



Ratu Sukuna House, Corner of Mac Arthur Street and Victoria Parade, Suva, Fiji

*P O Box 2221
Government Buildings
Suva
FIJI*

*Telephone: [679] 3315822
Fax No: [679] 3303656
E-mail: info@statsfiji.gov.fj
Website: www.statsfiji.gov.fj*

STATISTICAL NEWS

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2013-14 HOUSEHOLD INCOME AND EXPENDITURE SURVEY

PRELIMINARY FINDINGS - RELEASE 1

The estimates of Household Income and other particulars provided in this release are based on information reported by a representative sample of 6,020 Households covered in the 2013-14 Household Income and Expenditure Survey. The details represent the situation in the estimated 184,235 conventional households in Fiji where 845,309 persons live. Persons living in Non-Private Dwellings such as Boarding Schools, Hospitals, Prisons, Work Site Accommodation and Single Officers Barracks were excluded from the survey.

KEY FINDINGS

- The Incidence of Poverty has declined from **31%** in 2008-09 to **28.1%** in 2013-14, a decrease of 2.9 percentage points.
- The Poverty Rate recorded means that 28.1% of Fiji's Population (237,405) lived in the 41,310 conventional households whose total earnings were below the Poverty Line.
- The number of people living below the poverty line decreased by 15,372 when compared to the estimated 252,777 in the period 2008-09.
- There was a significant decline in the incidence of rural poverty from 43% in 2008-09 to 36.7% in 2013-14.
- Urban Poverty increased from 18% in 2008-09 to 19.8% in 2013-14.
- Between 2008-09 and 2013-14, the Incidence of Poverty:
 - 1) Declined in the following geographic domains; Northern Urban (38% to 33.8%) and Western Rural (43% to 26.6%)
 - 2) Increased in the following geographic domains; Central Urban (16% to 16.9%); Western Urban (17% to 21.6%); Eastern Rural (40% to 42.1%); Northern Rural (51% to 52.6%); Central Rural (36% to 36.9%)

BASIC NEEDS POVERTY LINES

The following Basic Needs Poverty Lines were used;

Urban - \$55.12 per adult equivalent per week

Rural - \$49.50 per adult equivalent per week

The percentage change in the Consumer Price Index is applied to the 2008-09 BNPL to derive the above mentioned values.

The amounts given above means that an adult living in an Urban Area in Fiji will need \$55.12 per week to meet their basic needs with a rural dweller needing \$49.50. It should be noted that a Child aged 14 and below is 'half an adult'.

An Implicit Imputed Rent (IR) was estimated for all owner-occupied dwellings which include houses under mortgage. The Implicit Imputed Rent Methodology was adopted as it was considered an improvement to the estimation procedure previously used. The "Imputed Cost of Implicit Rent from Owned Houses" was estimated as Gross Imputed Values minus an aggregate percentage of 21.9%, representing Actual Repairs and Maintenance plus the Interest Component of Instalment payments plus Property Rates on owner-occupied houses. This percentage is used to maintain consistency with the estimates used for the earlier round of surveys.

- Net IR was estimated to = $\text{Gross IR} - (0.219 * \text{Gross IR})$

Basically the Imputed Rent estimate is for the purpose of putting an appropriate value on the housing service provided to or received by the household.

INCIDENCE OF POVERTY BY GEOGRAPHY

The Incidence of Poverty decreased from 35% in 2002-03 to 31% in 2008-09 and further decreased to 28.1% in 2013-14. For the Central Division, the Poverty Rate decreased from 26% in 2002-03 to 21% in 2008-09 and increased to 22.4% in 2013-14. There was a continuous increase in the Poverty Rate for the Eastern Division from 35% in 2002-03 to 37% in 2008-09 and 41% in 2013-14. For the Northern Division the rate decreased from 57% in 2002-03 to 47% in 2008-09 before the slight increase to 47.9% in 2013-14. The Incidence of Poverty in the Western Division recorded a continuous decline from 36% in 2002-03 to 32% in 2008-09 and to 24.5% in 2013-14.

