SAMOA
BUREAU OF STATISTICS

Pacific Community
Communauté du Pacifique

SAMOA
POVERTY AND HARDSHIP REPORT

ANALYSIS OF THE 2018 HOUSEHOLD INCOME AND EXPENDITURE SURVEY

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Samoa Bureau of Statistics

Development Pathways
Contract reference number: CPS20 - 321

Statistics for Development Division
Pacific Community

February 2023

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Acronyms

AUA	Apia Urban Area
ECE	Early Childhood Education
FPL	Food Poverty line
HH	Household
HIES	Household Income and Expenditure Survey
IPL	International Poverty Line
NCD	Non-communicable diseases
NWU	North-West Upolu
ODA	Overseas Development Assistance
PGI	Poverty Gap Index (Depth of Poverty indicator)
PICs	Pacific Island Countries
PSS	Pacific Island Small States
RoU	Rest of Upolu
SAT	Samoa Tala
SAV	Savai'i
SBS	Samoa Bureau of Statistics
SDG	Sustainable Development Goals
SPC	Secretariat of the Pacific Community
SPGI	Squared Poverty Gap Index (Severity of Poverty Indicator)
SSFGS	School Fee Grant Scheme
TVET	Technical and Vocational Education and Training
UMIC	Upper Middle-Income Classification
UNDP	United Nations Development Programme
WB	World Bank

Foreword

I am very pleased to present this report on the national basic-needs poverty and hardship indicators for Samoa based on an analysis of the 2018 Household Income and Expenditure survey (HIES). This latest report updates the previous analysis of the hardship indicators from the 2013/14 HIES. Poverty as measured by the basic-needs poverty lines is here considered as a measure of the relative level of hardship or well-being experienced by households in similar circumstances within the country. It evaluates and defines hardship within the context of the costs of meeting a family's basic-needs or a minimum standard of living in Samoa and its sub-regions of Apia, North-west Upolu, Rest of Upolu and Savaii. It is not an indicator of the existence in Samoa of absolute or extreme poverty as in other countries depicted through media. An estimation of National Food and Basic Needs Poverty Lines for Samoa is provided to enable determination of those living above and below a minimum standard of living that is appropriate to Samoa.

The report and its findings are therefore an important update on the success of previous policy initiatives and a valuable source of information to guide policies for the future. Findings recorded in this report provide invaluable insights into the impact of education, health and diet on the likelihood of a family experiencing hardship. Data collected are instrumental in identifying critical areas within the country in terms of employment opportunities and housing conditions as well as vulnerable age groups.

This report is pivotal for use by the Government, policy and decision-makers, community leaders and the business community in providing information to formulate necessary plans, policies and future developments that would improve the lives and wellbeing of the people of Samoa.

The Government of Samoa is grateful to the Secretariat of the Pacific Community (SPC) for its support to the Bureau of Statistics in the production of this report. It is our intention that this, the fourth report on hardship and basic-needs poverty in Samoa, will be part of a continuing series of such reports to enable Samoa to assess and gauge the country's progress in addressing the needs of the people and to report on the progress towards achieving the Sustainable Development Goals. To this end, the assistance of SPC and of other donor agencies and partners is essential.

Leota Aliielua Salani

GOVERNMENT STATISTICIAN

Executive summary

The Household Income and Expenditure Survey (HIES) conducted in Samoa in 2018 was the fourth such survey to be conducted since 2002. The survey interviewed 3,018 households across Upolu and Savaii capturing information on a wide range of household characteristics including house construction, asset ownership, education and employment as well as household income and expenditure.

This Executive Summary presents and assesses the state of hardship and basic-needs poverty amongst the people of Samoa as reported through the HIES. The summary covers the following key aspects of the hardship and poverty analysis: food or extreme poverty, basic-needs poverty, the location of those experiencing hardship in Samoa, the gender and age dimensions of the poorest households, and the degree of vulnerability of Samoans to falling into poverty in the face of declining incomes and/or rising prices.

This executive summary highlights some of the key findings from the results of the 2018 HIES; in particular, the progress (or lack of) towards the achievement of the SDG1 targets and in establishing the benchmarks for measuring progress in reducing hardship and poverty in the future under the sustainable development goals.

After an increase in basic-needs poverty over the period of the Global Economic and Financial Crisis (GEFC) from 2002 through 2008, Samoa made progress in reducing both food and basic-needs poverty in the period from 2008 to 2013/14. However, between 2013/14 and 2018 the incidence of both food and basic-needs poverty rose in both Rest of Upolu (RoU) and Savaii (SAV). While the incidence of food poverty remained constant in Apia Urban Area (AUA) between the two survey periods it fell slightly in North-West Upolu (NWU). There was however an increase in Basic-needs Poverty or Hardship in AUA (increasing from 24.0% in 2013/14 to 28.6% in 2018), it nevertheless remained constant at 23.8% in NWU over the same period.

There are many reasons why these changes might have occurred, but they do suggest that in the more rural areas of Samoa the levels of economic activity and employment have slowed in both the agriculture and the tourism sectors.

The relatively low average real GDP growth rate of 1.8% between 2013/14 and 2018 and the lower average levels of household expenditure recorded by the HIES, point to a slight deterioration in the general level of living standards across the country. This is reflected in the increase in basic-needs poverty incidence in AUA, RoU and SAV. At the national level the incidence of both food and basic-needs poverty (SDG1.2.1) also showed increases. Increases in poverty incidence were also seen in the estimates of SDG1.1.1 according to the International Poverty Lines.

Cost of basic-needs in Samoa

The cost of the basic-needs poverty line (BNPL) in Samoa is made up of two components: a food basket that is sufficient to provide an average daily calorie consumption of 2,200 calories per capita per day. This includes food that is purchased and the value of food that is consumed from home production. The second component is for essential "non-food" items including housing/shelter, utilities, health, education, transport and communication, as well as gifts that are deemed to be welfare enhancing in the Samoa society e.g., gifts to the church, community and cultural functions and events.

According to the HIES data the cost of purchasing the minimum daily nutrition requirement of 2,200 Kcal by households in the lowest three deciles, declined by about 10.0% (from SAT34.49 to SAT31.04 per capita per week) between 2013/14 and 2018. This could be the result of low-income or poor families choosing cheaper sources of calories, such as rice and cheaper quality meat, rather than an actual decline in prices.

The cost of the non-food component of the BNPL (calculated from the average non-food expenditure of the lowest three deciles) was virtually unchanged at the national level at SAT24.76 per capita per week in 2018 compared to SAT24.78 in 2013/14.

At the national level the total weekly cost for the BNPL fell from SAT59.27 to SAT55.80 per capita per week, a decline of 5.8%. The cost of the BNPL in AUA and NWU fell by 3.7% and 3.2% respectively, while the BNPL cost for the RoU fell by 5.6%. For Savaii, with a fall in non-food expenditure of 5.5%, the cost of the BNPL fell by 8.2% compared to the level of 2013/14.

Food or extreme poverty or hardship

Food or extreme poverty measures the extent to which a household is finding it difficult to acquire sufficient food to meet the minimum level of dietary energy consumption. The survey results indicate that between 2013/14 and 2018 the incidence of food or extreme poverty/hardship remained approximately the same in AUA 2.5% and was slightly lower (3.4% compared to 4.0%) in NWU. However, the incidence of extreme hardship rose significantly in the RoU (2.4% in 2013/14 to 5.3% in 2018) and Savaii, 2.9% to 5.2% over the same period. At the national level the proportion of the whole population experiencing extreme hardship rose from 4.3% in 2013/14 to 5.2% in 2018.

Basic-needs hardship or poverty

Basic-needs poverty incidence

It is recognised that an acceptable standard of living in Samoa is more than just food and that families and households need many items of essential non-food expenditure to have a satisfactory lifestyle. This gives the basic-needs poverty line that measures the costs of both basic food and non-food basic-needs, this is represented by Sustainable Development Goal Indicator SDGI .2.1.

For the national basic-needs poverty line the incidence of poverty/hardship rose slightly in Apia (from 24.0% to 28.6%) between 2013/14 and 2018 and was unchanged in NWU (23.8%) but rose in RoU (13.6% to 18.0%) and Savaii (12.5% to 17.9%). However, in the last two sub-regions the rate of poverty/hardship was still below the level of 2008 (26.6% and 28.8% in RoU and Savaii respectively), the height of the Global Economic and Financial Crisis (GEFC).

International poverty line

For international comparisons SDGI 1.1.1. assesses the International Poverty Line (IPL) which is set globally as US$1.90 (2011 prices) per capita per day (equivalent to around SAT3.52 in 2018). For Samoa the basic rate of poverty incidence for this IPL is estimated at 2.3%. However, for the lower middle-income group of countries, in which Samoa was classified prior to 2018, the IPL is set at US$3.20 (2011 prices) per capita per day (SAT5.92 in 2018). At this level the IPL poverty incidence for Samoa was estimated at 10.9%, a level that is approximately mid-way between the incidence of food-poverty and basic-needs poverty as measured by the national poverty lines.

In 2018 the World Bank reclassified Samoa as an upper middle-income country (UMIC) with an IPL of US$5.50 (2011 prices) per capita per day (SAT10.19 in 2018). At this higher IPL level, the incidence of poverty for Samoa is estimated at 35.0%. Although reclassified as an UMIC Samoa is at the lowest-end of the income range for this group and therefore the higher level of IPL poverty does not necessarily reflect the true poverty situation.

Location of the poorest households

According to the HIES results the number of people falling below the basic-needs poverty line in 2018 was 43,946, an increase of around 7,953 or about 22%, over the corresponding figure for 2013/14. Around 24.4% of those living below the BNPL were in AUA, 39.1% in NWU, with 19.0% in RoU and 17.6% in Savaii. Between 2013/14 and 2018 there were increases in the number of people below the BNPL in all four regions, with the largest increase (37.3%) being in RoU followed by SAV with a 33.4% increase.

Gender of the poorest persons

The figures suggest that there is little difference in the rates of poverty incidence between males and females in the four regions, although the average rates are higher in AUA (females 27.5%, males 28.1%) and NWU (23.4% and 24.3%), compared to RoU (18.6% and 17.4%) and Savaii (17.2% for both females and males).

Vulnerability

What is perhaps more important in the current circumstances are the levels of vulnerability; that is the risk of falling below the BNPL if income or expenditure are reduced. Across all four regions the figures suggest that a 20% fall in income/expenditure per capita would lead to an increase of

between 9 and 10% in the number of people falling below the BNPL. With the risk of reduced remittances and loss of jobs because the travel restrictions and lack of tourists, it is very likely that the rate of poverty incidence will increase significantly in the coming months.

Employment and education

The 2018 HIES suggests a clear relationship between poverty/vulnerability and individuals' employment status. Poverty incidence is higher among unemployed and individuals working primarily in the informal sector (including unpaid family and community work, household duties, and subsistence production). Moreover, the public sector plays a crucial role in underpinning economic stability, with government and public sector employees generally better off compared to their counterparts in the private sector. Apart the employment status, education attainment and health are key factors associated with the conditions of poverty and vulnerability.

Age structure of the poor

Overall, at the national level there is little difference between the poverty rates of children 0-14 years in either female (25.3%) or male (26.8%) headed households. However, children living in female headed households in AUA (40.8%) and SAV (28.9%), are more likely to be living below the BNPL than children in male headed households in AUA (30.9%) or SAV (18.5%). Conversely children in female headed households in NWU (25.1%) and RoU (13,7%), are less likely to be living in households below the BNPL than those in male headed households in NWU (29.7%) and RoU (21.7%).

The figures also indicate that almost 8,000 additional children would fall into poverty if their household per capita expenditure were to decline by 20%.

Summary of the Sustainable Development Goal 1 and 2 Indicators

The following table provides a summary of key SDG1 and other related indicators:

Sustainable Development Goal and other Indicators: SDG1 as at 2018 HIES					
SDG1.1.1 International Poverty Lines per capita per day (2011 prices)	Poor HH US$1.9	Lowest middle-income US$3.2	Upper middle-income US$5.5		
Estimated poverty incidence percent of population	2.3	10.9	35.0		
Sub-regional analysis	National	Apia Urban Area	Northwest Upolu	Rest of Upolu	Savai'i
1.2.1 Proportion of population below national BNPL %	21.9	28.6	23.8	18.0	17.2
Proportion of population vulnerable to falling into poverty; per capita expenditure <20% above BNPL %	9.4	8.6	9.9	9.5	9.1
2.1.1. Proportion of HHs with per capita expenditure below the minimum level of dietary energy consumption (FPL) %, (Note 1)	5.2	4.5	5.5	5.3	5.2
Poverty Gap Index (PGI) – Depth of poverty	6.2	8.6	6.7	5.3	4.8
Squared PGI – Severity of poverty	2.6	3.7	2.7	2.4	1.9
Share of poorest quintile (20%) in consumption by region %	9.1	7.9	9.1	10.2	10.0
Ratio of Share of poorest quintile (20%) to highest quintile	4.2	5.1	4.5	3.5	3.5
HH Gini Coefficient: (0 = perfect equality 1 = perfect inequality)	0.58	0.61	0.58	0.57	0.43

(Note 1) Proxy indicator for prevalence of undernourishment.

1 Background and introduction

This report provides an analysis of poverty and vulnerability in Samoa. The report highlights the correlations of poverty with the characteristics shared by persons unable to meet their basic-needs and those considered vulnerable or close to living without satisfying their basic-needs.

Prior to 2018, Samoa was classified as a lower-middle-income country, with a GDP per capita (USD3,860) that was above the regional Pacific Island countries (PICs) average of (USD3,370) at 2010 constant prices[1]. Samoa, like other PICs, faces economic challenges due to its size and geographic location. Samoa lacks the possible benefits from economies of scale and efficient use of its scarce resources. In turn, this constrains opportunities for significant economic diversification and development. With an area of 2,840 square kilometres and an estimated population of roughly 200 thousand inhabitants, Samoa has one of the lowest population densities within the Pacific Community approximately 67 persons per square kilometre). Moreover, the country suffers from high social and economic vulnerability to exogenous shocks, also due to its geographical distance from most major markets and the absence of infrastructure to efficiently export locally produced goods to principal markets. The high economic vulnerability explains a history of unstable economic growth, reflected in the volatile GDP growth, negative in 2018 (-2.2%) and positive in 2019 (3.5%).

Fishing, cash-crop agriculture, and tourism are the main economic production sectors for the Samoan economy. Fisheries and agriculture represented 9.4% of the total national value added in 2018 (SBS 2,020), while gross tourism revenues are estimated to be equivalent to 25% of GDP. The ocean is the primary natural resource, but overfishing threatens the resource, a threat exacerbated I.e., the island has the smallest exclusive economic zone of all Pacific Island nations. Moreover, agriculture and tourism are limited by relatively undeveloped international communications and transport links, despite indicators on transport linkages aligning with neighbouring countries, suggesting a broader regional weakness.

According to the Liner Shipping Connectivity Index (LSCI), Samoa ranked near the middle when compared with other Pacific Island Countries (PICs, and 141st globally in 2018), with French Polynesia having the highest LSCI value (82nd globally) and Wallis and Futuna ranked worst amongst Pacific Community Countries (172nd). Empirical evidence suggests that trade integration is essential to reduce poverty because it boosts economic growth and can effectively support populations, governments, and other actors to overcome the constraints faced by the poorest part of the population (Bartley et al., 2015).

Samoa is acutely vulnerable to natural hazards and external shocks, that can reduce foreign investment, and threaten to undermine tourism – the 2020 pandemic being a particular example. This vulnerability renders the country reliant on foreign aid and loans, making Samoa more dependent on countries overseas, creating further financial debt. Moreover, natural disasters in

[1] *World Development Indicators (WB, 2020).*

Samoa have lasting, severe social impacts, such as polluted drinking water, coastal erosion, illness, and occasional food shortages, alongside economic damage (National Disaster Management Plan, 2019).

There is a link between poverty indicators and the impact of natural disasters at the regional level. As highlighted by many scholars (e.g., Hallegatte et al., 2016), climate-related risks are among the biggest threats to social and economic progress, representing a significant obstacle to reducing poverty and inequality. Recent debates have promoted integrated approaches that link disaster risk reduction programming with efforts toward climate change adaptation and vulnerability. With great emphasis placed on the capital (Apia Urban Area) to promote trade, 70% of Samoan inhabitants and essential infrastructure for example the hospitals, main government offices, central commercial area and emergency services, are located close to the sea or within proximity of low-lying coastal areas (National Disaster Council, 2006). Given the Apia Urban Area's extreme risk of storm damage and flooding, this substantially increases the adverse effect to the Samoan economy.

Social Protection has been demonstrated to be one of the most critical methods of reducing poverty and protecting vulnerable people facing exogenous risks, such as natural disasters (Ulrichs et al., 2019). The Sendai Framework for Disaster Risk Reduction 2015–2030 calls for the promotion and support of the development of 'social safety nets as disaster risk reduction measures linked to and integrated with livelihood enhancement programmes to ensure resilience to shocks at the household and community levels'.

Additionally, social protection systems are increasingly acknowledged as essential tools to combat the ongoing COVID-19 pandemic's economic effects, which represents a further challenge for the Samoan economic and social system. Governments worldwide have recognised the critical contribution that effective, optimised, and equitable social protection policies offer to the countries' economic recovery from the pandemic's impact. The country's high vulnerability to external shocks makes the design of a strategy to fight poverty even more critical.

The National Poverty Report is based on the 2018 Household Income and Expenditure Survey (HIES), using household consumption expenditure information to assess poverty and vulnerability measured by the Food and Basic-needs Poverty Lines in 2018. This report highlights the key characteristics of the poorest and vulnerable individuals and households and assesses inequality and multidimensional poverty. While it is not possible to use HIES 2018 to evaluate the current (2020/21) poverty and vulnerability situation following the COVID-19 pandemic, the report draws parallels between possible economic effects of COVID-19 on Samoa's population and the impact of shocks in 2018 on poverty and vulnerability.

The 2018 HIES builds on a national sample of 3,018 Samoan households, and it represents the fourth HIES since 2000. The previous survey was conducted in 2013/14 and was based on a national sample of 8.4% of households (2,348 households), slightly larger than the 2008 HIES (8.0% of total households) and 2002 survey (6.4% of total households).

The 2018 HIES contains information on the size and characteristics of households (size, sex and gender of the household head), household demographics (age structure), household' health and socio-economic situation (poverty, income, consumption, education, health, housing), and labour market (unemployment, working activities, and sectors). That information is available at both the national and subnational areas (Apia Urban Area, North-West Upolu, Savai'i, Rest of Upolu). The HIES 2018 was conducted over twelve months, with four-week survey rounds to capture seasonal trends and consumption patterns. Interviewed households completed daily records of food and other non-food items purchased, consumed from their production, or given and received as a gift. Moreover, the survey includes questions about periodic expenditure as well as income to capture the economic characteristics of Samoan households.

