Literature review: poverty, social analysis and the political economy of Tonga

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Question

Undertake a review of recent literature on poverty, social analysis and the political economy of Tonga.

This literature review would consist of a synthesis of findings under each topic, summarising research results and, where appropriate, providing brief synopses of reports directly relevant to these topics. GSDRC is also asked to identify academic institutions or individuals who are undertaking research on Tongan issues on a regular/ongoing basis. Include research from 2010 onwards.

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1. Overview

This rapid literature review examines evidence on poverty, social analysis and the political economy of Tonga published since 2010. The majority of the literature found through this review has been published by regional and international organisations, donors, and the Tongan government. There is substantial
policy and practitioner literature that examines the Pacific as a region, or small island states as a particular group. Anthropologist Besnier (2013, p.xviii) warns that much of this research is conducted by ‘fly-in-fly-out’ experts with a ‘minimal’ understanding of the local context. Tonga is an upper-middle-income country (UMIC), without absolute poverty, but with severe environmental and economic vulnerabilities – therefore the literature tends to focus more on economic and environmental issues than poverty per se.

There is not a great deal of academic work published on individual Pacific island countries but there are a few select areas – such as remittances – that are well researched in both academia and practitioner literature. There is also a body of anthropological literature that focuses on Tonga. There are some research institutes and academics that have a strong Pacific focus. A list of key sources of information on Tonga is provided in the appendices.

Key points that emerge from this rapid review include:

Poverty and social statistics

- While absolute poverty is rare in Tonga, and development outcomes are relatively strong, there are increasing levels of relative poverty and hardship. The incidence of basic needs poverty rose by six percentage points between 2001 and 2009.
- The causes of increasing levels of hardship and poverty are complex. One key factor has been an increasing cost of living, while real incomes for many have declined.
- Tonga is now an upper-middle income country (UMIC) and was ranked in 2010 with a Human Development Index of 85 out of 169 countries (one of the highest in the Pacific island countries group).
- The 2010 MDG Tracking Report for Tonga shows that by 2015: Tonga is ‘likely to achieve’ its targets in 3 of 17 areas; ‘possible to achieve’ its targets in 12 areas; and ‘unlikely to achieve’ its targets in two areas (Tonga Ministry of Finance and National Planning, 2010, p.ix).
- Total consumption expenditure of Tongan households was 333,027,000 pa’anga in 2009. Key expenditure areas include: food expenditure (51% of the total); transportation (11%); and housing and utilities (10%).
- Total income of Tongan households was 355,856,000 pa’anga in 2009. Key income areas include: wages and salary income (43% of the total); income from subsistence activities (subsistence income + home produce consumed) (29%); remittances (21%).
- The 2011 population census shows a population of 103,000 in Tonga – an annual increase of 0.2% from 102,000 in 2006.
- Tonga is predominantly rural – with only approximately 25% of people in urban areas (Tonga Ministry of Finance and National Planning, 2010, p.xii).
- Tonga has a young population – the median age is 21 years, 38% of the population is under 15 years, and 8% are 60 years and older (Tonga Ministry of Finance and National Planning, 2010, p.xii).
- Life expectancy averages at 70 years – with women living to an average of 73 years, and men 67 years (Tonga Ministry of Finance and National Planning, 2010, p.xii).

Political economy issues:

- Tonga is a country in the midst of profound changes in terms of culture, politics and economics. Key issues raised in the literature include: Democratic reform; the political economy of policy reform; tensions with external actors; remittances; and government interference in media.
Key challenges:

- A number of key challenges for Tonga and development actors were identified in the literature, including: natural disasters and climate change; economic vulnerability; gender equality; young people; aid effectiveness; and regional disputes.

Development programmes in Tonga:

- In addition to the Tongan government’s development programme, international donors play a key role in Tonga’s development. Aid to Tonga has increased over the past few years, with ODA received rising from USD 39 million in 2009, to USD 70 million in 2010, to USD 94 million in 2011. Tonga’s aid-to-GNI ratio averages out at around 17% from 2009 to 2011, this is an 86% increase on the average across the period 2000 to 2002. The top five donors to Tonga are: Australia; Japan; New Zealand; the World Bank and the Asian Development Bank.

2. Poverty and social analysis

2.1 Poverty

While absolute poverty is rare in Tonga, and development outcomes are relatively strong, there are increasing levels of relative poverty and hardship. The causes of increasing poverty are complex. The cost of living in Tonga has increased in recent years due to the economic impact of natural disasters and the global financial crisis, increasing oil and food prices, and inflation. Meanwhile, real incomes in many households have declined – as remittances (a key source of income) have dipped, and the crisis impacted on traditional driver of the economy – agriculture, fisheries and tourism (p.38).

Poverty in remote rural areas is particularly exacerbated by remoteness from trade and employment in the capital, inadequate infrastructure (including service delivery, internet access), and rising oil and fuel prices. Meanwhile changes in family structures have led to reduced support from family networks in bringing up children, parent absenteeism and migration.

The latest poverty and wealth statistics from the Tongan development plan provide the following information on the prevalence and incidence of poverty¹ (Tonga Ministry of Finance and National Planning, 2011):

- Incidence of basic needs poverty rose by six percentage points between 2001 and 2009 (from 16.2% in 2001 to 22.5% in 2009) (p.38). The largest increases were in rural parts of Tongatapu (from 18.8% to 23.5%) and in the outer islands (11.8% to 22.9%).
- In 2009, 25% of all households were headed by females (rising to 29.6% in Nuku’alofa).
- 28.9% of all children live in households falling below the basic needs poverty line.
- Between 2001 and 2009 the cost of living (measured by the Tonga CPI) rose by approximately 86%. However, the average level of per capita household expenditure rose by only 55% (from T$67.01 per week in 2001 to T$104.39 per week in 2009).
- The poorest 20% of households’ per capita expenditure increased by 54%.