The incidence of Urban Poverty increased from 18% in 2008-09 to 20.3% in 2013-14. The Western Urban rate showed the biggest increase of 5.5 percentage points (from 17% to 22.5%) while a decline of 3.3 percentage points (from 38% to 34.7%) was recorded for the Urban areas of the Northern Division. The Incidence of Poverty in the Urban areas of the Eastern and Northern Divisions are relatively high compared to the Urban areas of the Central and Western Divisions

The Incidence of Rural Poverty decreased from 43% in 2008-09 to 36.7% in 2013-14. The Incidence of Poverty in the rural areas of the Western Division recorded a significant decline of 16.5 percentage points between 2008-09 and 2013-14 while Rural Poverty in the Eastern and Northern Divisions increased by 2.5 and 1.2 percentage points respectively.

Further details are presented in Table 1 that follows.

Table 1. Incidence of Poverty by Division and Area

Geography	2002-03	2008-09	2013-14
	Fiji		
Total	35	31	28.1
Central	26	21	22.4
Eastern	35	37	41.0
Northern	53	47	47.9
Western	36	32	24.5
Urban			
Total	28	18	19.8
Central Urban	24	16	16.9
Eastern Urban	42	30	29.4
Northern Urban	39	38	33.8
Western Urban	33	17	21.6
Rural			
Total	40	43	36.7
Central Rural	29	36	36.9
Eastern Rural	35	40	42.1
Northern Rural	57	51	52.6
Western Rural	38	43	26.6

Estimates of Population Living in Poverty by Geography

Over a third of the Poor population (33.9%) reside in the Central Division. The estimated number of 80,497 is the highest by Division and is closely followed by the 76,337 (32.2%) poor residents of the Western Division. Slightly less than half of Fiji's population (49.2%) reside in the Rural areas. However, rural dwellers are over represented as far as the Rural and Urban distribution of Fiji's Poor is concerned, with 62.6% of the Poor population being Rural dwellers.

Table 2 that follows provides further details.

Table 2. Estimates of Population Living in Poverty by Division and Area

Division/Area	% of Population Living in Poverty	Estimated Population living in Poverty	Estimated Total Population
Total			
<i>Total</i>	<i>28.1</i>	<i>237,405 (100)</i>	<i>845,309 (100)</i>
Urban	19.8	84,939 (35.8)	429,759 (50.8)
Rural	36.7	152,466 (64.2)	415,550 (49.2)
Urban			
<i>Total</i>	<i>19.8</i>	<i>84,939 (35.8)</i>	<i>429,759 (50.8)</i>
Central	16.9	44,220 (18.6)	261,070 (30.9)
Eastern	29.4	1,076 (0.5)	3,662 (0.4)
Northern	33.8	11,223 (4.7)	33,206 (3.9)
Western	21.6	28,420 (12.0)	131,821 (15.6)
Rural			
<i>Total</i>	<i>36.7</i>	<i>152,466 (64.2)</i>	<i>415,550 (49.2)</i>
Central	36.9	36,277 (15.3)	98,335 (11.6)
Eastern	42.1	15,088 (6.4)	35,797 (4.2)
Northern	52.6	53,184 (22.4)	101,116 (12.0)
Western	26.6	47,917 (20.2)	180,302 (21.3)

Note: Percentage in Brackets

HOUSEHOLD INCOME TYPES

Estimates derived from the 2013-14 HIES show that Households in Fiji received close to \$3.7 billion from various income sources. Of this \$2.143 billion was for Permanent Wages and Salary. The share of Permanent Wages and Salary increased significantly in 2013-14 when compared to the prior survey periods i.e. from 43% in 2002-03 to 44% in 2008-09 and to 61% in 2013-14. The share of household receipts from Casual Wages declined from 10% in 2008-09 to 7.3% in 2013-14.