The information collected with the 2018 HIES is compared, where possible, to the figures from previous versions of the HIES (2002, 2008, 2013/14) to appreciate trends in poverty and vulnerability in Samoa.

The report is structured as follows: Section 2 describes the structure of the average Samoan household and the level of household consumption expenditure in 2018, and compared longitudinally with the previous versions of the HIES (2013/14, 2008, and 2002); Section 3 describes poverty in HIES 2018 and its historical trend; Section 4 shows the households expenditure distribution and inequality, and how this has changed between 2013/14 and 2018; Section 5 gives a snapshot of the macroeconomic challenges faced by the country, including the main challenges deriving from the COVID-19 pandemic; Section 6 focuses on the critical characteristics of the most vulnerable part of the population; Section 7 shows the indicators related to the human and multidimensional poverty; Section 8 focuses on the income analysis in Samoa; finally, Section 9 introduces the policy implications and recommendations deriving from the previous analysis.

2 Trends in households' characteristics

Key findings:

- Households in the lowest quintiles have 2.3 times more household members on average than households in the top quintiles (9.1 and 3.9 household members, respectively). This figure is similar to the average household sizes seen in previous survey years.
- Female headed households represent 21.1% of the total households, an increase compared to the HIES 2013/14 when they represented 19.5%. The highest proportion of female headed households is in Apia Urban Area (27%).
- The estimated average number of children per household is 2.6 in 2018, the same number as in 2013/14.
- Total average weekly expenditure per capita was down by 3.2% in 2018 (at current prices) compared to the previous survey year (2013/14), especially for households in the lowest expenditure quintile (-12.1%).
- In 2018, the households' per capita total weekly expenditure was significantly higher in Apia (SAT168.97) than the rest of the country (SAT123 on average in the North-West Upolu, Rest of Upolu, and Savai'i).

2.1 Household size and characteristics

The indicators underpinning this report are measured considering the number of household members, as in previous versions of the HIES. The indicators are calculated per capita, rather than per adult equivalent, commonly used and derived from "equivalence factors," where children of 14 years and under are counted as half an adult.

Table 2.1 summarizes the households' average size by expenditure distribution in 2018, disaggregated at the subnational level. For comparison, the table includes the figure for 2002, 2008, and 2013/14. The estimated average national household size in 2018 is 6.9 members, equal to 2013/14, and down from 7.3 and 7.6 members in 2008 and 2002, respectively.

Nationally, households at the lowest expenditure quantile and at the three expenditure deciles are larger than households at the highest expenditure quintile. The households' size at the lowest three deciles increased between 2013/14 and 2018, equalling 9.1 members in 2018 and 8.8 in 2013/14.

When looking at the overall population, the national average household size was constant between 2013/14 and 2018, but declined between 2002 and 2013/14. On the contrary, the average size of households at the highest quintile declined steadily.

Disaggregating the data by Samoa's subnational areas, there was a marginal decline in households' average size in Apia Urban Area between 2013/14 and 2018. It was equal to 6.5 members in 2018,

compared to 6.7 members in 2013/14. The decrease mirrors a significant reduction in the average household size in the lowest three deciles (9.4 members in 2013/14 and 8.8 members in 2018) but the household size in the highest quintile increased from 3.6 in 2013/14 to 3.9 in 2018. Also, in Savai'i and the Rest of Upolu, the household size increased among those households in the lowest three expenditure deciles between 2013/14 and 2018, while it decreased for the highest quintile households. In Savai'i, the households in the lowest three expenditure deciles have an average size of 8.7 members in 2018, compared to 8.4 members in 2013/14. The Rest of Upolu recorded 9.6 in 2018, compared to 8.2 in 2013/14. Among the households in the highest quintile, the average number of members in Savai'i was 4 in 2018, compared to 4.4 in 2013/14. In the Rest of Upolu, the corresponding size was 4.1, compared to 4.5 in 2013/14. Differently from the other subnational areas, in North-West Upolu the average household size in the lowest three deciles slightly reduced between 2013/14 and 2018 (from 9.3 in 2013/14 to 9.2 in 2018), while the indicator for the highest quintile stayed stable (Table 2.1).

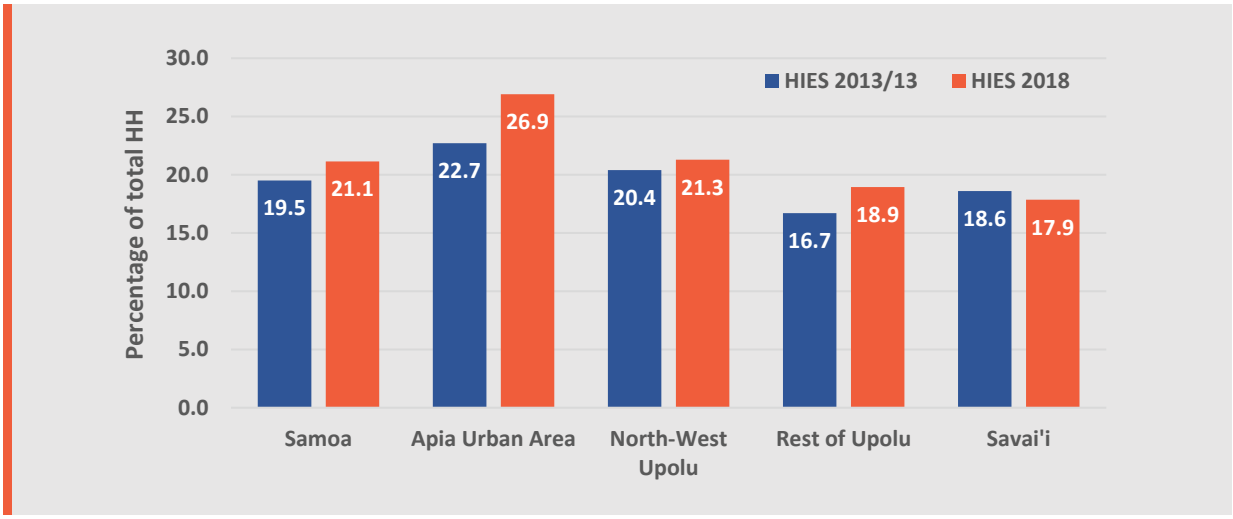
Table 2.1:* Household *size by HH wealth distribution in 2002, 2008, 2013/14, and 2018

HH wealth distribution	HIES 2002	HIES 2008	HIES 2013/14	HIES 2018
Lowest Quintile	8.9	9.8	9.3	9.5
Lowest 3 deciles	8.8	9.2	8.8	9.1
Highest Quintile	5.5	4.6	4.3	4.2

Source: Samoa HIES 2018, HIES 2013/14, HIES 2008, HIES 2002

Overall, at the national level, 21.1% of households reported being headed by a female. The percentage of female headed households increased compared to 2013/14 when it was 19.5%. The highest proportion of female headed households was recorded in Apia Urban Area (27% in 2018 against 22.7% of households in 2013/14), followed by North-West Upolu (21.3% in 2018 against 20.4% in 2013/14), Rest of Upolu (21.3% in 2018 against 16.7% in 2013/14). Savai'i had the lowest proportion of female headed households (17.9% in 2018 against 18.6% in 2013/14) (Figure 2-1).

Figure 2-1: Female headed HH in 2013/14 and 2018



Source: Samoa HIES 2018, HIES 2013/14

There were an estimated 75,575 children under the age of 15 in 2018, approximately 38% of the total population. While the number of children has increased since 2013/14 (72,947 children), the proportion compared to the total population was stable between 2013/14 and 2018. Nationally, the estimated average number of children per household was 2.6 and this had not changed since 2013/14.

At the subnational level, the average number of children was 2.75 in the Rest of Upolu and 2.73 in Savai'i. There was an increase in the average number of children across both regions in 2018 compared to 2013/14 when it was 2.6. In 2018, North-West Upolu and Apia recorded a lower average number of children by household than 2013/14.

2.2 Household expenditure

Household per capita total weekly expenditure averaged SAT133.74 in 2018, less than the previous years, when controlling for inflation Figure 2.2: SAT148 in 2013/14, SAT155 in 2008, and SAT139.8 in 2002, at 2018 prices.[2] The average annual increase in consumer prices was equal to 6.7% between 2002 and 2008, 3.7% between 2008 and 2014, and 1.5% between 2014 and 2018.

For households in the lowest expenditure quintile, the average weekly household expenditure per capita was equal to SAT34.79 in 2018, down from SAT54.6 in 2013/14, SAT53.5 in 2008, and SAT46.5 in 2002, at constant prices 2018.[3] For the highest quintile, the average weekly household per capita expenditure was equal to SAT444.69 in 2018, down from SAT468 in 2013/14, SAT503.2 in 2008, and SAT403.2 in 2002.[4]

In 2018, the average per capita weekly expenditure for households in the lowest expenditure quintile was only 10.1% of the households in the highest expenditure quintile. This gap between households' per capita expenditure in the lowest and highest quintiles has increased since past surveys. In the HIES 2013/14, 2008, and 2002, the average household's per capita weekly expenditure at the lowest expenditure quintile represented 11.7%, 10.6%, and 11.5% of the equivalent expenditure in the highest expenditure quintile.

In 2018, the household per capita average total weekly expenditure was significantly higher in Apia (SAT168.97) than the rest of the country (SAT128.26 SAT128.74, and SAT117.7 in the North-West Upolu, Rest of Upolu, and Savai'i, respectively).

Average weekly food expenditure accounted for 42.25% of total per capita weekly expenditure in 2018 (compared with 47% in 2013/14, 36% in 2008, and 51% in 2002). At the lowest expenditure decile, the average weekly expenditure on food accounted for 55.1% of the total per capita weekly

[2] *Household per capita total weekly expenditure at current prices was equal to SAT138.18 in 2013/2014, SAT117.34 in 2008, and SAT76.13 in 2002.*

[3] *Household per capita total weekly expenditure for the lowest quantile was equal to SAT40.36 in 2013/14, SAT33.28 and SAT19.73 in 2008 and 2002, respectively, at current prices.*

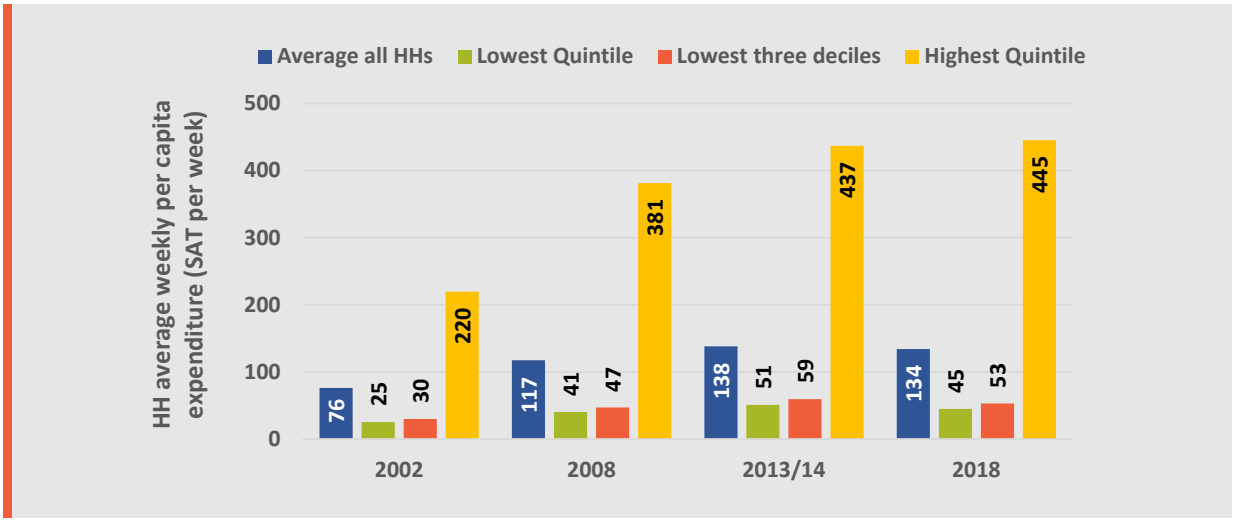
[4] *Household per capita total weekly expenditure for the highest quantile was equal to SAT444.69 in 2018, SAT436.7 in 2013/14, SAT381.12 in 2008, and SAT219.5 in 2002, at current prices.*

expenditure in 2018. The figure was equal to 60.4% in 2013/14, 57.6% in 2008, and 70.7% in 2002. At the highest decile, the average weekly expenditure on food accounted for 26% of total per capita weekly expenditure in 2018, compared to 31% in 2013/14, 22% in 2008, and 37% in 2002.

The overall average weekly expenditure on food per capita was SAT55.92 in 2018, down from SAT70.00 in 2013/14, SAT55.5 in 2008, and SAT71.00 in 2002, at 2018 constant prices.[5] The average per capita food expenditure decreases between 2013/14 and 2018 are more significant at the lowest expenditure deciles than the highest expenditure deciles. Figure 2-3 shows the per capita weekly food expenditure by households' expenditure deciles. The average per capita food expenditure at the lowest decile represented about one tenth of that at the highest decile in 2018.

In 2018, the highest average per capita food expenditure was recorded in Rest of Upolu (SAT66.15), followed by Savai'i (SAT64.13), North-West Upolu (SAT50.24), and Apia Urban Area (SAT44.76).

Figure 2-2: Household Average total weekly per capita expenditure –SAT current prices



Source: Samoa HIES 2018, HIES 2013/14, HIES 2008, HIES 2002

Though subsistence production is an intrinsic component of Pacific culture and traditions, the share of own food production in total per capita food expenditure has been gradually declining since 2002. Nevertheless, there was a small increase between 2013/14 and 2018. At the national level, the share of own food production in total per capita food expenditure averaged 26.6% in 2018, slightly up from 25.9% in 2013/14, but down from 28.4% and 29.9% in 2008 and 2002, respectively.

Between 2002 and 2008, there was an increase in own food production for households in the lowest three expenditure deciles, from 41% in 2002 to 45% in 2008. This increase was caused by rising food prices and inflation due to the global economic and financial crisis. These factors explain the increase of basic-needs poverty when, at the same time, food poverty was trending downwards. The share of own food production for households at the lowest three deciles decreased between 2008 and

[5] *The average weekly expenditure on food per capita was equal to SAT65.35 in 2013/14, up from SAT42.02 and SAT38.64 in 2008 and 2002, at current prices.*

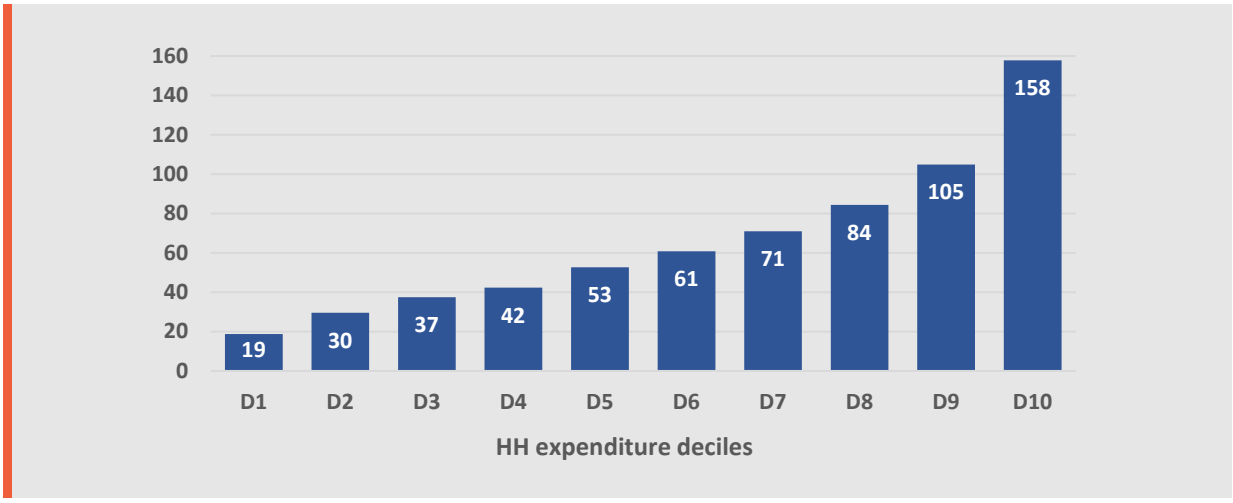
2013/14. In 2013/14, it decreased further to 25.6%, but experienced a slight rebound to 25.6% of total food expenditure in 2018.

Conversely, the share of own food production for households at the highest expenditure quintile declined from 17% in 2002 to 13% in 2008, and then rose significantly to 24% of total food expenditure in 2013/14. Finally, in 2018, the share slightly increased to 25.4%.

This data partially reflects the impact of cyclone Gita in February 2018. The annual inflation growth was equal to 3.7% in 2018, compared to 1.3% in the previous year, affecting local food prices (IMF, 2019).

The share in own food production of total food expenditure is, as expected, lower in urban areas than rural equivalents because, according to the 2014 DHS, only 36.5% of urban households owned agricultural land compared to 69.3% of rural households, Table 2.2. In 2018, the Apia Urban Area recorded the lowest share of own food production in total food expenditure (15.5% compared to 32.6% in Savai'i, 31.8% in Rest of Upolu, and 23.4% in North-West Upolu). In Apia Urban Area, the share of own food production at the lowest expenditure quintile in 2018 was 11.2%, compared to 15.5% at the highest quintile. Meanwhile, in Savai'i, where resources, particularly land, are more easily accessible, the share of own food production at the lowest quintile is 31.6% compared to 30.9% at the highest quintile.

Figure 2-3: Per capita average weekly food expenditure by HH expenditure deciles (SAT)



Source: Samoa HIES 2018, HIES 2013/14, HIES 2008, HIES 2002

When looking at the top non-food expenditure, the picture given by the HIES 2018 is similar to the one represented in the HIES 2013/14. In 2018, the top non-food expenditure items for households in both the lowest three and the highest three expenditure deciles were donations and contributions to religious organizations, followed by phone cards and recharge cards for the three lowest deciles and petrol for the three highest deciles.

