and those living below the BNPL.

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<sup>10</sup> *TNSO (2015), Rush and Pearce (2013)*

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# ANNEX 1: SUMMARY TABLES

Table 1: SDG summary table capturing the poverty and hardship situation in Tokelau

Indicators	% of HHs	% of all Persons	% of all Males	% of all Females
1.2.1 Proportion of HHs and population below BNPL	10.9	3.9	3.7	4.0
Proportion of population vulnerable to falling into poverty; per capita expenditure <20% above BNPL	4.0	1.8	1.8	1.7
2.1.1 Prevalence of undernourishment (Proxy indicator: Proportion of HHs with per capita expenditure below the minimum level of dietary energy consumption (FPL))	0	0	0	0
Proportion of employed population below the national poverty line (the working poor – youth)	-	1.4	2.9	0.0
Proportion of employed population below the national poverty line (the working poor)	-	2.3	0.9	3.8
Proportion of the elderly (60+ years) below the national poverty line (the elderly poor)	-	11.6	5.3	17.1
Poverty Gap Index (PGI) – depth of poverty	-	1	-	-
Ratio of share of expenditure of poorest quintile (20%) to highest quintile	4.4	-	-	-
Gini coefficient: 0 = perfect equality 1 = perfect inequality	0.3	0.1	-	-

Table 2: Percentage of poor and vulnerable households

Poverty/Vulnerability status	Total HHs	MHH	FHH
HH below FPL	0	0	0
HH > FPL but < BNPL	11	9	13
Total HH < BNPL	11	9	13
HH highly vulnerable (within 20% of BNPL)	4	6	2
HH moderately vulnerable (within 20–50% of BNPL)	8	10	6
HH slightly vulnerable (within 50–100% of BNPL)	17	19	16
Not poor nor vulnerable	60	56	64



Table 3: Proportion of persons living in poverty by age and sex

Poverty/vulnerability status	0–4 years	5–14 years	All children 0–14 years	Youth 15–29 years	30–59 years	60+ years
Persons > FPL but < BNPL	0	1	1	1	5	12
Total persons < BNPL	0	1	1	1	5	12
Persons highly vulnerable (within 20% of BNPL)	0	1	1	1	1	8
Persons moderately vulnerable (within 20–50% of BNPL)	2	4	3	3	3	9
Persons slightly vulnerable (within 50–100% of BNPL)	15	14	14	13	13	17
Not poor nor vulnerable	83	80	81	82	77	55

Table 4: Existing social protection programmes in Tokelau

Benefits	Amount (NZD)	Notes
Old Age Pension (OAP)	\$700 per month	<ul style="list-style-type: none"> <li>• Paid upon reaching the age of 60 regardless of whether still working</li> <li>• Tokelau residents are only eligible</li> <li>• Payment of OAP entitlements is done nationally through the payroll system</li> <li>• Payments are made fortnightly and are tax exempt</li> </ul>
Child Allowance	\$25 per week	<ul style="list-style-type: none"> <li>• Paid to the parents/caregivers of all children up to the age of 16</li> <li>• Paid in the amount of \$25 per week per child and paid on a fortnightly basis and are tax exempt</li> <li>• Tokelau residents are only eligible</li> </ul>
Social Benefit	\$100 per fortnight	<ul style="list-style-type: none"> <li>• Paid to individuals between the age of 18 and 59 and who are neither working or studying (at the University of the South Pacific) or receiving any other benefit</li> <li>• Paid in the amount of \$100 per fortnight through the payroll system and is non-taxable</li> </ul>
Taupulega Honoraria (village council)	\$11,000 per annum	<ul style="list-style-type: none"> <li>• This allowance compensates those no longer in the workforce</li> <li>• Paid on fortnightly basis (\$423) to all members of each village Taupulega</li> <li>• Non-taxable</li> <li>• Taupulega honoraria is adjustable for Taupulega members working in the public service. E.g., if a Taupulega member is member of the public service and his fortnightly salary exceed the \$423/fortnight honorarium, then that member will not receive an honorarium but only the sitting allowance of \$20 per Taupulega meeting</li> </ul>
Disability Allowance	\$150 per fortnight	<ul style="list-style-type: none"> <li>• Allowance of \$150 per fortnight for the Caretaker</li> <li>• A disability allowance is payable only to a person:                             <ol style="list-style-type: none"> <li>(i) proven to have disabilities following an assessment conducted by the department of health</li> <li>(ii) with no other source of income</li> </ol> </li> </ul>
Tokelau Super-annuation Scheme	4% of the first \$25K of the employee's salary	-



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