The big drop in the percentage share of Other Income is more a result of greater probing during the data collection phase of the survey. This captured the required details that allowed the classification of income types into their appropriate categories. It had the effect of reducing the amount recorded in the residual category.

Further details are provided in Table 3 that follows.

Table 3. Breakdown of Household Income Types.

Income Sources	2002-03	2008-09	2013-14
Permanent Wages and Salary	851 (43)	1,344 (44)	2,143 (61)
Casual Wages	228 (11)	294 (10)	277 (7.3)
Agriculture Business	197 (10)	216 (7)	345 (9.1)
Commercial Business	145 (7)	126 (4)	171 (4.5)
Subsistence	151 (8)	158 (5)	187 (4.9)
Remittances and Gifts	84 (4)	259 (9)	402 (10.5)
Other Income	342 (17)	652 (21)	114 (3.0)
Total	1,998 (100)	3,049 (100)	3,639 (100)

Percentage in parenthesis

INCOME DISTRIBUTION

The top earning 10% of households received 31.0% of total household income. This was a decrease of 3.7 percentage points when compared to the 2008-09 period. This share progressively decreases as we move down to the poorest 10% of households. The poorest 10% of households received a mere 3.2% of total household income.

The decrease in the income share of the richest 10% of households resulted in gains ranging from 0.3 to 0.6 percentage points in the share of income received by households in the decile groups 1 to 8.

Further details are provided in Table 4 below.

Table 4. Decile Distribution of Household Income

DECILE	HIES		
	2002-03	2008-08	2013-14
1 – Lowest	2.3	2	3.2
2	3.6	3.4	4.6
3	4.5	4.4	5.3
4	5.5	5.4	6.0
5	6.8	6.4	6.8
6	7.9	7.6	7.8
7	9.6	9.2	9.3
8	11.9	11.4	11.0
9	15.4	15.5	14.9
10 – Top	32.5	34.7	31.0
Total	100	100	100

Decile Distribution of Urban and Rural Household Income

There is a significant difference in the distribution of Income among Urban and Rural households. Some of the differences are as follows;

- the poorest 10% of urban households accounted for 2.9% of total urban household income compared to 4.4% among rural households
- the richest 10% of urban households accounted for 31% of total urban household income compared to 24.2 among rural households
- The highest earning 30% of urban households accounted for 57.5% of total urban household income compared to 49% among rural households.

Further details are in Table 5 that follows.

Table 5. Decile Distribution of Urban and Rural Household Income

DECILE	2013-14	
	Urban	Rural
1- Lowest	2.9	4.4
2	4.4	5.8
3	5.1	6.8
4	6.0	7.2
5	6.8	8.1
6	8.1	8.7
7	9.2	10.1
8	11.9	11.1
9	14.6	13.7
10 - Top	31.0	24.2
Total	100	100

HOUSEHOLD SIZE

Poor households tend to have a larger number of occupants which exacerbates the stresses on their already low household incomes. The average household size of Poor households is 5.7 compared to 4.3 for the Non-Poor. Less than 1% of poor households have a household size of 1 with non-poor households recording a figure close to 5%. Close to three quarters (74.7%) of the Non-poor households have a household size of 5 or less compared to slightly over a half (51.8%) for poor households. Details are provided in Table 6 below.

Table 6. Household Size of the Poor and Non Poor Population

HH Size	Non Poor		Poor	
	%	Cumulative %	%	Cumulative %
1	4.8	4.8	0.8	0.8
2	14.1	18.9	5.3	6.2
3	18.9	37.8	10.5	16.7
4	21.5	59.3	16.4	33.0
5	15.3	74.7	18.8	51.8
6	11.3	85.9	15.8	67.5
7	6.5	92.4	12.3	79.8
8	3.9	96.3	8.1	87.9
9	1.5	97.8	5.5	93.4
10	0.9	98.8	2.8	96.2
11	0.6	99.4	1.7	97.9
12	0.3	99.6	0.7	98.6
13	0.2	99.8	0.7	99.2
14	0.1	99.9	0.4	99.6
15	0.0	99.9	0.2	99.8
16	0.0	100.0	0.2	100.0
Average Household Size	4.3		5.7	