Table 2.2: Own production percent of total food consumed

	National		Apia		North-west Upolu		Rest of Upolu		Savai'i	
	2013/14	2018	2013/14	2018	2013/14	2018	2013/14	2018	2013/14	2018
Average	25.9	26.6	10.3	15.1	21.6	23.4	31.9	31.3	32.8	32.6
Q1	25.1	24.8	13.2	11.2	23.6	20.2	29	30.8	32.2	31.6
Lowest 3 deciles	25.5	25.6	11.1	13.4	23.8	20.6	29.5	30.5	32.5	32.6
Deciles 4 through 7	27.7	27.7	11.1	15.9	23.7	24.3	31.6	32.2	34.2	34.1
Q5	23.8	25.4	8.9	15.5	16.9	24.2	34.5	30.7	30.7	30.9

3 Poverty indicators: a comparative analysis

Key findings:

- At the national level, food poverty incidence amongst the population is estimated to have declined by about 60% between 2002 and 2013/14, from 10% in 2002 to only 4.3% in 2013/14.
- Over the same period the Incidence of basic-needs poverty also fell, declining from 22.9% in 2002 to 18.8% in 2013/14.
- However, between 2014 and 2018, the incidence of both food poverty and basic-needs poverty increased, rising to 5.2% and 21.9% respectively.
- The increasing level of poverty is moving Samoa away from achieving the SDG1 target, requiring effective action by the government and international organizations to reverse the trend, especially in the face of the COVID-19 crisis.
- Food poverty varies when analysed at the sub-national level: food poverty increased between 2013/14 and 2018 in Savai'i and Rest of Upolu, while it stayed stable in Apia Urban Area. Finally, the incidence of food poverty decreased in North-West Upolu.
- The basic-needs poverty incidence is related to the global crisis and natural disasters, highlighting the Samoan economy's high vulnerability to external shocks.
- The increase in the severity and depth of poverty is in line with overall trends in poverty indicators. In all the subnational regions, the severity of poverty was greater in 2018 compared to 2013/14.
- The increase in the general level of hardship and poverty between 2013/14 and 2018 is consistent with macroeconomic performance over the period, with the GDP annual rate of growth being a negative 2.2%. In 2018, both the agriculture and industry sectors recorded lower levels of value added.
- Nationally, there is no evidence of a significant difference in poverty depth and severity between households with female heads and male heads. However, in Apia Urban Area and Savai'i, both severity and depth of poverty are slightly higher among female headed households than male headed households. In North-West Upolu and the Rest of Upolu, poverty's depth and severity are higher among male headed households than amongst female headed ones.

As a multidimensional and complex concept, poverty has several interpretations, and different poverty measures may be legitimate (Atkinson, 2019). Poverty has several dimensions that can affect its definition, measurement, and conceptualisation: these include dimensions of social, cultural, political, technical, spatial, and time. Beyond methodology, poverty measurements are dependent on having disaggregated, comprehensive, reliable data. Incomplete data increases the complexity of evaluating and measuring poverty. Moreover, the collected information should guarantee data

comparability over time, multiple/varying information sources, and between countries for international comparison.

Hardship and vulnerability are closely related because households experiencing hardship may enter the poverty cycle when faced with external shocks. Households in hardship may struggle to save resources to use in response to adverse 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 PICs contribute to hardship and vulnerability by limiting the private sector's size and diversity. Economic openness is needed to counteract the effects of their size and geography and mitigate the vulnerability by limiting economic dependency on external markets (Adelman and Ivaschenko, 2014).

Attention and interest in poverty measurement have grown in the PICs. 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. The analysis of strategies to reduce poverty supports 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 The Samoa Poverty lines

Poverty measures in the PICs regularly use the cost of the basic-needs approach, which underpins the construction of poverty lines (Haughton and Khandker, 2009). Poverty incidence is captured by a headcount index that measures the proportion of the poor population as defined by the 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. The approach requires first to estimate the cost of acquiring enough food for adequate nutrition (internationally set to approximately 2,100-2200 kilocalories per person per day) and then adds the cost of other essentials such as clothing and shelter. The food energy intake method is used when price information is missing. This method allows researchers to determine the expenditure level at which a household or a person acquires enough food by comparing expenditure per capita against food consumption (in calories per person per day), which is the Food Poverty Line (FPL).

The Basic Need Poverty Line (BNPL) combines the measure of the cost to buy sufficient food to survive and the allowance for basic, non-food expenditures. The basic, non-food expenditure is the additional costs that a household or individual in the lowest expenditure quintiles may incur to

guarantee essential items (including only the 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 quintiles prevents the inclusion of luxury items when estimating the basic, non-food expenditure (Abbott and Pollard, 2004).

The Household Income and Expenditure Survey (HIES) collects information to measure the FPL and the BNPL based on consumption/expenditure, as recorded by households and individuals. These indicators are analysed against the socio-economic characteristics of Samoans. The FPL has an absolute base (Average Daily Food Cost Adjusted to 2,200 kcal/capita/day) derived from the lowest three deciles' actual consumption patterns. The FPL represents the cost of a food basket produced or purchased by the household/individuals, and that is sufficient for survival, and it does not necessarily represent what households/individuals desire or consume (Abbott and Pollard, 2004). While poverty incidence is a useful measure, it does not capture the depth or severity of poverty.

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;
- Slightly vulnerable: household expenditure is between 50% and 100% greater than the BNPL.

3.2 Poverty line estimation

As for the previous HIES-based poverty reports versions of the HIES, for the HIES 2018, an expenditure-based method has been used to calculate the basic food baskets and the corresponding food poverty lines. The expenditure-based food baskets were derived from the type of food and expenditure patterns of households in the lowest three expenditure deciles. The food items (from purchases, household production, and transfers to and from households as gifts) were then weighted by expenditure shares and quantities. The top 25 items, with the highest weighted expenditure and covering approximately 75% of all food expenditure, formed the food basket used in the estimation of the FPL. The FPL has an absolute base (2,200 kcal/day) but the items that make up those calories are derived from actual consumption.[6]

3.3 Poverty Indicators

Poverty depth and severity measures are complementary to the incidence of poverty. Poverty depth indicates how far below the poverty line a household or an individual, is while poverty severity gives

[6] *For a more detailed explanation of the derivation of poverty lines in Samoa, please refer to the Samoa Hardship and Poverty Report (2013/14).*

us a measure of how severe the level of deprivation is for those living below the poverty line and considers inequality amongst those below the poverty line. The poverty gap index (PGI) and the poverty gap index squared (PGI squared) measure poverty's depth and severity, respectively.

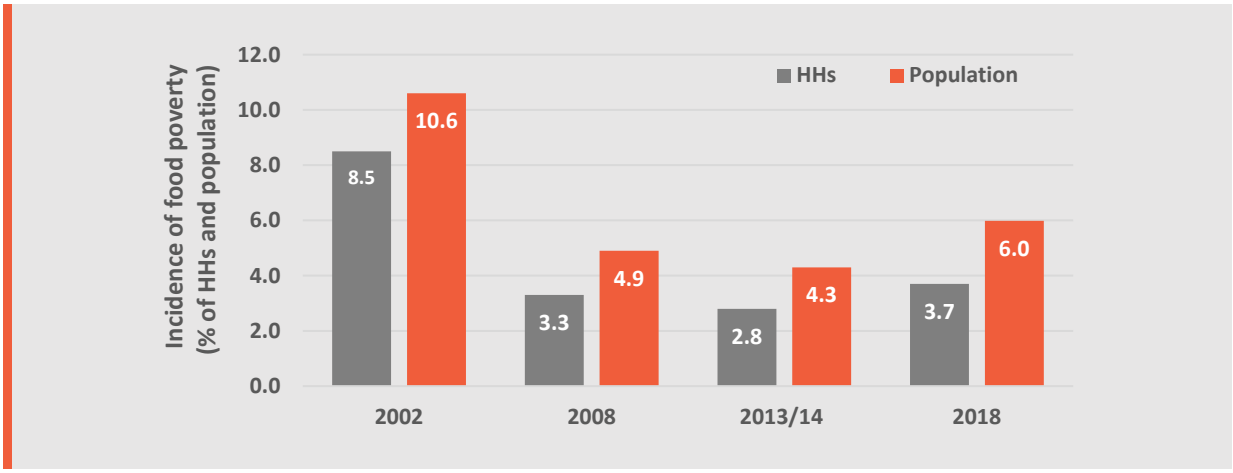
The PGI is calculated by summing up the extent to which individuals, on average, fall below the poverty line (this would be captured by the average difference between household income and the poverty line). The PGI value is expressed as a percentage of the poverty line. The PGI squared is constructed by taking a weighted sum of poverty gaps, where the weights are proportionate poverty gaps, and so when they are squared, greater emphasis is placed on those households that fall significantly below the poverty.

A comprehensive poverty analysis requires a 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 consumption expenditure levels.

3.4 Incidence of food poverty

As shown in Figure 3-1, at the national level, food poverty incidence has been declining since 2002. Between 2002 to 2018, food poverty declined by nearly two thirds. The global economic and financial crisis in 2008/2010 did not increase the incidence of food poverty thanks to subsistence production. The indicator declined rapidly from 10.6% of the population (8.5% of households) in 2002 to 4.9% of the population (3.3% of households) in 2008 and continued this decline to 4.3% (2.8% of households) in 2013/14. The trend changed trajectory between 2013/14 and 2018, when food poverty incidence increased to 5.2% of the population (3.1% of households).

Figure 3-1: Incidence of food poverty in 2002, 2008, 2013/14, and 2018



Source: Samoa HIES 2018, HIES 2013/14, HIES 2008, HIES 2002

The trend of the incidence of food poverty varies when analysing it at the sub-national level. While the three previous versions of the HIES in 2002, 2008, and 2013/14 represented North-West Upolu as the poorest region in the country. The HIES 2018 describes Rest of Upolu and Savaii as having

had an increase in the incidence of food poverty between 2013/14 and 2018, such that all three sub-regions (excluding Apia urban Area) had food poverty rates of between 5.2 and 5.5%; this is likely a consequence of the general slow-down in economic activity in the more rural parts of the country.

In Savai'i, the incidence of food poverty declined significantly from 10.3% of the population (9.8% of households) in 2002 to 2.9% of the population (2.5% of households) in 2013/14. Between 2013/14 and 2018, food poverty incidence is estimated to have increased again to 5.2% of the population (3.4% of households). In Apia Urban Area, the incidence of food poverty declined from 7.6% of the population (5.3% of households) in 2002 to 3.5% of the population (2.3% of households) in 2008. By 2013/14, it had increased to 4.5% of the population but had remained almost unchanged at 2.3% of households.

The level of incidence was stable through 2018 as a percentage of both population (4.5%) and households (2.5%). In North-West Upolu, the incidence of food poverty declined from 16.2% of the population (12.1% of households) in 2002 to 3.3% of the population (2.0% of households) in 2008. Then, it increased to 6.6% of the population (4.0% of households) in 2013/14 and declined again in 2018 to 5.5% of the population (3.4% of households). In the Rest of Upolu, the incidence of food poverty declined from 10.3% of the population (9.8% of households) in 2002 to 2.9% of the population (2.5% of households) in 2013/14. Finally, it increased in 2018 to 5.3% of the population (3.1% of households).

At the national level, when disaggregating data for the gender of the household head, there is only a small difference in the percentage of households under the food poverty line in 2018. In households headed by a female, 3.8% are under the FPL, compared with 3.7 for male headed households.

In Apia Urban Area and Savai'i, the percentage of female headed households under the food poverty line was higher than the male headed households in 2018: 3.3% against 2.2% in Apia Urban Area, and 4.4% against 3.2% in Savai'i. On the contrary, in North-West Upolu and Rest of Upolu, male headed households had the highest percentage of households under the food poverty line: 3.6% against 2.6% in North-West Upolu, and 3.6 against 0.8% in the Rest of Upolu.

3.5 Incidence of basic-needs Poverty and Hardship

The incidence of basic-needs poverty follows the same trend as the incidence of food poverty, with an increase at the national level from 22.9% of the population (19.1% of households) in 2002 to 26.9% of the population (20.1% of households) in 2008, before a decline in 2013/14 (13.4% of households and 18.8% of population), and finally, an increase in 2018 (15.5% of the households and 21.9% of the population).

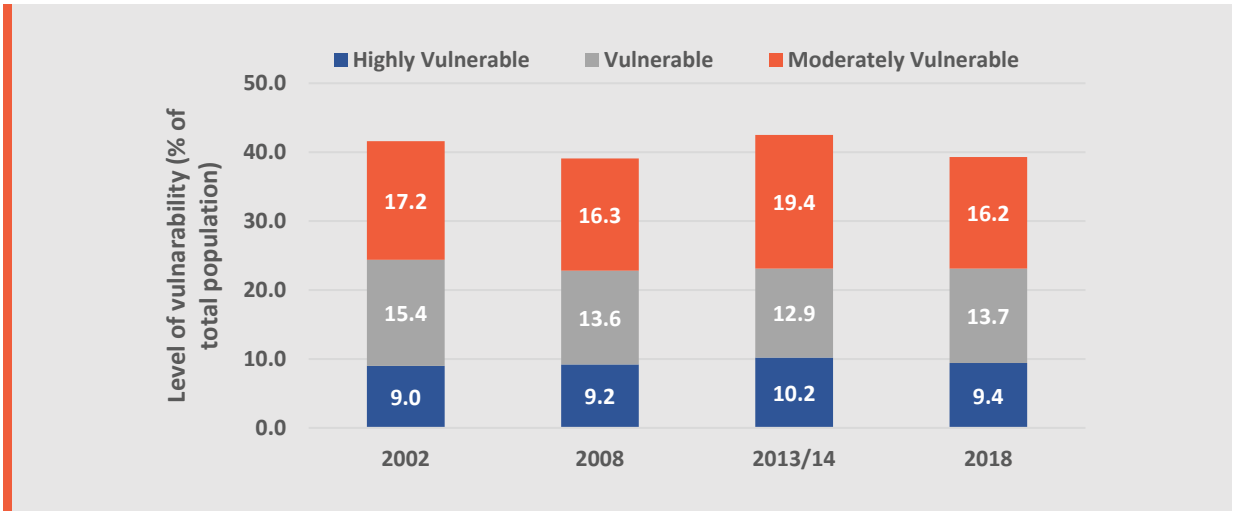
The increase of the indicator in 2008 is related to the global economic and financial crisis, while the rise in 2018 reflects natural disasters and macroeconomic dynamics (see section 5). Both food and basic-needs poverty declined between 2002 and 2013/14 but increased in 2018. At the national level, the proportion of the population that is highly vulnerable to becoming poor (per capita expenditure 20% or less above the basic-needs poverty line) continuously increased between 2002

and 2013/14 but declined in 2018. Highly vulnerable individuals represented 9.6% of the population in 2002, 9.2% in 2008, 10.2% in 2013/14, and 9.4% in 2018.

Vulnerable people are defined as living in households with an expenditure level between 20% and 50% above the poverty line. Between 2013/14 and 2018, there is an increasing trend in the rise in the proportion of vulnerable population. In 2018, they represented 13.8% of the population compared to 2013/14, when the vulnerable population was 12.9%. Conversely, the percentage of vulnerable households and the vulnerable population reduced between 2002 and 2008 (15.4% of the population in 2002 and 13.6% in 2008).

The slightly vulnerable population (with expenditure more than 50% but less than 100% above BNPL) is at its lowest in 2018, compared to the three previous surveys in 2002, 2008, and 2013/14. This population represented 17.2% of the people in 2002, 16.3% in 2008, 19.4% in 2013/14, and 16.3% in 2018 (Figure 3-2).

Figure 3-2: Trends in vulnerability



Source: Samoa HIES 2018, HIES 2013/14, HIES 2008, HIES 2002

At the subnational level, the highest percentage of highly vulnerable people in 2018 is in North-West Upolu (9.9%). Nevertheless, this region has experienced a decreasing trend since 2002. A similar trend is observable in the Rest of Upolu region, where 9.5% of the population is highly vulnerable, while in 2002 it was 10.8%. In both Savai'i and Apia Urban Area, the percentage of highly vulnerable people increased between 2002 and 2013/14 and decreased in 2018. In Savai'i, the figure was equal to 6.6% and 9.4% in 2002 and 2013/14, respectively, and 9.1% in 2018. In Apia Urban Area, the percentage of the highly vulnerable population was 7.8 in 2002, 11.3 in 2013/14, and 8.6 in 2018.

Rest of Upolu had the highest percentage of vulnerable population in 2018 (15.6%). This represents a decrease since 2002 (17.5%) and 2008 (16.5%) but a significant increase since 2013/14 (12.9%). Apia Urban Area had a similar trend, with 11% vulnerable in 2018, after a decreasing trend since 2002 (16.9% in 2002, 10.1% in 2008 and 2013/14).

Savai'i has the highest percentage of moderately vulnerable population in 2018 (13.1%), a decrease compared to 2013/14 (24.7%) and to 2008 (17.7%). In 2002, the percentage was 20.4, suggesting steady improvements. In 2018, the Rest of Upolu had about the same rate of moderately vulnerable people as in 2013/14 (15.6%), i.e., less than the percentage in 2002 and 2008 (17.5% and 22.1%, respectively). In North-West Upolu, the rate of the moderately vulnerable population in 2018 decreased slightly compared to previous survey years. In 2018, the percentage was 13.8, whereas in 2002 the same indicator had a value of 16%. While in 2008 and 2013/14 it was 15.7% and 16% respectively. The Apia Urban Area has the lowest percentage of moderately vulnerable people in 2018 (11%). This represents a decrease from 2013/14 (16%), after increasing between 2002 and 2008 (16.8% and 18% respectively).

At the national level, 35.8% of the female headed households were estimated to be vulnerable against 34.4% of the male headed households. In the Rest of Upolu, the difference between female and male headed households that are vulnerable is significant (41.6% against 32.4%). Such a distinction is present but limited in Apia Urban Area and North-West Upolu, while in Savai'i, the percentage of vulnerable female headed households is lower compared to the male headed ones: 35.6% against 36.8%.

The increase in the general level of hardship and poverty between 2013/14 and 2018 is consistent with growth and macroeconomic performance in 2018, when the GDP annual rate of growth reduced by 2.2% (World Bank). In 2018, the most critical sectors of the economy (agriculture and industry) reduced value added.