NUMBER OF ROOMS

- A higher percentage of the Poor live in 1-room dwellings i.e. 17.4% compared to 12.3% for the Non-Poor.
- Slightly over a third of Poor households live in dwellings with 2 rooms or less compared to about a quarter for the Non-Poor population.
- A higher proportion of Non-Poor households live in dwellings with 4 rooms or more.
- Further details are provided in Table 7 that follows.

Table 7. Number of Rooms for Poor and Non-Poor Households

Number of Rooms	Poor		Non-Poor	
	Percent	Cum.	Percent	Cum.
1	17.4	17.4	12.3	12.3
2	17.0	34.4	13.3	25.6
3	22.9	57.3	22.0	47.6
4	23.0	80.3	24.6	72.2
5	11.8	92.1	17.3	89.5
6	5.7	97.8	7.1	96.6
7	1.4	99.2	2.4	99.0
8	0.3	99.5	0.6	99.6
9	0.2	99.7	0.2	99.8
10	0.1	99.8	0.2	100
11	0.1	99.9		
12	0.1	100		
Total	100		100	

AVERAGE HOUSEHOLD SIZE BY NUMBER OF ROOMS

The figures presented in Table 8 below show that overcrowding is more pronounced among the poor, with an average of 5.7 persons living in 1-room dwellings compared to the average of 3.9 persons among the non-poor households. The average household size of the Poor is consistently over a person greater than those of the Non Poor.

When comparing the housing situation of the Poor and Non Poor, a significant difference is notable with the Poor having to accommodate one or more additional persons in an equivalent living space.

Table 8. Average Household Size for Poor and Non Poor Households

No. of Room/s	Non Poor	Poor
	Average HH Size	Average HH Size
1	3.9	5.7
2	4.0	5.5
3	4.3	5.5
4	4.4	5.8

AGE BREAKDOWN AND DEPENDENCY RATIOS OF THE POOR AND NON-POOR

When comparing the Poor and Non-Poor Populations, it is evident that a significantly higher proportion of the Poor population are in the dependent age groups of 0-14 and 65+ with the difference being much greater among the rural dwellers. A look at the dependency ratios of the two populations will indicate the challenging situation faced by the Poor population in terms of their support requirements.

The **dependency ratio** is an age-population **ratio** of those typically not in the labour force (the dependent part) and those typically in the labour force (the productive part). The following formula is used to derive the ratio which measures the pressure on the productive population:

$$\text{Dependency Ratio} = \frac{(\text{Population Aged 0-14}) + (\text{Population Aged 65 and over})}{(\text{Population Aged 15-64})} \times 100$$

Overall, the dependency ratio of the poor is 64.4% which is 17.1 percentage points higher than the 47.3% recorded for the Non Poor. The figures show that the Poor have a significantly higher proportion of dependent persons compared to the Non Poor. It shows a much greater pressure on the Poor's productive population.

The Dependency Ratio of the Rural Poor is a significant 14 percentage points higher than that of the Urban Poor i.e. 69.9% compared to 55.9%. This means that the situation is more challenging for the rural Poor when compared to the Poor in Urban areas.

There is a significant Urban and Rural differential in the Dependency Ratio among the Non Poor population as well. The Dependency Ratio of the Rural Non Poor population of 51.5% is 7.2 percentage points higher than the Urban Non Poor Dependency Ratio of 44.3%.

Further details are provided in Table 9 that follows.

Table 9. Age Breakdown and Dependency Ratios of the Poor and Non-Poor

Age Group	Total		
	Poor	Non-Poor	Total
0-4	11.6%	9.3%	9.9%
5-14	21.8%	17.9%	18.9%
15-24	19.2%	17.2%	17.8%
25-34	12.8%	17.4%	16.2%
35-54	21.7%	25.3%	24.3%
55-64	7.1%	7.9%	7.7%
65+	5.8%	5.0%	5.2%
Dependency Ratio	64.4%	47.3%	51.6%
Urban			
0-4	10.6%	9.2%	9.5%
5-14	20.3%	17.1%	17.8%
15-24	21.3%	18.7%	19.2%
25-34	13.4%	18.6%	17.6%
35-54	22.7%	24.4%	24.0%
55-64	6.8%	7.7%	7.5%
65+	4.9%	4.4%	4.5%
Dependency Ratio	55.9%	44.3%	46.4%
Rural			
0-4	12.1%	9.4%	10.4%
5-14	22.7%	18.8%	20.2%
15-24	18.0%	15.3%	16.2%
25-34	12.4%	15.9%	14.7%
35-54	21.1%	26.7%	24.7%
55-64	7.4%	8.1%	7.9%
65+	6.3%	5.8%	6.0%
Dependency Ratio	69.9%	51.5%	57.6%

EDUCATIONAL ATTAINMENT

As expected the educational attainment of the Poor is well behind the Non Poor. Only 3.4% of the Poor population have attained Post-Secondary qualifications compared to 12.8% for the Non Poor. This means that the Poor will have less prospects/opportunities of securing better paid jobs.

There is close to parity in their completion of Secondary School studies while there is a higher percentage of the Poor population completing only a Primary school level of education. Further details are in Table 10 that follows.

Table 10. Educational Attainment of Poor and Non Poor

Educational Attainment	Poor	Non Poor	Total
Post-Secondary	3.4%	12.8%	10.2%
Secondary	41.8%	41.9%	41.8%
Primary	9.5%	7.1%	7.7%

LABOUR FORCE PARTICIPATION OF THE POOR AND NON POOR

The *economically active population* (or Labour Force) comprises all persons of either sex who furnish the supply of or are available to supply labour for the production of goods and services during a specified time-reference period.

The Non Poor Labour Force Participation Rate is 57.2% compared to 52.5% for the Poor. The Poor have a higher Labour Force Participation Rate in the 10-24 age group with the Non Poor recording higher Labour Force Participation Rates in the 25-44age group. The Poor have a higher Labour Force Participation Rate in the remaining age groups with the exception of the age group 70-74. Further details are provided in Table 11 that follows.

Table 11. Labour Force and Working Percentage of Poor and Non Poor

Age Group	Labour Force (%)		Working (%)		Unemployment Rate (%)	
	Poor	Non Poor	Poor	Non Poor	Poor	Non Poor
10-14	6.8%	3.7%	6.8%	3.7%	0.0%	1.6%
15-19	23.1%	18.9%	19.0%	15.8%	17.6%	16.4%
20-24	61.4%	59.7%	50.6%	52.9%	17.7%	11.4%
25-29	74.5%	78.3%	67.9%	72.8%	8.8%	6.9%
30-34	74.1%	78.9%	68.7%	76.4%	7.3%	3.1%
35-39	73.3%	77.6%	70.5%	76.2%	3.8%	1.9%
40-44	75.1%	77.2%	74.2%	75.5%	1.3%	2.2%
45-49	78.0%	77.2%	76.3%	76.0%	2.2%	1.6%
50-54	73.2%	70.8%	71.5%	70.1%	2.3%	1.0%
55-59	64.1%	62.3%	63.4%	62.0%	1.0%	0.5%
60-64	58.1%	52.5%	57.7%	52.2%	0.7%	0.6%
65-69	46.8%	45.8%	46.3%	45.8%	1.1%	0.0%
70-74	39.0%	40.5%	39.0%	40.5%	0.0%	0.0%
75+	20.6%	14.7%	20.6%	14.7%	0.0%	0.0%
Sum	52.5%	57.2%	49.2%	54.8%	6.3%	4.1%



Epeli Waqavonovono

Government Statistician

Annex A Notes on the HIES Methodology, Description and Calculation Procedures

The 2013-14 HIES was planned and conducted by the Household Survey Unit of the Fiji Bureau of Statistics (FBoS).