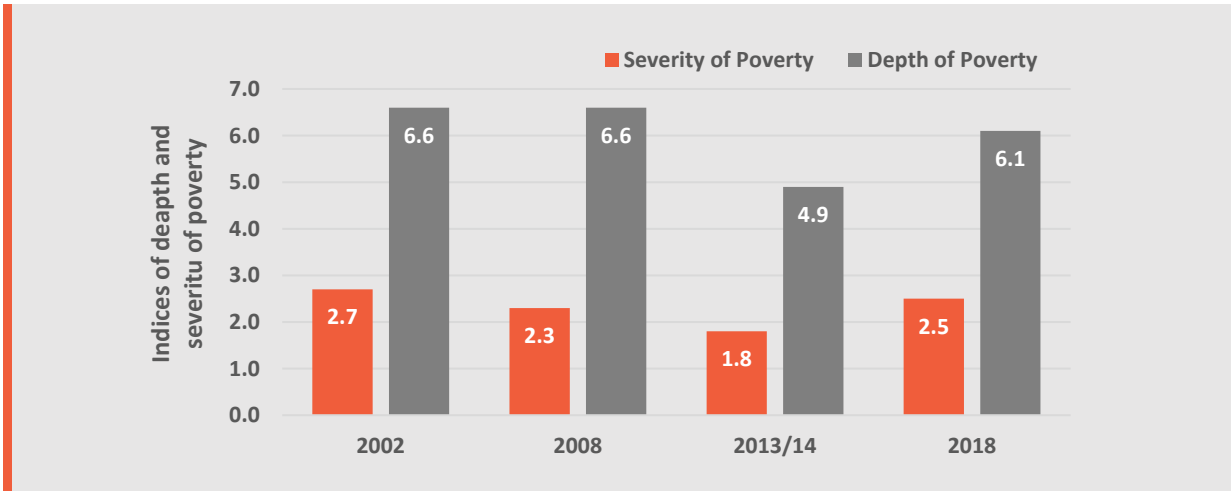
3.6 The depth and severity of poverty

The PGI (depth of poverty) at the national level has increased between 2013/14 and 2018, after a decline since 2002 (Figure 3-3). The PGI was equal to 6.6 in 2002 and 2008. It decreased to 4.9 in 2013/14 and then increased to 6.2 in 2018.

The PGI was highest in Apia Urban Area, at 8.6 (up from 6.7 in 2013/14, 7.1 in 2008 and from 6.5 in 2002), followed by North-West Upolu (6.7, up from 6.1 in 2013/14, 6.5 and 8.8 in 2008 and 2002, respectively), and lowest in Savai'i and the Rest of Upolu, at 4.8 and 5.3 (up from 3.3 and 3.0 in 2013/14, down from 6.6 and 7 in 2008, and 5.4 and 4 in 2002, respectively).

At the national level, the SPGI (severity of poverty) was estimated at 2.6 in 2018, up from 1.8 in 2013/14, 2.3 and 2.7 in 2008 and 2002, respectively (Figure 3-3). The increase in the SPGI is in line with overall trends in poverty indicators, as is the case at the sub-national level. In all the subnational regions, the SPGI increased in 2018 compared to 2013/14. Apia had the highest SPGI (3.7 in 2018 and 2.7 in 2013/14), followed by North-West Upolu (2.7 and 2.2 in 2018 and 2013/14, respectively). The Rest of Upolu has an SPGI of 2.4 in 2018 with a sharp increase compared to 2013/14 when the SPGI was equal to 1. Finally, the SPGI for Savai'i equalled 1.9, with an increase compared to 2013/14 (1.4).

Figure 3-3: Trends in depth and severity of poverty



Source: Samoa HIES 2018, HIES 2013/14, HIES 2008, HIES 2002

Nationally, there is no difference between male and female headed households in terms of depth and severity of poverty, but such a difference is noticeable sub-nationally. In Apia Urban Area and Savai'i, both severity and depth of poverty are higher among female headed households. In Apia Urban Area, the depth of poverty is 11.8 among female headed households and 7.5 among male headed households. Severity is 5.2 in female headed households and 3.2 among their male headed equivalents. In Savai'i the depth and severity of poverty equal to 7.3 and 2.8 among the female headed households, respectively. Among the male headed households, the depth, and severity of poverty equal 4.2 and 1.6, respectively.

A different trend is observable in North-West Upolu and the Rest of Upolu, where the depth and severity of poverty are highest among the male headed households, compared to female headed ones. In North-West Upolu, the depth and severity of poverty equal to 7.1 and 2.9 among the male headed households, against 5.1 and 2.0 among the female headed ones. In Rest of Upolu, the depth and severity of poverty equal 6.0 and 2.7 among the male headed households, while the indicators equal 2.6 and 0.8 among the female headed ones.

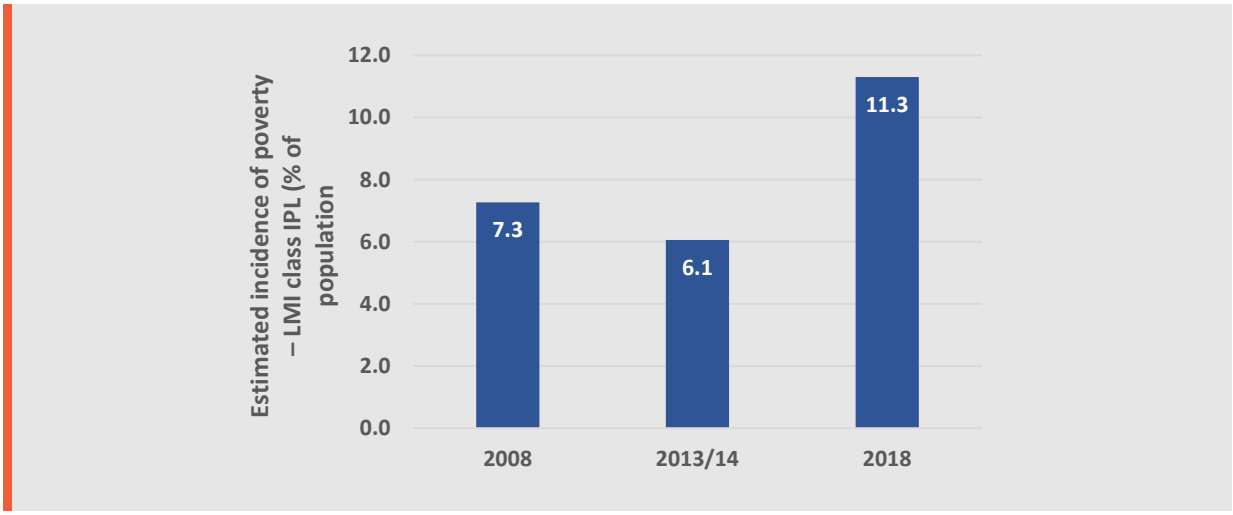
3.7 Sustainable Development Goals: poverty target status

Sustainable Development Goal 1 (SDG1) aims to eradicate extreme poverty by 2030. The indicator used to measure the extreme poverty is the proportion of population below the international poverty line, defined as USD 1.9 per day. Nevertheless, the world's countries have been differentiated in income groups using the World Bank's own income classification of low income; lower middle income; upper middle income; and high income. Each group of countries have a typical poverty line in the same way that the USD1.90 line is typical of the poorest countries. Such lines would still be absolute poverty lines, just higher in value and potentially more relevant for middle- and high-income countries.

Figure 3-4 shows the international poverty line that, for Lower Middle-Income Class (LMIC) countries such as Samoa, equals USD3.20 per day in 2011 PPP. The percent of the Samoan population under this threshold decreased between 2008 and 2013/14 but increased in 2018. It was 7.3% in 2008, 6.1% in 2013/14, and 11.3% in 2018.

The increasing poverty is moving away Samoa from reaching the SDG1, requiring an effective action by the government and international organizations to inverse the trend, especially in front of the COVID-19 crisis.

Figure 3-4: Estimated population under the International Poverty Line (IPL) in 2008, 2013/14, and 2018



Source: Samoa HIES 2018, HIES 2013/14, HIES 2020

4 Expenditure distribution and inequality

Key findings:

- The trend of wealth inequality, which had been increasing since 2002, slowed down between 2013/14 and 2018.
- Inequality was highest in Apia Urban Area and lowest in Savai'i. The Gini index for the respective regions was 0.61. 0.58, 0.57, and 0.43 in Apia Urban Area, North-West Upolu, Rest of Upolu and Savai'i, respectively.
- The national quintile ratio increased by 17% between 2013/14 and 2018, increasing from 8.2 in 2013/14 to 9.6 in 2018.
- Nationally, there was a 3.2% decline in average weekly per capita consumption expenditure between 2013/14 and 2018. At the sub-national levels in Apia, North-West Upolu, Rest of Upolu and Savai'i, the average changes between the two survey points were 2.3, -1.7, -5.7 and -8.7% respectively.

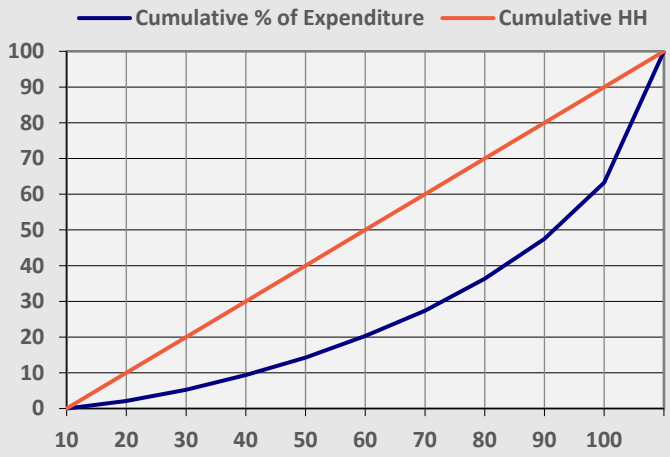
Like poverty, inequality measurements are subject to conceptual and methodological debates. Whilst inequality is multi-faceted – for example, including inequalities in outcomes, healthcare, and opportunity - this report focuses on monetary economic inequality. Fundamentally, most conventional measures 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.

There are a number of indicators to measure inequality, for example:

- 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). A Gini index of 0 would mean perfect equality, whilst an index of 1 would indicate complete inequality.
- Quintile ratio (or 20:20 ratio, i.e., the average national income of the top 20% to the bottom 20%), where the average household income or consumption expenditure of the top quintile is divided by the average household income or consumption expenditure of the bottom quintile. The closer the value is to one, the greater the level of equality.

As with poverty rates, the national level of inequality, as measured by the Gini index, has been increasing over time in Samoa. Between 2013/14 and 2018, the Gini index increased from 0.56 to 0.58, an increase of 5%. This increase is smaller than the increase in inequality experienced in Samoa between 2008 and 2013/14 (an increase of 19% from 0.47 to 0.56). In 2018, the poorest 90% of the population held 63.2% of total per capita consumption expenditure, and the wealthiest 10% held 36.8% of total national per capita consumption expenditure.

Figure 4-1: Lorenz curve at the population level per capita HH consumption expenditure



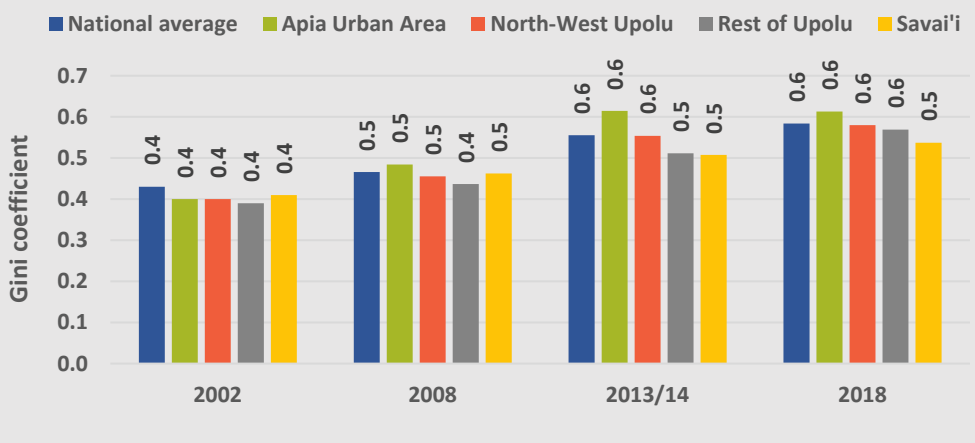
Source: Samoa HIES 2018

Nationally the Gini coefficient was estimated at 0.58 in 2018, an increase of 0.2 points from the level recorded in 2013/14. At the sub-national level, the Gini index was highest in Apia Urban Area (0.61), followed by North-West Upolu (0.58) and Rest of Upolu (0.57). Savai'i recoded the lowest Gini at 0.43, a significant 0.8-point reduction from the level estimated for 2013/14.

Both North-West Upolu and Rest of Upolu saw an increase in the Gini value, up by 0.3 and 0.6 points respectively. The level of inequality for Apia was unchanged between 2013/14 and 2018 (Figure 4-2).

Most PICs have a household Gini coefficient between 0.36 and 0.45. This has likely played an essential role in stifling poverty reduction and has increased vulnerability to external shocks. While, at a global level, such inequality levels are comparatively low, and there is some evidence of a slow regional reduction of inequality, inequality should be an area of interest for policymakers given its multidimensional impact on poverty, economic growth, and social cohesion.

Figure 4-2: Gini index by various regions in Samoa in 2018

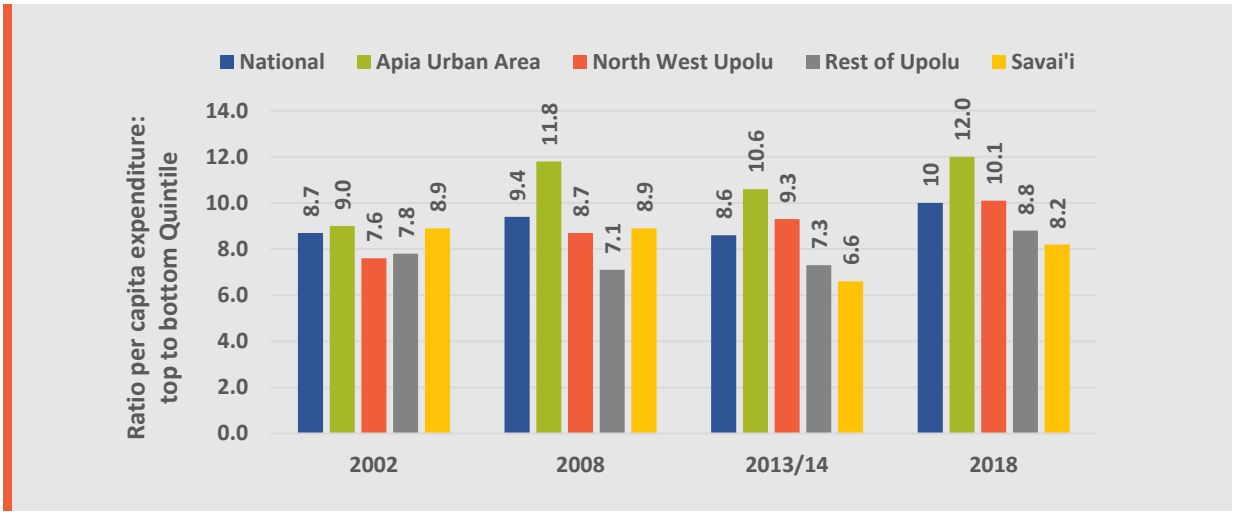


Source: Samoa HIES 2018

Due to its inherent statistical bias towards the median (middle) income (or expenditure) strata, the Gini coefficient must be interpreted cautiously as an indicator of inequality. It should be complemented by other methodologies, such as the quintile of expenditure ratios, where households with the lowest consumption expenditure can be compared directly with those having the highest expenditure in a given society.

Despite a reduction in the quintile ratio between 2008 and 2013/14, since 2013/14, Samoa has experienced a rise in its consumption expenditure quintile ratio, increasing from 8.6 in 2013/14 to 10 in 2018. This 17% increase indicates a growth in the consumption expenditure gap and is consistent across all regions, including in Apia Urban Area, which saw no change in the Gini index between 2013/14 and 2018 (Figure 4-3).

Figure 4-3: Quintile ratio of per capital expenditure by various regions in Samoa in 2002- 2018



Source: Samoa HIES 2018

The increase in inequality comes with a national decrease in average weekly per capita household consumption expenditure between 2013/14 and 2018. Nationally, there was an average reduction in consumption expenditure of 3.2%; however, this varies significantly across quintiles. Households in the lowest quintiles saw their total weekly per capita consumption expenditure reduce by 12.1%, whilst those in the highest quintiles saw an increase in weekly consumption expenditure of 1.8%.

This pattern varies by region. In Apia, the percentage change in average weekly per capita consumption expenditure for the lowest and highest quintiles was -14.2 and -3.3, respectively. In North-West Upolu the percentage change in consumption expenditure was -6.8 and +1.3% for households in the lowest and highest quintiles. Similarly, in Rest of Upolu, the percentage change in consumption expenditure for those in the lowest quintiles was -15.2% between 2013/14 and 2018, and +2.8% for the highest quintile in the same period. The region that experienced the highest average overall reduction in weekly per capita consumption expenditure was Savai'i, with average per capita consumption expenditure reduced by 8.7%. The brunt of this was experienced by those households in the lowest quintiles, these households experienced a decline of 16.5% in per capita expenditure. Households in the highest quintile however, saw an Increase in their consumption expenditure of 3.0%.

5 Growth and macroeconomic performance

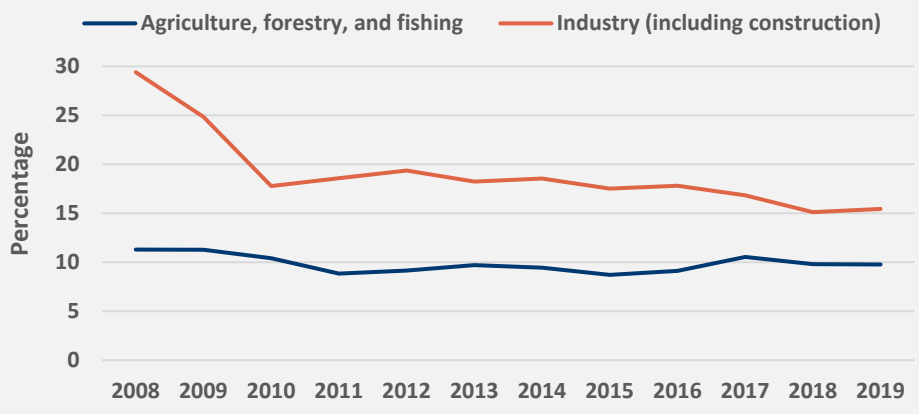
Key findings:

- GDP growth reached a five-year low in 2018 and dropped to -2.2% from 1.01% in 2017.
- GDP growth rate increased to 3.5% in 2019.
- Inflation increased to about 4% in 2018 from -0.4% in 2014 before significantly decreasing to about 1.0% in 2019.
- Total earnings from tourism and total visitors' arrivals have increased throughout in recent years.
- Remittances decreased in 2019 after increasing between 2014 and 2018.

Samoa's economy faces several challenges but continues to show resilience (IMF, 2019). The Samoan economy is heavily dependent on remittances, government spending (including development assistance and borrowing) and tourism. The GDP growth rate in Samoa tends to be quite volatile and has been for several years. GDP growth reached a five-year low in 2018 and was estimated to have dropped to -2.2% from 1.0% in 2017. This reflects the Yazaki manufacturing plant closure in August 2017 and cyclone Gita's impact in February 2018. In 2019, the GDP growth rate increased to 3.5%. Government spending as a percentage of GDP during 2015 through 2019 was stable at about 35%.[7]

The inflation rate in Samoa has on average decreased between 2011 and 2014. The decline in inflation, reaching a record low of -0.4% in 2014. However, inflation increased to about 4% in 2018 before significantly decreasing to about 1% in 2019. The 2018 increase in inflation was driven by cyclone Gita's impact on local food prices, a one-time increase in education fees, and the higher price of imported fuel. Total earnings from tourism and the total number of visitors arrivals indicate a steady increase in tourism from 2002 to 2018, except for a brief period of stagnation in 2009 and 2010.

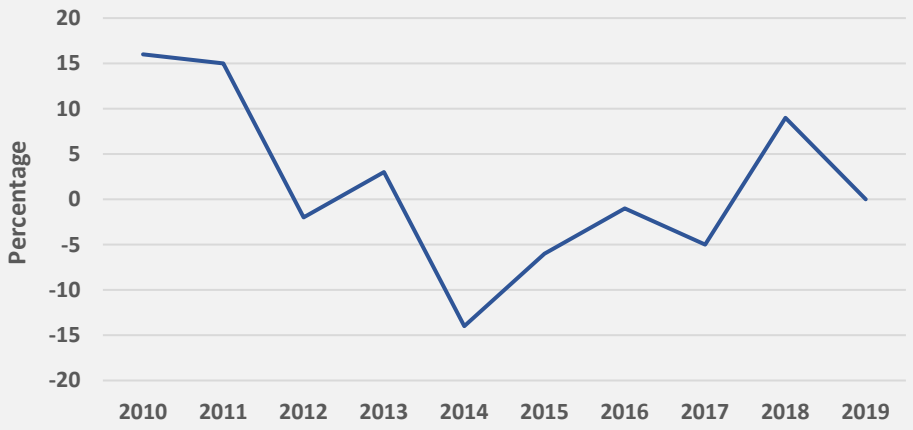
Figure 4: Sectoral value added as a percentage of GDP



Source: World Bank Data

[7] *Samoan authorities; and IMF calculations.*

Figure 5: Remittances Annual Growth Rate



Source: World Bank Data

The agriculture, fishery and forestry sectors stagnated between 2008 and 2019 as shown in Figure 5-1. The stagnation of the agriculture, fishery and forestry sectors contributed to the erratic and poor performance of the manufacturing sector which relies mostly on agro-processing. The industry sector maintained a GDP share of around 17% between 2014 to 2019, declining from about 30% in 2008. The commerce sector, which is the primary contributing sector to the Samoan GDP growth rate, is boosted by remittances and tourism. Remittances decreased in 2019 after growing between 2014 and 2018 as shown in Figure 5-2.

Whereas food prices declined in response to the improvement of the production of local crops after damage by the 2018 Cyclone Gita, food prices can be expected to gradually rise alongside stable inflation because of a weak outlook of import prices, reflecting weak demand globally in 2020. The correction of a rapid weakening of the local currency, the tala, as monetary and fiscal policy responses by central banks has eased the demand of dollar finance needs and help to contain inflation. The tala is expected to depreciate versus the US dollar in step with the basket of currencies against which it is loosely pegged. This is likely to lift inflation at a slightly faster pace in 2021.

5.1 Challenges as a result of the COVID-19 outbreak

Key findings:

- Economic activity was adversely affected by the 2019 measles outbreak in Samoa which damaged tourist perceptions. The adverse impacts were exacerbated in 2020 as global tourism was undermined by the coronavirus outbreak.
- Tourist arrivals from Australia and New Zealand to Samoa fell sharply in 2020 owing to the travel restrictions imposed to contain the coronavirus outbreak.
- With the economies of Samoa's diaspora also suffering from the impacts of the pandemic it is likely that the inflow of remittances from such countries will be fragile

and may also fall. This could further undermine the Incomes and well-being of families in Samoa.

- The impact on GDP is resulting in the diminishing of revenue collection, with the budget surplus narrowing to the equivalent in 2019/20 and raising the deficit as government expenditure continues to rise.
- Samoa remains exposed to global price shocks, with imported prices making up 50% of its consumer price basket. However, lower oil and commodity prices and a fall in consumer demand, offset this, resulting in only a small increase in consumer prices in 2020.

Reflecting its geographical isolation, Samoa has mostly contained COVID-19, with no recorded outbreaks. However, real GDP growth for the fourth quarter of 2019 contracted by 3.7% year on year. The cancellation of bookings began to suppress the tourism sector in the first quarter of 2020, and the COVID-19 pandemic could result in a long-term decline in international travel. The available quarterly GDP data and budget forecasts reveal the extent of the initial economic impacts: in the first quarter of 2020 GDP in Samoa was 4.2% below the level of the first quarter of 2019 (Pacific Community, 2020).

The Samoan government introduced new measures for visitors arriving from countries reporting high COVID-19 cases and cruise ships. Nevertheless, the continued global spread of COVID-19 will make it hard for the government to ease restrictions, and the previously growing tourism sector will be severely affected. Though infrastructure investment supported by Samoa's development partners is expected to contribute to economic recovery partially, declining remittances and external economic uncertainty threaten Samoa's economic growth. Remittances from Samoan migrants are likely to be volatile because of the impact of COVID-19 on the economies where Samoan migrants are either living and/or residing, including the US, Australia, and New Zealand, where the pandemic has also impacted on employment and incomes.

To represent the pandemic's impact on the main economic sectors in Samoa, we may refer to the last available data (fourth quarter of 2020), which demonstrates how tourism in Samoa was significantly affected by the pandemic. Tourism arrivals declined to virtually zero in mid-2020 compared to the previous year. In April 2020, tourism arrivals had declined by 100% when compared to both the preceding month and the previous year. In the second quarter tourism earnings had decreased by 31.9% compared to the preceding quarter and a decrease of 56% compared to the previous year.

When looking at the remittance levels in the first quarter of 2020, data indicated a decrease of 4.4% when compared to the preceding quarter, and an increase of 0.2% compared to the previous year. Inward remittances and tourism revenues are two significant sources of liquidity inflow for Samoa and these declines could deteriorate the current-account balance in the near term.

6 Key characteristics of the poor and vulnerable

This section examines the characteristics of the poor and vulnerable population in Samoa. The poor and vulnerable population is disaggregated to different socio-economic and demographic groups. Doing so provides a basis for better targeting of social protection schemes aimed at reducing poverty.

Key findings:

- 23.8% of the population are estimated to live below the BNPL In North-West Upolu; these persons represent 39% of the total population in Samoa living below the BNPL.
- A further 25% of the total number of those living below the BNPL are located In Apia Urban Area; these represent 28.6% of the population actually living In Apia.
- Thus, almost two-thirds of the least well-off persons are living in either Apia or North-west Upolu.
- The incidence of basic-needs hardship is estimated to have increased at the national level between 2013/14 and 2018 (18.8 to 21.9%) and sub-nationally in Apia, Rest of Upolu and Savaii. Only in North-West Upolu did the incidence rate stay steady at around 24%.
- The distribution of the poor around the country remained fairly stable between 2013/14 and 2018. Approximately one-quarter of the poor lived in Apia, 40% lived in North-West Upolu with nineteen and 17% living in Rest of Upolu and Savaii respectively.
- Nationally there is estimated to be no difference between the poverty incidence of male and female headed households at about 15.5%. However, there are sub-national variations with poverty incidence in male headed households being slightly higher than in female headed households In North-west and Rest of Upolu, and vice-versa in Apia and Savaii.
- The number of children is higher in more vulnerable households than in households with higher wealth, larger numbers of children in households is both a cause and a consequence of lower levels of per capita expenditure and hardship.
- The percentage of children living under the basic-needs poverty line is higher in female headed households in Apia (40.8%) compared to those living in male headed households (30.9%. In Savaii the comparable figures are estimated at 28.9% of children in female headed households and 18.5% in male headed households were estimated to be below the basic-needs poverty line.
- In North-West Upolu and Rest of Upolu the situation is reversed; children in female headed households are less likely to be living in poor households than children living in male headed households.
- An estimated 17% of working adults in formal employment lived below the BNPL with females (18.7%) being slightly more likely than working males (14.7%)

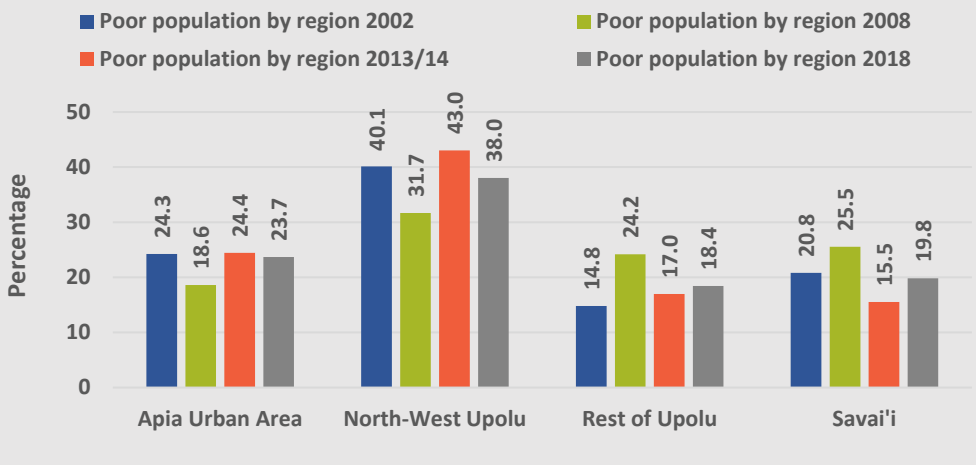
- Those engaged in subsistence agriculture and other unpaid family activities were more likely (18.9%) to fall below the BNPL, with females also being more at risk (19.7%) compared to males (16.9%).
- Employees in government and public sector employment were better off (12.6% below the BNPL, compared to their counterparts in the private sector.
- FPL and BNPL poverty incidence are significantly higher among people with low levels of primary and secondary education compared to those with tertiary education with a poverty Incidence of only 8%.
- The incidence of poverty among those with only primary school education was highest in Apia and North-West Upolu at 30% and 25% respectively, compared to about 15.0% and 16.0% in Rest of Upolu and Savaii respectively...

6.1 Location of the poor

According to the figures in the HIES the number of people falling below the basic-needs poverty line in 2018 was approximately 43,900, an increase of around 7,900 or about 22.0%, over the corresponding figure for 2013/14. Around 24.5% of those living below the BNPL were in AUA, 39.4% in NWU, with 19.1% in RoU and 17.0% in Savaii.

Between 2013/14 and 2018 there were increases in the number of people below the BNPL in all four regions, with the largest increase (37.3%) being in RoU, closely followed by SAV with an increase of 33.4%. However, it may be noted that between 2008 and 2013/14 Savaii recorded the largest decrease in the number falling below the BNPL. Thus, the absolute number falling below the BNPL in 2018 (7,462) is still below the number recorded in 2008 (12,465).

Figure 6-1: Proportion of poor population: comparison between 2002–2018, by region



Source: Samoa HIES 2018

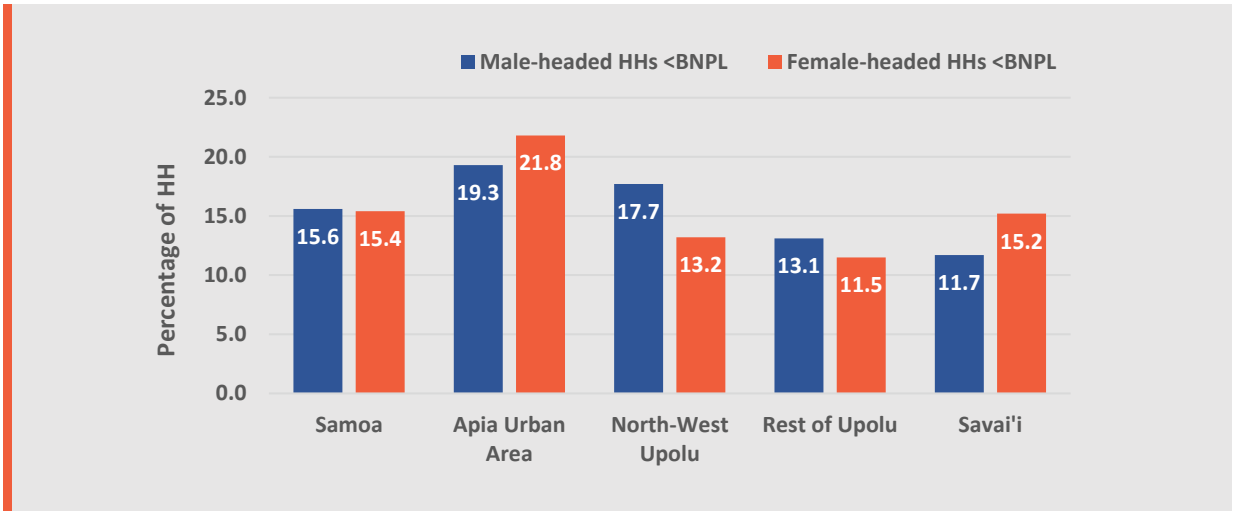
6.2 Gender

The difference in poverty incidence in Samoa when disaggregated by gender of household head is low and is generally consistent with regional trends in Polynesia. Nationally, female-headed households are proportionately represented below the food poverty line (2.9% of all female-headed households compared to 2.8% of all male-headed households).

Nationally, across both genders, the incidence of basic-needs poverty amongst households was about 15.5%. However, at the regional level, the incidence of basic-needs poverty amongst households was lower for female headed households than for those headed by males.in North-west Upolu and Rest of Upolu. In contrast in Apia and Savai'i, the incidence of poverty for female headed households was higher than that for those households headed by males,

In Apia and Savai'i the proportion of female-headed households living below the BNPL was 21.8 and 15.2% compared to 19.3 and 11.7% for male-headed households respectively. In North-West Upolu and Rest of Upolu the proportion of female-headed households living below the BNPL was 13.2 and 11.5% to 17.7 and 13.1% for male-headed households respectively, Figure 6.2.

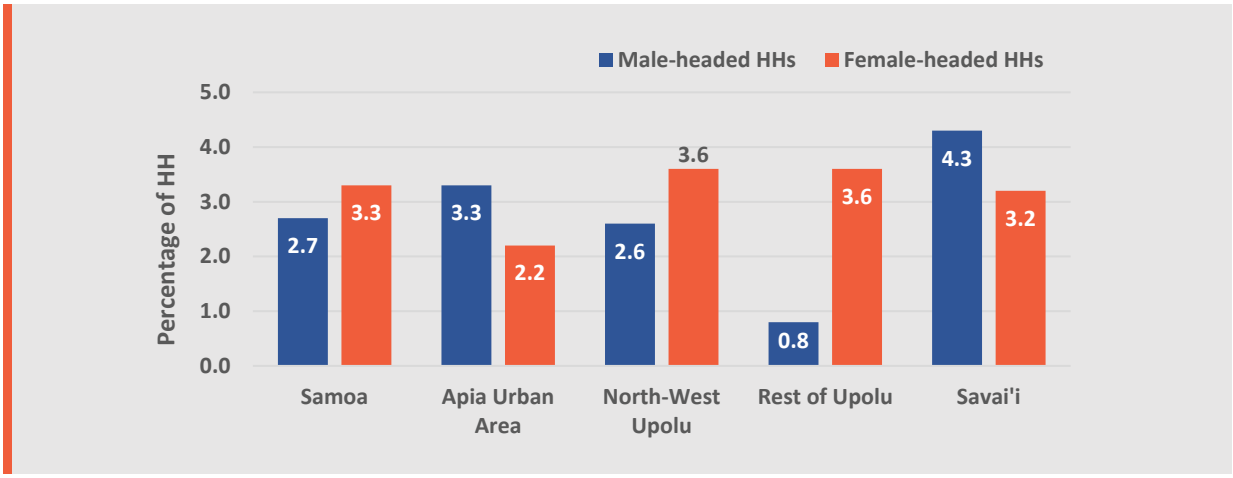
Figure 6-2: Proportion of HH below basic-needs poverty line, by gender



Source: Samoa HIES 2018

When the food poverty line is considered, the national average food poverty rate across households headed by the two genders was about 3.0%, comprising 2.7% for female headed households and 3.3% for male headed households. In Apia and Savai'i, the proportion of female-headed households living below the food poverty line was 3.3 and 4.3% while the proportion of male-headed households was 2.2 and 3.2%, respectively. However, in North-West Upolu and Rest of Upolu, a higher proportion of male headed households are living below the food poverty line compared to female-headed households, as shown in Figure 6-3.

Figure 6-3: Proportion of HH below food poverty line, by gender

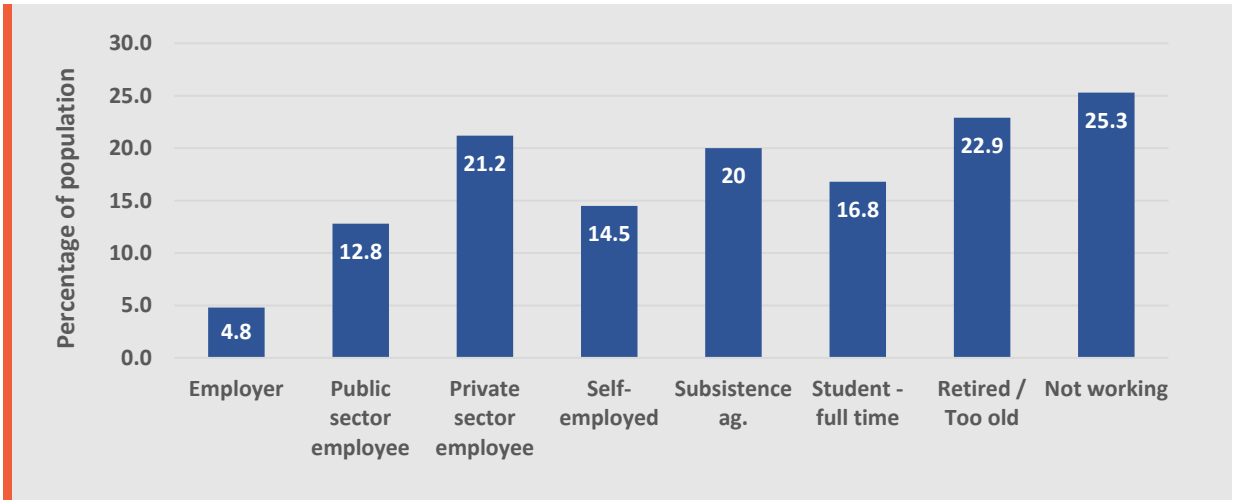


6.3 Economic activity and poverty

In Samoa, 12.6% of those aged 15–60 years that were working as employees in the public sector were living below the basic-needs poverty line, this compares with 20.7% of those employed in the private sector. Incidence of basic-needs poverty is also higher, at 19%, among those engaged in subsistence, and unpaid family work or in family businesses activities. Those in self-employment and/or producing goods and services for sale in the Informal sectors experienced basic-needs poverty incidence of around 14%.