A two-stage sampling strategy was used. In the first stage, the frame was divided into 7 strata (refer to Table A1) and representative samples of Urban and Rural Enumeration Areas were then selected from these strata.

Within each stratum the Enumeration Areas (EAs) or Primary Sampling Units (PSU) were selected at the first stage, with the probability of selection at the first stage being proportional to the size of the EA as measured in terms of total households in the frame. Within each EA a fixed number of households (hh) were then selected by systematic random sampling. The final HIES sample then selected 10 households from each selected EA (example of selection process given in Table A2).

Data collection was continuous over a 1-year period. For the survey, a quarter of the sample households were covered in a 3-month sub-round. In effect, there were four independent sub-samples for each survey. Each sub-round sample was distributed into lots to ensure data was collected continuously for the whole 1-year period.

1	Central/Eastern Urban
2	Central Rural
3	Eastern Rural
4	Northern Urban
5	Northern Rural
6	Western Urban
7	Western Rural

The **household weight** for all the households in each selected EA was calculated as:

$$\frac{(\text{Population of Stratum } i) * (\text{Listing number of households in EA})}{(\text{Frame Population of EA}) * (\text{No of hh in sample}) * (\text{Number of EAs selected in stratum})}$$

Table A3 presents an example of the estimation of household weights for each EA based on the selection shown in Table A2.

	Frame		Listing		Selected
	Hh	Popn	Hh	Popn	
EA 1*	120	600	128	625	10
EA 2	110	550			
EA 3	130	650			
EA 4	90	450			10
EA 5*	125	625	130	650	
EA 6	89	445			
EA 7	80	400			
EA 8	135	675			
EA 9	128	640			10
EA 10*	78	400	70	350	
Popn	1085	5435	328	1625	30

EA	Calculation of hh weight	HH weight	Est. No of Hh
EA1	$\frac{(5435 * 128)}{(600 * 10 * 3)}$	38.65	386
EA2	$\frac{(5435 * 130)}{(625 * 10 * 3)}$	37.68	377
EA3	$\frac{(5435 * 70)}{(400 * 10 * 3)}$	31.79	317
		Total	1080

Data Adjustments: Imputed Rents

In keeping with internationally accepted HIES methodology, the 2013-14 HIES estimated “imputed rents” – the estimated net value of owner-occupied dwellings which need to be added to the incomes (and expenditures) of all households which do not pay rent on the dwellings occupied.

Net Imputed Rent = Gross Imputed Values (estimated from the regressions) less the Imputed Cost of Owned Houses.

The “Imputed Cost of Owned Houses” was estimated as an aggregate percentage (21.9%) of Gross Imputed Values, representing Actual Repairs and Maintenance plus Interest Component of Instalment payments plus Property Rates on owner-occupied houses.

Concepts and Basic Definitions

The following International Labour Organisation definitions related to Household Income and Expenditure were used, as for the 2013-14 HIES:

- (1) Household Income – consists of all receipts in cash, in kind or in services that are received by the household or by individual members of the household at annual or more frequent intervals, but excludes windfall gains and other such irregular and typically one-time receipts.

Household income receipts are available for current consumption and except for certain current transfers do not reduce the net worth of the household through a reduction of its cash, the disposal of its other financial or non-financial assets or an increase in its liabilities.

Operationally it may be defined in terms of;

- i) income from employment (both paid and self-employment);
- ii) property income
- iii) income from production for own consumption;
- iv) transfers received

Household income **excludes** holding gains, lottery prizes, gambling winnings, non-life insurance claims, inheritances, lump sum retirement benefits, life insurance claims (except annuities), windfall gains, legal/injury compensation (except those in lieu of foregone earnings) and loan repayments.

Also excluded are other receipts that result in a reduction of net worth. These include sale of assets, withdrawals from savings and loans obtained.