The highest levels of poverty incidence were seen amongst those who were engaged in voluntary work for the church or the community, 23.6% and amongst the retired and elderly, 25.0%. Government and public sector employees are therefore better off compared to their counterparts in the private sector. The incidence of poverty amongst employees in the private sector is almost twice as great as in the public sector (Figure 6-4).

Figure 6-4: Proportion of population below BNPL, by economic activity



Source: Samoa HIES 2018

Females working in the public and private sectors are less likely to be experiencing basic-needs poverty than their male colleagues. In these sectors of employment, the percentage of working age females (15– 60 years old) living below BNPL was 9.9 and 18.3%, respectively, while for working age males, the comparable rates were 14.7% in the public sector and 21.9% in the private sector.

Almost fourteen% of youth-age female workers (15– 29 years old) in the public sector were recorded as being below the BNPL and around about 22% of youth-age females employed in the private sector were living below BNPL. The comparable figures for male youth-aged workers were 17.7 and 25.3% of male workers in the public and private sectors living below BNPL. However, those youth-age males and females living In North-West Upolu and working either in subsistence agriculture or in other family and/or household-oriented activities were the most vulnerable, with an estimated thirty% falling below the BNPL.

Nationally, the proportion of those over 15 years working in subsistence agriculture (unpaid family worker) and who live under the BNPL was estimated at 19%, with the highest rate being seen in Apia (26.7%) and north-west Upolu (26.3%). Young females working in the subsistence agriculture sector (particularly in North-West Upolu) are particularly vulnerable to poverty. At the national level, 22% of females working in subsistence agriculture were below the BNPL, but 29% of females working subsistence agriculture in North-West Upolu were living below the BNPL. One of the main factors contributing to the high incidence of basic-needs poverty in North-West Upolu is the lack of formal employment and limited income generating opportunities (SBS and UNDP, 2016).

The proportion of full-time students aged 15 years and above, retired individuals and those not working recorded as being below the basic-needs poverty line was 14.2, 25.0 and 19.5% respectively, at national level. Disaggregation at the regional level shows that the percentage of full-time students living under the BNPL was 23.6 and 12.1% in Apia and North-West Upolu, and 14.6 and 17.2% in Rest of Upolu and Savai'i respectively. Apia urban area therefore had a relatively higher proportion of students living below the BNPL than the other sub-regions.

The percentage of retired individuals living under BNPL was highest in Apia (34.9%) and North-West Upolu (31.5%) and lowest in Savaii and Rest of Upolu (15.6 and 16.4% respectively).

Therefore, geographic location and economic activity (combined) form a strong determinant of poverty and vulnerability. This can be a sound basis for characteristics-based targeting of poverty (SBS and UNDP, 2016).

6.4 Education Level

There is an inverse relationship between poverty and the level of education. The analysis from the HIES 2018 shows that the incidence of food and basic-needs poverty is significantly higher among people with low levels of primary and secondary education. Nationally, the incidence of basic-needs poverty is 23.6% among those with only primary school education.

For the male population with only primary school education, the incidence of basic-needs poverty was 23.3%, slightly higher than the incidence of poverty among the female population with only primary school education (21.5%). Meanwhile, the incidence of poverty among those with a maximum of secondary school education was 22.3% for males and 23.0% for females. The incidence of basic-needs poverty among those with tertiary education was about 8.6% with males at 8.8% and females at 8.3%, see Table 6-1.

Disaggregation at the regional level shows that the incidence of poverty among those with primary school education is highest in Apia and North-West Upolu. In Apia, it is estimated at 25.4% for males and 29.1% for females, while in North-West Upolu it is 31.8 and 30.4% for males and females, respectively. Moreover, males with no tertiary education in Apia and the Rest of Upolu are more likely to be living below the BNPL than all other groups as the incidence of poverty among this group is estimated at 13.6 and 7.8% in the two regions, respectively. This may be because the low paid employment opportunities in the formal and informal sectors that do not require secondary and tertiary education tend to be male-dominated and concentrated in urban areas (SBS and UNDP, 2016).

Table 6-1: National educational attainment and poverty/vulnerability status, by gender (2018)

Poverty/Vulnerability Status	Primary Education		Secondary Education		Tertiary Education	
	Male	Female	Male	Female	Male	Female
Below FPL (extremely poor)	5.2	5	5.4	5.4	1.1	1.1
Above FPL but below BNPL (living in poverty)	18.2	16.4	16.9	17.6	7.2	7.6
Total Below BNPL	23.3	21.5	22.3	23	8.3	8.8
Less than BNPL +20% (highly vulnerable)	9.4	9.7	9	9.5	5	5.3
Less than BNPL +20% and BNPL +50% (moderate vulnerable)	16.8	14.3	13.3	14	7.4	9.4
Between BNPL +50% and BNPL +100% (slightly vulnerable)	13.6	14.1	16	17.2	14.5	12.9
Not Poor above BNPL +100% (non-poor)	36.8	40.4	39.4	36.3	64.7	63.6

Source: Samoa HIES 2018

7 Vulnerable groups

Key findings:

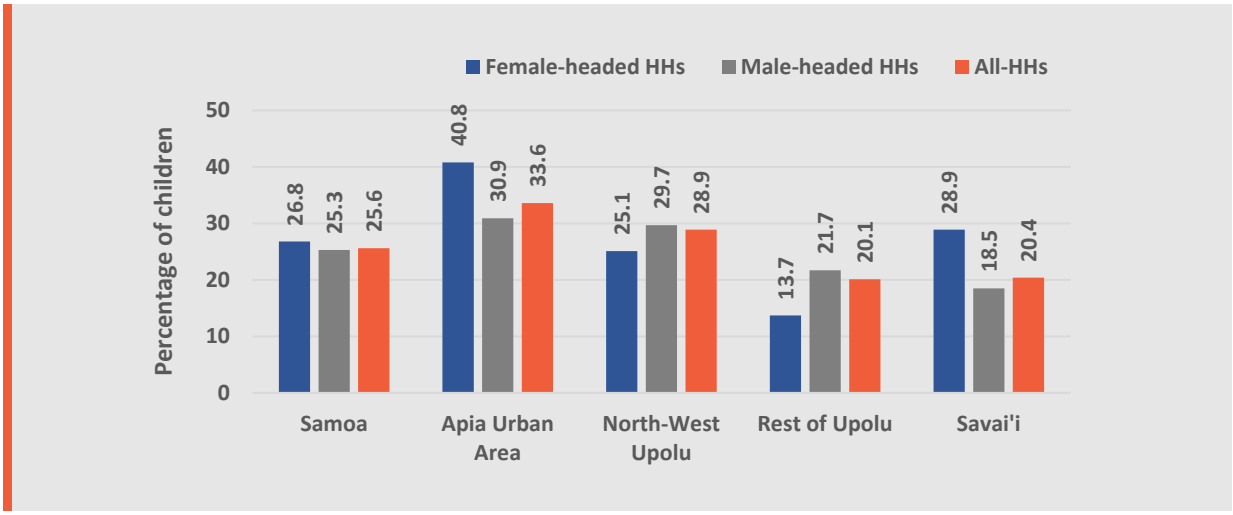
- 26% of all children 0– 14 years were recorded as living below the BNPL.
- Children living in female headed households in Apia (40.8%) and Savai'i (28.9%) were more likely to be living in households below the basic-needs poverty line than those living in male headed households (30.9 and 18.5% respectively). There were however four times as many children living in male headed households than those on female headed households.
- Nationally the incidence of basic-needs poverty was 21.0% amongst male and female youth aged 15– 29 years.
- However, in Apia and North-West Upolu the rates were noticeably higher than in Rest of Upolu and Savaii for both males and female youth. The incidence of basic-needs poverty among youth in Apia was estimated at 26.2% for male youth and 27.6% for female youth and 23.3% and 21.9% In North-West Upolu for male and female youth respectively.
- The comparable figures for Rest of Upolu youth were 16.1 and 13.3% for male and female youth and for Savai'i 16.5 and 15.3%.
- With formal employment hard to find it was also noticeable that 10% of both male and female youth were estimated to be highly vulnerable and living in households with per capita expenditure less than 20% about the basic-needs poverty line.
- As of 2018, nationally 15.8% of the elderly population was estimated to be living below the BNPL. the highest proportion living below the BNPL was in Apia (17.5%) and North-West Upolu (17.4%) and the lowest in Savai'i. (13.1%).

7.1 Vulnerable age groups

7.1.1 Children

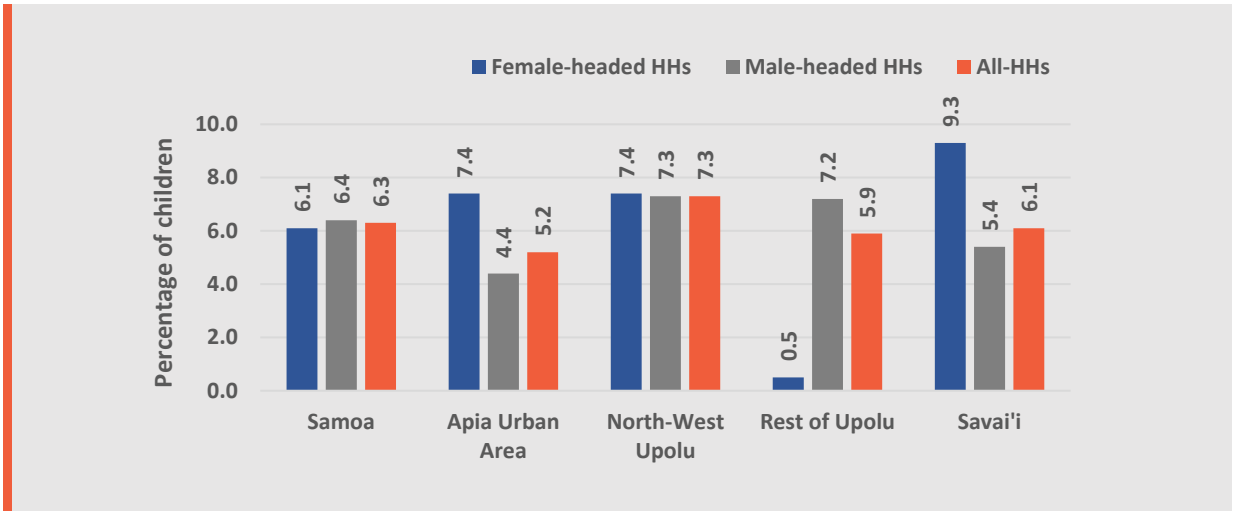
Children can be more vulnerable than other groups because of their young age and dependence on adults. Due to low incomes, households can adopt harmful coping strategies such as pulling children out of school, cutting spending on food or resorting to child labour. Around 26.5% of all children (0–14 years old) in Samoa live under the BNPL and only 32% of children were classified as neither poor nor vulnerable. The percentage of children living in female-headed households who were living below BNPL in Apia and Savai'i was around 41% and 29% respectively, as shown in Figure 7-1.

Figure7-1: Proportion of children living below BNPL, by HH and region



Source: Samoa HIES 2018

Figure 7-2: Proportion of children living below FPL, by HH and region

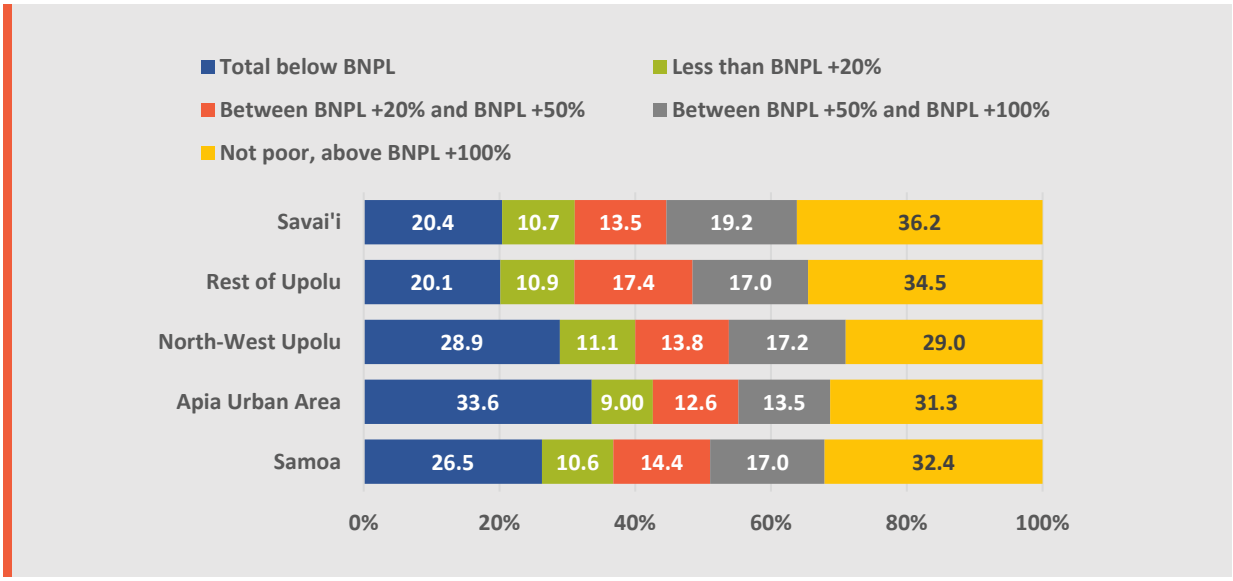


Source: Samoa HIES 2018

At the national level, 6.1% of children living in female headed households are below the FPL (compared to 6.4% of children in male-headed households). This is demonstrated in Figure 7-2, which shows that in Savai'i, almost 10% of children living in female headed households are living below the FPL compared to only around half that in male headed households. At the all-household level, the proportion of children living under the FPL was about 6.3%.

On average, the proportion of children in households under the basic-needs poverty line or considered vulnerable was higher than in households considered not poor or vulnerable at higher expenditure deciles (Figure 7-3).

Figure7-3: Proportion of all children 0–14 years by HH poverty and vulnerability status



Source: Samoa HIES 2018

7.1.2 Youth population

As young people move from school to work, they are presented with opportunities but also face obstacles and risks that can result in poverty and social exclusion. The majority of working age people are economically active and engage in income generating activities, whether in formal or informal employment. Youth (age 15–29) account for 25.6% of the population in Samoa. Around 5.0% of all youth are living below the FPL and a total of around 20.9% of youth are below the BNPL, as shown in Table 7-1.

Table 7-1: Poverty and vulnerability status of youth aged 15–29 years, by region

Poverty/Vulnerability Status	All youth 15–29 years	Apia	North-West Upolu	Rest of Upolu	Savai'i
Below FPL (extremely poor)	5.0	4.4	4.9	5.5	5.3
Above FPL but below BNPL (living in poverty)	15.9	22.5	17.7	11.6	10.6
Total below BNPL	20.9	26.9	22.6	17.2	15.9
Less than BNPL +20% (highly vulnerable)	9.6	9.1	9.8	10.8	8.5
Less than BNPL +20% and BNPL +50% (moderate vulnerable)	13.8	12.0	13.9	15.5	13.6
Between BNPL +50% and BNPL +100% (slightly vulnerable)	16.4	13.6	17.2	14.5	20.0
Not poor above BNPL +100% (non-poor)	39.2	38.4	36.5	42.0	42.0

Source: Samoa HIES 2018

The incidence of basic-needs poverty among youth in Apia and North-West Upolu was estimated at 26.9% and 22.6% compared to 17.2% and 15.9% in Rest of Upolu and Savai'i, respectively. Moreover, nationally, approximately 10% of youth are highly vulnerable to falling into poverty, and around 14% are vulnerable as they live in households where the per capita expenditure is less than 20% and 50% respectively of the basic-needs poverty line.

For those youth in employment, the incidence of poverty and vulnerability is considerably higher among youth working in the private sector. The percentage of youth working in the private sector who are living below BNPL was 24.2% compared to 15.7% among youth working in the public sector.

However, between 2013/14 and 2018, there was a significant increase in the incidence of basic-needs poverty for youth working in the public sector; the rate of incidence is estimated to have Increased from 9.9% in 2013/14. On the other hand, the percentage of youth working in the private sector and living below the BNPL in 2013/14 was virtually unchanged at 24%.

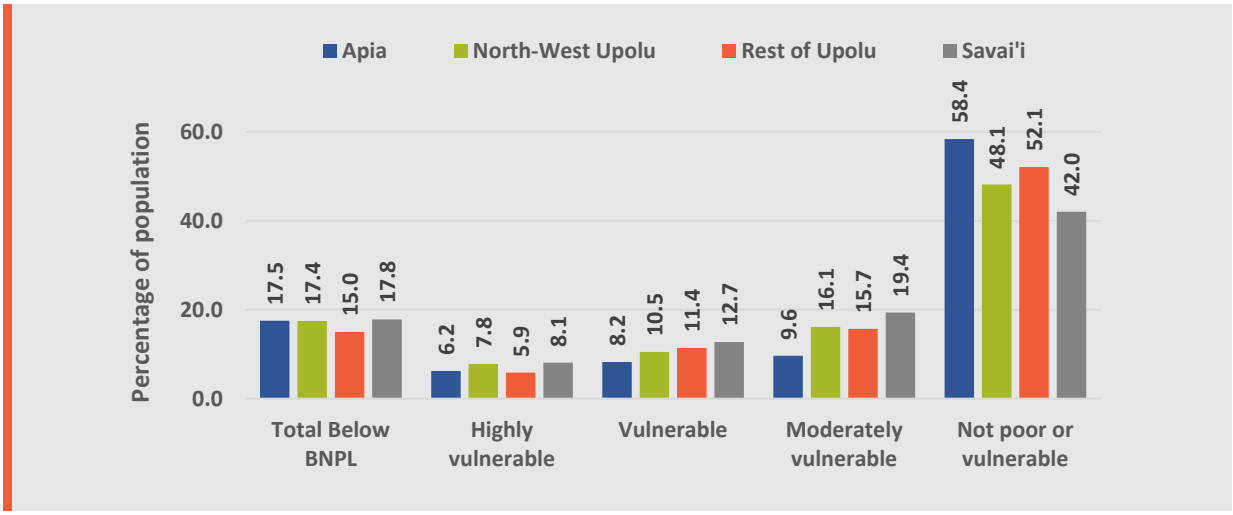
However, in general, government and public sector employees of all age groups were better off than those employed in the private sector. This, however, may be attributed to underemployment and large concentration in low paid jobs due to the nature and structure of the private sector in Samoa (SBS and UNDP, 2016). As COVID-19 undermines the tourism industry, it is likely that private sector employees, who are already amongst the lowest paid workers, will experience further economic hardship.

7.1.3 Elderly population (aged 60 and above)

In all countries, both developed and developing, older people face an array of vulnerabilities. Among these are lack of income, health insecurity, and the need for physical care. Older people in nearly all settings are, on average, less likely to have paid employment than working age adults. Older people often rely for income on a combination of savings, pensions, welfare benefits and support from family members. Savings, aside from often being small, can lose value to inflation (Bloom et al. 2011). The lack of income has economic disadvantages, particularly as it can exacerbate the risks associated with illness and disability, acute hunger and extreme poverty and vulnerability among the older adults. In 2018, the percentage of the elderly population in Samoa living below BNPL was an estimated 15.8%. This was an increase from 13.3% in 2013/14.

As shown in Figure 7-4, the proportion of the elderly population living below BNPL in 2018 was highest in Apia and North-West Upolu at an estimated 17.5 and 17.4% respectively and lowest in Rest of Upolu (15.0%) and Savai'i (13.1%). Compared to 2013/14, the percentage of elderly population living below BNPL had decreased in Apia and North-West Upolu from about 20% while it had increased in Savai'i and Rest of Upolu from about 8%.

Figure 7-4: Poverty and vulnerability status of the elderly aged 60 years and above, by region



Source: Samoa HIES 2018

8 Human and multidimensional poverty

Look beyond monetary measure of poverty is essential to understand the full extent of poverty and hardship. Generally, this approach entails looking at how individuals could be left behind in non-monetary areas such as education, health, and living standards in terms of housing and access to essential services such as clean water, sanitation, and energy.

Key findings:

- 98% of households have access to electricity through the main grid, regardless of region or consumption expenditure decile.
- Almost all households have a designated cooking area, but sources of cooking energy vary by region: stoves/burners are predominantly used in Apia, whilst open fires are most common in North-West Upolu, Rest of Upolu and Savai'i.
- On average, a higher proportion of female headed households use clean energy sources such as electricity or gas for cooking with 47.9% of female headed households using either an electric or gas cooker compared with 39% of male headed households.
- 85% of households have access to piped water nationally, with the next most common source being rainwater tanks (8.3%). This is the case for most regions other than Apia Urban Area where the second most common water source is bottled water (6.7% of households).
- The large majority of households (95, 86, 84 and 83% of households in Apia, Savai'i, Rest of Upolu and North-West Upolu, respectively) reported having access to their own flush toilets.
- At the national level, 45% of households live in closed European houses, around 34% of households live in open European houses, and 18% live in Samoan Fale-type houses (open and closed).
- Households with high consumption expenditure tend to reside in European-style houses, whilst households in the lower consumption expenditure deciles tend to make up a higher proportion of all households residing in Samoan-Fale houses.
- 83% of all households in Samoa reported having access to an internet connection, almost double the number recorded in 2013/14.

8.1 Access and use of energy

Almost all Samoans (99.4%) reported having designated cooking areas. Nationally, just over half of all households reported having cooking facilities only outside the house (53%). However, this proportion varies significantly by region, with 74% of households in Savai'i and 63% of all households in the Rest of Upolu having only outdoor cooking areas, compared with 20% of households in Apia. The variation in Apia's cooking facilities is unsurprising, given that it is a wealthier and predominantly urban area.

The most common sources of energy for cooking vary by region. Nationally, the most common methods were open fire, gas stoves/burners, and wood stoves, with 39, 35 and 14% of households reporting using these methods, respectively. This was also the case for male headed households, but not for female headed households where, whilst the energy sources were the same, the proportions varied: the most common cooking energy source for female headed households was gas stove/burner, followed by open fire and then wood stove (41.2, 33.6 and 12.2% respectively).

In Apia, gas stoves/burners were the most commonly used cooking method whilst open fire was the most common individual method of cooking in Savai'i, North-West Upolu and Rest of Upolu; especially in Savai'i where 71% of households reported using an open fire. Again, a similar pattern is seen amongst male and female headed households, however, a higher proportion of female headed households reported using cleaner sources of energy such as gas and electricity compared to their male headed household counterparts (see Table 8-1).

Table 8-1: Percentage of HHs using clean[8] energy sources for cooking, by sex of HH head

Region	Male headed HHs (%)	Female headed HHs (%)
Samoa	39.0	47.9
Apia Urban Area	71.6	75.9
North-West Upolu	41.7	48.9
Rest of Upolu	28.9	34.1
Savai'i	18.8	22.3

Source: Samoa HIES 2018

Access to electricity through the main grid is high across Samoa and covers 98% of all households. This is the case across all geographic areas of Samoa, with most households accessing main grid electricity via cash power meters. Wealthier households tend to be set up via a post-paid supply. Over half of all households (54%) access mains grid electricity using a post-paid system, especially households from the top three per capita expenditure deciles. Nearly half of those who use kerosene lamps for lighting are from the bottom three household per capita expenditure deciles. However, the use of Kerosene lamps is hugely uncommon in Samoa with only 0.5% of all households reporting this to be the main source of light energy.

8.2 Drinking Water and Sanitation

Around 85% of all households in Samoa have access to piped water (68% metered and 17% non-metered). The second most common source of drinking water nationally is from rainwater tanks. This is relatively consistent across different regions, however there is some variability in the proportion of households that only use piped water. Most notably this occurs in the Rest of Upolu where – despite the majority (79%) using piped water as their main source – a larger proportion reported using other secondary sources, specifically rainwater tanks. Apia Urban Areas deviates, and a higher

[8] *Clean energy sources include electric, gas and solar powered*

proportion of households have access to piped water (around 87%), but the next most common source of drinking water is bottled water (6.7%).

Similarly, most households in Samoa have access to their own flushed toilet. Again, this is the case across all regions, though the proportion of households that reported having an own flushed toilet varies – 95, 86, 84 and 83% of households in Apia, Savai'i, Rest of Upolu and North-West Upolu, respectively. For households that reported having their own flushed toilet, there was little variability in per capita expenditure deciles, but, as it is expected, the majority of households reporting to have not improved sanitation systems sit in the lower household per capita expenditure deciles.

On average, households in Samoa spend around 3.1% of their non-food household consumption expenditure on water utility. Households in the bottom 30% spend an average of 5.4% whilst those in the top 30% spend an average of 2.4%.

8.3 Housing

Samoa's main housing types are European closed and open houses, with and without extensions and the Samoan Fale. At the national level, 45% of households live in closed European houses and around 34% of households live in open European houses. Samoan Fale housing is the next most common type of housing, comprising open and closed Samoan Fale, with and without an extension, and 18% of all households live in this type of housing.

Housing type varies by region and level of household consumption expenditure. In Apia, most households reside in European house types (81%), 34% of all households residing in closed European houses with extensions. In other parts of Samoa, whilst European housing is still the most common, a larger proportion of households reside in Samoan Fale style houses: in North-West Upolu, Rest of Upolu and in Savai'i the proportion of households living in a Samoan Fale is 18, 20 and 21% respectively.

Overall, households with high consumption expenditure reside in European houses, whilst households in the lower consumption deciles make up a higher proportion of all households in Samoan Fale housing. Very few households reside in two storey Samoan housing or European housing (3.1 and 0.1% respectively), and in the case of the former, most are from the top three deciles (76%).

Overall, households with higher levels of consumption expenditure tend to reside in housing with higher quality/more durable material, which is the case across all regions. For example, the bottom three deciles make up 55% of households with predominantly gravel flooring, nearly 40% of those with open/no walls, and roughly 39% of households with thatched roofing.

8.4 Education and Health

On average, households in Samoa spend 3.2% of their non-food household consumption expenditure on education. Households in the bottom three deciles average 5% of their non-food household consumption expenditure on education, whilst those in the top three deciles spend an average of 2.5%.

Data on health in 2018 are consistent with information from previous years. Incidence of Non-Communicable Disease is at 6.4%, with prevalence higher amongst women than men. Like previous survey years, hypertension and diabetes continue to be the main NCDs in Samoa and across all regions. Improving health has been a top priority for the Government of Samoa, with expenditure allocated to the health sector averaging around 17% of the national budget in 2014/15.

During the time of HIES 2018, before COVID-19 and the 2019 measles outbreak, Samoa was on track to achieve most of its SDG health indicator targets, including health behaviour and lifestyle target relating to NCDs. More generally, the Ministry of Health has put forward the Package of Essential NCDs Interventions (PEN) to improve awareness and early detection of NCDs.[9]

8.5 Internet Connection

In 2013/14 38% of all households in Samoa had access to some form of internet connection, by 2018 this had Increased to 83.4%, principally through the significant Increase in the use of smartphones. In 2018 mobile phone ownership was almost universal with 96.9% of households reporting mobile phone ownership up from 83.8% In 2013/14.

However, access to internet varied considerably between sub-regions. Internet access was highest in Apia and North-West Upolu at 92.3 and 87.0% respectively and lowest in Rest of Upolu (81.2% and Savaii (71.7%). These levels of access represented very significant increases in each region from 2013/14. Access doubled between the two survey dates in Apia and North-west Upolu and increased by three times in Rest of Upolu and Savaii.

Access to the internet between male and female headed households' favours female headed households at the national level at 87.5% to 82.3% for male headed households. Female headed households are slightly better connected in Apia 93.0% to 92.1% and also in Savaii 72.2 to 71.6% but more noticeably in North-West Upolu 92.9 to 85.5% and in Rest of Upolu 85.2 to 80.3%.

The generally lower levels of coverage in Savai'i and the Rest of Upolu are consistent with previous survey years but also do not capture the expected effects of the Samoa Submarine Cable, which would have been completed just after the completion of the HIES 2018.

[9] https://sustainabledevelopment.un.org/content/documents/26429Samoa_Samos2ndVNR2020reduced.pdf

9 Income analysis

Key findings:

- Income from wages and salaries made up 48.2% of total household income nationally in 2018. The share of wages and salaries in total household income varies by region. Wages and salaries comprise the largest component of total income in Apia (63.5%) and North-West Upolu (50.6%, closely followed by rest of Upolu (35.6% with Savaii (31.5%) being the lowest.
- Almost two-thirds of all households in Samoa received wages and salaries in 2018. In Apia the proportion of households receiving wages and salaries was 83.5% followed by North-West Upolu with 72.8%. The Rest of Upolu and Savaii had the lowest proportion of households with wages and salaries at 59.1 and 46.9% respectively. These figures reflect the lower levels of employment available for those living away from the main Urban and economic centre of Apia.
- The value of subsistence production in total Income amounted to 25.3% of total Income in Savaii and 21.7% in Rest of Upolu, however In Apia and North-West Upolu it accounted for only 4% and 11.2% respectively.
- Remittances were also proportionately more important as a source of income to households In Rest of Upolu (10.0%) and Savaii (9.6%) than In Apia (3.4% and North-West Upolu (8.0%).
- Nationally and sub-nationally female headed households earn slightly less in average wages and salaries than their male counterparts; SAT52.33 per week compared with SAT53.22 for male headed households.
- In the lowest three deciles (measured by per capita expenditure) female headed households received wages and salaries equivalent on average to SAT32.45 per capita per week compared to SAT27.50 for male headed households. In the middle four deciles (4th to 7th) female headed households received on average SAT55.58 per week in wages and salaries compared to only SAT47.05 for those households headed by males.
- Only in the top three deciles did male headed household received more in wages and salaries per capita per week (SAT113.59) compared to female headed households (SAT89.24 per capita per week).

9.1 Wages and salaries

Total weekly income from wages and salaries is estimated to have been around SAT10.6 million in 2018 (SAT550 million per annum, equivalent to approximately 26% of GDP.)

Apia and North-West Upolu received 74.5% of total national income from wages and salaries. rest of Upolu and Savaii receive the balance of wages and salaries equivalent to 25.5% of the total.

Nationally, income from wages and salaries make up on average almost one-half (48.2%) of total household income, though this varies significantly by region. In Apia income from wages and salaries made up 63.5% of total household income (almost one-third higher than the national average). This reflects that whilst nationally 27.5% of the working age population were engaged in some form of wage or salary employment (public or private), in Apia 43.4% of the working age population are engaged in wage/salaried employment. Wages and Salaries comprised 50.6% of household Income in North-West Upolu, and significantly less In Rest of Upolu (35.6% and only 31.5% In Savaii.

Table 9-1: Wages and salaries as proportion of total income by HHs per week by decile group and region

HH per capita expenditure decile	Samoa	Apia	North-West Upolu	Rest of Upolu	Savai'i
Lowest 3 deciles	56.3	72.9	60.7	45.0	35.2
Deciles 4 through 7	50.8	68.9	53.5	33.9	35.0
Highest 3 deciles	43.1	55.8	45.3	32.6	26.7
Average all deciles	48.2	63.5	50.6	35.6	31.5

Source: Samoa 2018 HIES

Overall, the average weekly per capita income from wages and salaries was almost equal for those living in female headed households (SAT52.33 per capita per week) compared to SAT53.28 for those living in male headed households Table 9-1.

In the lowest three deciles (of per capita household expenditure) female headed households earned an average of SAT32.45 per capita per week compared to SAT27.50 for male headed households in the same deciles. In the middle 4th to 7th deciles female headed households also had a higher income from wages and salaries than those households headed by males SAT55.58 compared to SAT4705. Only In the highest three deciles did male headed households have a higher income from wages and salaries than those in female headed households, SAT113.59 compared to SAT89.24.

Table 9-2: Average per capita wages and salaries received by HHs per week by decile group, region and sex of HH head

HH per capita expenditure decile	Apia		North-West Upolu		Rest of Upolu		Savai'i		All HHs	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Lowest 3 deciles	51.2	59.1	27.6	28.5	23.1	18.0	13.0	18.8	27.5	32.4
Deciles 4 through 7	103.3	112.9	43.3	58.4	28.8	27.0	27.9	20.8	47.0	55.6
Highest 3 deciles	239.9	166.0	118.7	89.1	71.6	64.8	51.4	21.0	113.6	89.2
Average all deciles	111.7	95.6	52.6	55.7	35.3	28.8	27.4	19.9	53.3	52.3

Source: Samoa 2018 HIES

The share of wages and salaries received by each decile group national and across the four sub-regions Is quite similar as Illustrated in Table 9-2. Nationally and in three of the sub-regions the lowest three deciles each received around one-fifth of all the wages and salaries in the respective regions. Only Rest of Upolu stands out with the lowest three deciles receiving just over one-quarter of the wages and salaries.

In Apia (38.6%), North-West Upolu (34.4%, and Rest of Upolu (33.3%) the middle four deciles all received around one third of wages and salaries. In Savaii the middle four deciles received the highest proportion of wages and salaries at around 42% of the total. The top three deciles In North-West Upolu received 45,2% of wages in that region, with these deciles in Apia receiving 40.9% of all wages and salaries. The top three deciles in Rest of Upolu (40.4%) and Savaii (36.8%) received the lowest proportion compared to the other regions.

The Inequality between the wages and salaries received between the top and bottom three deciles is Indicated by the ratios; For Apia and North-west Upolu the ratios were 2.0 and 2.2 respectively, indicating that the top deciles received at least twice as much in wages and salaries and those in the bottom three deciles while In Savaii and Rest of Upolu, with rations of 1.8 and 1.5 respectively the proportion of wages and salaries received was slightly less unequal.

Table 9-3: Wages and salaries received as proportion of total by HHs per week by decile group and region

HH per capita expenditure decile	Total	Apia	North-West Upolu	Rest of Upolu	Savai'i
Lowest 3 deciles	21.4	20.5	20.4	26.3	20.9
Deciles 4 through 7	36.7	38.6	34.4	33.3	42.3
Highest 3 deciles	41.9	40.9	45.2	40.4	36.8
Average all deciles	100.0	100.0	100.0	100.0	100.0
Total wages and salaries (SAT)	10,638,061	4,054,740	3,868,215	1,583,957	1,131,148
Proportion of total by region	100.0	38.1	36.4	14.9	10.6
Ratio of wages and salaries received by top to bottom 3 deciles	2.0	2.0	2.2	1.5	1.8

Source: Samoa 2018 HIES

The proportion of wages and salaries received by each region and by the sex of household heads in each of the three selected decile groups Is Illustrated in Table 9-3. In all regions male headed households receive around three times as much Income as female headed households, with male-headed households in Rest of Upolu and Savaii receiving over 80% of all wages and salaries received in those two regions.

However, it may be noted that female headed households in the bottom three deciles receive proportionately more of the total Income of female headed households In Apia (29.7% compared to 17.7% for male headed households and rest of Savaii (41% to 17.5% for male headed households. Only In the top three deciles do male headed households consistent receive a higher proportion of total regional Income than females headed households.

Table 9-4: Proportion of wages and salaries received by HHs per week by decile group, region and sex of HH head

% of total weekly wages and salaries received										
HH per capita expenditure decile	Apia		North-West Upolu		Rest of Upolu		Savai'i		Total	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Lowest 3 deciles	17.7	29.7	21.3	17.3	26.0	27.7	17.5	41.0	20.3	25.6
Deciles 4 through 7	37.5	42.4	31.7	44.0	32.3	38.3	42.3	42.4	35.1	42.5
Highest 3 deciles	44.9	27.9	47.0	38.7	41.7	34.0	40.2	16.6	44.6	31.9
Average all deciles	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Total wages and salaries (SAT)	3,102,812	951,929	3,028,016	840,200	1,318,015	265,942	968,568	162,580	8,417,410	2,220,650
Proportion of total by region	36.9	42.9	36.0	37.8	15.7	12.0	11.5	7.3	100.0	100.0
Ratio of wages and salaries received by top to bottom 3 deciles	2.5	0.9	2.2	2.2	1.6	1.2	2.3	0.4	2.2	1.2

Source: Samoa 2018 HIES

9.2 Remittances

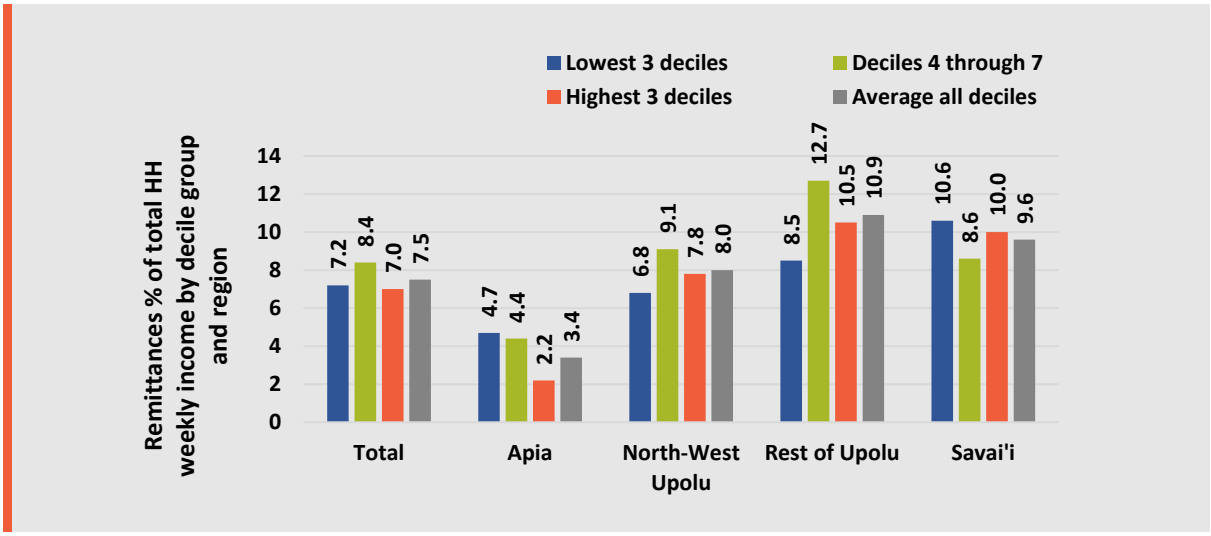
On average, income from remittances makes up 7.5% of total household income in Samoa. However, the proportion ranges from 3.4% in Apia to 10.9% in Rest of Upolu with the proportion being 8.0% and 9.6% in North-West Upolu and Savaii respectively. There are also variations between the three principal decile groups across the regions as illustrated in Table 9-5.

The highest proportion of Income received from remittances accrues to the middle four deciles (4 through 7) In Rest of Upolu (12.7% of total income) and the top and bottom three deciles In Savaii (10.0% and 10.6% respectively). The top three deciles In Rest of Upolu receive 10.5% of their total Income from remittances.

Table 9-5: Remittances as proportion of total weekly HH income by decile group and region

HH per capita expenditure decile	Total	Apia	North-West Upolu	Rest of Upolu	Savai'i
Lowest 3 deciles	7.2	4.7	6.8	8.5	10.6
Deciles 4 through 7	8.4	4.4	9.1	12.7	8.6
Highest 3 deciles	7.0	2.2	7.8	10.5	10.0
Average all deciles	7.5	3.4	8.0	10.9	9.6

Figure 9.1: Remittances – Percent of weekly HH income



Source: Samoa 2018 HIES

Nationally, female headed households receive more per capita weekly remittance income than their male headed counterparts.

Average remittance income per week of female headed households is estimated to be one third more (SAT10.44 per capita per week) than that received by male headed households (SAT7.72 per capita per week). On average at the regional level female headed households receive more on average each week in remittances than male headed households In Apia, North-West Upolu and Savaii.

The highest average remittances are received by female headed households in the 10th (top decile) In North-West Upolu at SAT105.77 per capita per week, conversely female headed households in the first (bottom decile) in this region have the lowest average receipt of remittances at only SAT1.67 per capita per week.

9.3 Own Production

Although remittances are considered very Important to households in Samoa the HIES data Indicates that the total value of own production (subsistence crops) consumed by households is worth almost 80% more than the value of remittances received, Table 9-6. Income, or the value of own production consumed, accounts for 13.5% of total household Income compared to 7.5% for remittances. A further 4.6% of total Income derives from non-subsistence agriculture, that Is market sales of own produce.

Not surprisingly, the Importance of own production as a source of income/consumption Is significantly higher in the rural parts of Samoa, e.g., Savaii and Rest of Upolu, than It Is in Apia and North-West Upolu.

In Savaii own production accounts for an average of one-quarter of total income across all decile groups and just over one-fifth in Rest of Upolu. In North-West Upolu own production accounts for 11.2% of total Income/consumption but only 4.0% in Apia.

Table 9.6: Value of own production as proportion of total weekly HH income by decile group and region

SAT					
HH per capita expenditure decile	Total	Apia	North-West Upolu	Rest of Upolu	Savai'i
Lowest 3 deciles	13.6	4.1	11.2	20.2	25.2
Deciles 4 through 7	15.7	5.1	13.8	24.6	26.9
Highest 3 deciles	11.8	3.1	9.5	20.0	23.8
Average all deciles	13.5	4.0	11.2	21.7	25.3

Source: Samoa 2018 HIES

Table 9-7: Per capita value of own production by HHs per week by decile group, region and sex of HH head

SAT per capita per week by HH, decile group and sex of HH head										
HH per capita expenditure decile	Apia		North-West Upolu		Rest of Upolu		Savai'i		Total	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Lowest 3 deciles	3.5	1.9	5.2	4.8	9.1	12.8	10.5	9.1	7.0	6.8
Deciles 4 through 7	8.8	4.8	12.6	9.9	20.6	20.9	20.5	20.5	15.6	13.3
Highest 3 deciles	13.6	8.6	24.1	20.8	43.9	40.6	42.2	39.8	31.0	24.9
Total	7.8	4.0	12.0	10.8	20.8	20.3	21.4	18.6	15.4	12.8

Source: Samoa 2018 HIES

The average value own production/consumption In Tala per capita Is illustrated In Table 9-7. On average across the country male headed households earn SAT15.44 per capita per week from own production/consumption compared to SAT12.79 for female headed households. Male and female headed households in Rest of Upolu and Savaii receive the highest amount from own production averaging around SAT20.00 per capita for households with either male or female heads. In Apia and North-West Upolu, households with female heads receive significantly less than their male headed counterparts.

10 Concluding summary

This report looks at poverty, vulnerability and inequality in Samoa nationally and sub-nationally as measured by HIES 2018 and where possible compares the results to the previous HIES in Samoa (2002, 2008, and 2013/14). As highlighted in the 2013/14 Samoa poverty and vulnerability report, Samoa experienced several shocks between 2002 and 2014, including the global financial crisis and various natural disasters, including the devastating 2009 tsunami. Unfortunately, between 2014 and 2018, Samoa also experienced similar external shocks, primarily tropical cyclones.

Despite seeing increasing income from tourism and remittances, GDP reached a five-year low in 2018. Furthermore, due to cyclone Gita in February 2018, inflation increased to around 4% in 2018, which increased costs for consumers, resulting in increased local food prices, a one-time increase in education fees, and a higher price of imported fuel (IMF-WEO, April 2019). This had a knock-on effect on the average share of own food production. Regional differences reflect the local impact of natural disasters on access to land and other resources utilized for subsistence production. The broader effects on poverty and vulnerability can be analysed by examining the information collected with the HIES 2018.

On the whole, the poverty, vulnerability and inequality situation in Samoa can be summarised as follows:

- At the national level, the incidence of food poverty amongst the population declined between 2002 and 2018, falling from an estimated 10.6% in 2002 to an estimated 5.2% in 2018. Nevertheless, between 2014 and 2018, the incidence of food poverty increased as did the incidence of basic-needs poverty reflecting the generally low rate of economic performance over the period.
- The weakening of the poverty situation is further reflected in an increase in the depth of poverty index which increased between 2013/14 and 2018, from 4.9 to 6.1 (an increase of about 24% nationally), with the largest percentage changes being seen in the Rest of Upolu and Savai'i.
- The weakening of the situation is also reflected in an increase in the severity of poverty index which increased between 2013/14 and 2018, from 1.8 to 2.5 (an increase of 39% nationally), with the largest percentage change again being in the Rest of Upolu and Savai'i.
- These Indicators suggest that the rural parts of the Samoa economy are falling behind the more urban areas of Apia and North-West Upolu. But in these areas the general slowdown Is also having an Impact on the depth and severity of hardship. The slow growth in domestic employment opportunities and the loss of workers to short-term overseas employment Is further dampening domestic economic activity.
- In terms of gender balance at the national level there is little difference between the incidence of basic-needs poverty between male and female headed households, both being very close to 15.5%.

- At the subnational level, male headed households are slightly less like to fall below the basic-needs poverty line in Apia Urban Area and Savai'i, conversely in North-West and Rest of Upolu female headed households are slightly less likely to fall below the basic-needs poverty line.
- Inequality also increased slightly between 2013/14 and 2018. The Gini index rose at the national level from 0.56 to 0.58 but remained constant over the period at 0.61 In Apia. The Index of Inequality rose slightly In North-West Upolu (0.56 to 0.58) and Rest of Upolu (0.51 to 0.57) but fell, indicating a reduction In Inequality Is Savaii from 0.51 In 2013/14 to 0.43 In 2018.
- Between 2013/14 and 2018, Samoa recorded a reduction in average weekly per capita total consumption expenditure of 3.2% (to SAT133.74 per week). The largest decrease was experienced by households in the lowest two deciles that experienced a fall in average weekly expenditure of 12.1% to SAT44.80 per week. That Is approximately 20% less that the national average basic-needs poverty line of SAT55.80 per week.
- In terms of multidimensional poverty most Samoan households are well served with the majority of households having access to electricity, improved sanitation and piped water. However, there is still room for improvement, particularly around access to safe drinking water, as an estimated 10% of households in North-West Upolu, and Savaii rely on water tanks as the primary source of drinking water, and almost 12% of those in Rest of Upolu.

The HIES 2018 also uncovers a number of key findings pertaining to vulnerable groups and determinants of poverty:

- Geographic location plays an Important role in determining the potential; risk of being in poverty. Poverty incidence is highest in North-West Upolu and Apia with 28.6 and 23.6% of the respective regions' population living below the BNPL, whilst in the Rest of Upolu and Savai'i, the proportion of the population living below the BNPL in 2018 was 18.0 and 17.2%, respectively.
- The largest number of people living below the basic-needs poverty line are found In North-West Upolu; almost 40% of the poor reside in this subregion with another quarter to be found in Apia. The remain number are spread fairly evenly between Rest of Upolu and Savaii.
- Children in female headed households in Apia and Savai'i are more vulnerable than those living in male headed households. In Savai'i, in particular, 28.9% of children living in female headed households live below BNPL compared to 18.5% in male headed households. In Apia 40.0% of children in female headed households are estimated to be living in households below the basic-needs poverty line compared to only 30.9% of children in male headed households. In Savaii 28.9% of children in female headed households live in households below the basic-needs level.
- Educational attainment plays a significant part in determining an individual's level of poverty and vulnerability. The incidence of basic-needs poverty is significantly higher

among people with low levels of primary and secondary education, with the incidence of poverty being highest among those with only a maximum of primary school education in Apia (25.4% males and 29.1% females) and North-West Upolu (31.8 males and 30.4 females).

Children and the elderly are particularly vulnerable to poverty and hardship: 25.6% of all children and 15.8% of those aged 60 and above live below BNPL in 2018. With regards to youth (those aged 15–29 years), 20.9% live below the BNPL, and 9.6% are highly vulnerable living in households with per capita expenditure only just above the basic-needs poverty line.

- The type of employment that individuals are engaged in has an impact on vulnerability. Government and public sector employees are better off compared to their counterparts in the private sector. Furthermore, workers in subsistence agriculture (unpaid family worker) are particularly likely to live below the BNPL.

The findings of this report should also be considered in terms of the current domestic and international context. With the 2019 outbreak of measles in Samoa and the current Covid-19 pandemic, Samoans at all levels are likely to experience an increase in hardship and vulnerability. The latest December 2020 figures suggest that GDP in Samoa in Q4 of 2020 was 9.2% below the GDP in Q4 of 2019 and 7% lower than in Q4 2018. Earnings from tourism related activities including accommodation and restaurants, fell by almost 75% during 2020 compared to 2019.

Employment in 4Q 2020 was 0.5% lower than in 2018 suggesting that unemployment might either have increased or increasing numbers of young people might be looking to migrate in search of work to Australia or New Zealand. Given the increase in poverty and vulnerability recorded in the 2018 HIES and the subsequent shocks of the 2019 measles outbreak and the 2020 pandemic, without appropriate policies, it is likely that the situation will continue to worsen for the average Samoan as the economy continues to experience poor economic performance.

11 Policy implications

Samoa has made significant progress toward achieving the SDGs but providing rural and urban communities with formal employment and income-generating opportunities remains a critical issue. Two-thirds of Samoans are informally employed, relying on agricultural work alone for their food and livelihood. Therefore, in effect, the poverty rate in Samoa is tied to agricultural performance, which can be unstable and is particularly vulnerable to external shocks, and agriculture-dependent families are often deprived of stability. Poverty reduction policies should focus on generating income earning opportunities for poor and vulnerable families. This can include investing in productive capital accumulation in agriculture and the nonfarm economy or it can mean putting more emphasis on short-term migration for overseas work opportunities. This boosts remittances but has the potential to cause a further weakening in the domestic agriculture sector as labour migrates. Whilst It boosts remittances It can conversely weaken food security. This includes building up reserves, through money from employment and building up a business, and then depleting reserves through consumption and investment.

The key findings from this report show a clear link between poor levels of educational attainment and basic-needs poverty. Education related costs can be a major burden for many households and the costs to low-income households can be proportionately much higher than that to high-income households. Moreover, apart from education fees, which are generally free or heavily subsidised in many countries, there are often many other costs related to education, such as the costs of books, uniforms and other related expenditure. Some Pacific Island governments, including Samoa, cover tuition fees for all students enrolled at primary and those at years 9 to 11 (secondary) through a School Fee Grant Scheme (SFGS). This grant also provides opportunities for schools to purchase materials and equipment to improve student learning.

The Government also provides funds for the purchase of consumables for TVET in secondary schools. As well, an annual government grant is provided for all mission schools, private schools, ECE centres and special schools.[10] However, the incidence of basic-needs poverty is still high among those with low levels of education. This may be because low paid employment opportunities in the formal and informal sectors do not require secondary and tertiary education, leading individuals from low-income families to withdraw from secondary and tertiary education in pursuit of employment to support their households. It is therefore important for the policy makers to provide an incentive to these households to keep their children in schools.

Apart from the lack of education, ill-health is also one of the main contributors to basic-needs poverty. High incidence of disease, notable non-communicable diseases (NCDs) can lead to catastrophic out-of-pocket expenditure on health care goods and services causing an unreasonable burden on household incomes. There is limited information on the incidence of ill-health and on heath expenditure in HIES 2018, but the key findings highlight that the incidence of Non-

[10] https://mesc.gov.ws/education/

Policy implications

Communicable Diseases is higher among women compared to men. A more detailed analysis of 2018 HIES on the incidence of diseases across different lifecycle groups and on healthcare spending in Samoa will help in designing high-quality and affordable healthcare services aimed at reducing poverty and vulnerability.

Well-designed social policies such as income and employment generating initiatives targeting vulnerable groups can be very effective in reducing poverty. The youth population in Samoa is highly vulnerable to basic-needs poverty, especially in Apia and North-West Upolu. Making a smooth transition from education to paid employment is a critical issue for almost all young people. Improving skills and educational attainment through social protection programmes can enable young workers, especially females, to find employment and minimise their vulnerability. They also have specific social protection needs to replace income lost temporarily or permanently as a result of unemployment, injury, disability, sickness or maternity, or to supplement their income when it is too low to achieve a minimum standard of living (ILO, 2019).

The overall pattern of growth and structural change has a substantial impact on poverty reduction. In Samoa, the GDP growth rate was positive in 2019 but is expected to have declined sharply due to the COVID-19 crisis in 2020. This report has highlighted the role of tourism as one of Samoa's most important sectors, but tourist arrivals to Samoa fell very sharply in 2020 owing to the travel restrictions imposed to limit the pandemic.

Additionally, the global economic downturn will likely further reduce tourism earnings possibly alongside a decline in the inflow of foreign remittances, both sources of income being vital to the local economy. Both factors will likely cause economic instability in the country. Therefore, when formulating a poverty reduction strategy, the Samoan government will need to assess and determine the most appropriate combination of key macroeconomic targets that need to be prioritised to preserve macroeconomic stability. Maintaining macroeconomic stability will strengthen the country's resilience to external shocks, allowing the government to allocate its resources better to reduce poverty and thus deliver better services to the people of Samoa.

There is a close link between persons with disabilities and the risk of poverty. Persons with disabilities are often among the poorest, most vulnerable and marginalized members of society and therefore are most at risk of being left behind. People living with a disability are less likely to have access to healthcare, education, labour markets and quality jobs.

Disability can occur at any stage of life and across all socio-economic groups. Amputations resulting from complications associated with non-communicable disease (notably diabetes) have become a significant source of disability for many mid-life people. For Samoa, the 2018 Disability Monograph[11] reports that the 2016 Census found 11,587 persons (7.1%) who were identified as having some disability and 2% of the population experiencing at least a lot of difficulty in at least one dimension. Therefore, there is a need for social protection programmes in Samoa that provide income security

[11] 24942d7e70bce7d3135e0d46c6c7dbef.pdf (windows.net)

to people living with a disability, helping to ensure that they have adequate access to health care services and promoting their participation in the labour market.

However, there is limited information available on living conditions, education, economic activities and the health of people living with a disability. Lack of up-to-date and detailed information on persons with disabilities makes it difficult to plan and implement poverty reduction initiatives. In the Pacific, there is a growing recognition of the need to improve the collection of disability statistics (SBS and UNICEF 2018). Hence, there is scope for a more detailed analysis of 2018 HIES on disability prevalence and living conditions, education, economic activities, and health of disabled persons, which will help formulate policies and programmes aimed at reducing poverty and vulnerability in Samoa.

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