¹ Note the World Bank databank does not have data on poverty numbers in Tonga.
• **Real incomes** of many households declined by as much as one-third between 2001 and 2009.

Other poverty and wealth data includes:

• UNDP **Human Development Indicators**\(^2\) ranks Tonga with Human Development Index of 0.71 – 95 out of 169 countries. There is no GINI inequality data for Tonga.

• **GNI per capita** (atlas method, current USD) in 2012: USD 4,240 2012 (Upper-middle income country).\(^3\)

• 98% of **children** ages 6–14 are enrolled in **school** (with little or no difference between enrolment of boys and girls).

• **Under-5 mortality** is 23 per 1,000 live births.

The Tongan Ministry of Finance and National Planning (2010, p.2) status report on the Millennium Development Goals (MDGs) explains that **poverty and hardship in Tonga manifests** itself as ‘an inadequate level of sustainable human development, manifested by a lack of access to basic services; a lack of opportunities to participate fully in the socioeconomic life of the community; and a lack of adequate resources (including cash) to meet the basic needs of the household or customary obligations to the extended family, village community and/or the church’.

**Millennium Development Goals**

The 2010 MDG Tracking Report for Tonga shows that by 2015: Tonga is ‘likely to achieve’ its targets in 3 of 17 areas; ‘possible to achieve’ its targets in 12 areas; and ‘unlikely to achieve’ its targets in two areas (Tonga Ministry of Finance and National Planning, 2010, p.ix). Tonga’s progress against goals is depicted in Graphic 1. The two areas highlighted as ‘unlikely to achieve’ are: Target 3a. Eliminate gender disparity; and Target 6c. Have halted and begun to reverse the incidence of non-communicable diseases (NCDs) (p.ix).

In regards to Target 6c, Tongans’ life expectancy has fallen due to a rise in NCDs – at least a quarter of NCDs deaths are premature, and 10% of hospital admissions in Tonga were due to NCDs (Anderson, 2012, p.vi-vii). A World Bank report examining the economic costs of NCDs in Samoa, Tonga and Vanuatu identifies that NCDs will continue to be a major health challenge for Pacific countries, and imposes important financial and economic costs (Anderson, 2012). The report calculates that an ‘estimated USD 84 billion of economic production would be lost from heart disease, stroke, and diabetes between 2006 and 2015 in the 23 low and middle income countries [Pacific countries] accounting for around 80 per cent of chronic disease mortality’, if nothing is done to reduce the risk of chronic disease (p.vi).

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\(^3\) See - [http://data.worldbank.org/country/tonga](http://data.worldbank.org/country/tonga)
Graphic 1: Tonga’s progress on MDG targets

<table>
<thead>
<tr>
<th>MDG 1. Eradicate Extreme Poverty and Hunger</th>
<th>State of Progress</th>
<th>Achievability by 2015</th>
<th>State of National Support</th>
</tr>
</thead>
<tbody>
<tr>
<td>Target 1A. By 2015, halve the proportion of people whose income is less than US$1 a day</td>
<td>****</td>
<td>G</td>
<td>S</td>
</tr>
<tr>
<td>Target 1B. Achieve full and productive employment and decent work for all including women and young people</td>
<td>***</td>
<td>G</td>
<td></td>
</tr>
<tr>
<td>Target 1C. By 2015, halve the proportion of people who suffer from hunger</td>
<td>***</td>
<td>G</td>
<td></td>
</tr>
</tbody>
</table>

| MDG 2. Achieve Universal Basic Education | | | |
|------------------------------------------| | | |
| Target 2A. Ensure, that by 2015, every child will be able to complete a full course of primary schooling | **** | G | |

| MDG 3. Promote Gender Equality and Empower Women | | | |
|-----------------------------------------------| | | |
| Target 3A. Eliminate, by 2015, gender disparity | ** | G | |

| MDG 4. Reduce Child Mortality | | | |
|--------------------------------| | | |
| Target 4A. Reduce by two-thirds, between 1990 and 2015, the under-five mortality rate | *** | G | |

| MDG 5. Improve Maternal Health | | | |
|--------------------------------| | | |
| Target 5A. Reduce by three-quarters, between 1990 and 2015, the maternal mortality ratio | *** | G | |
| Target 5B. Achieve, by 2015 universal access to reproductive health | *** | G | |

| MDG 6. Combat HIV/AIDS, Malaria and Other Diseases | | | |
|-----------------------------------------------------| | | |
| Target 6A. Have halted by 2015 and begun to reverse the spread of HIV/AIDS | *** | G | |
| Target 6B. Achieve, by 2015, universal access to treatment for HIV/AIDS for all those who need it | *** | G | |
| Target 6C. Have halted by 2015 and begun to reverse the incidence of NCDs | ** | G | |

| MDG 7. Ensure Environmental Sustainability | | | |
|---------------------------------------------| | | |
| Target 7A. Integrate the principles of sustainable development into country policies and programs and reverse the loss of environment resources | *** | G | |
| Target 7B. By 2010, achieve a significant reduction in biodiversity loss | *** | G | |
| Target 7C. Halve the proportion of people without sustainable access to safe and drinking water and basic sanitation | **** | G | |

| MDG 8. Develop a Global Partnership for Development | | | |
|-----------------------------------------------------| | | |
| Target 8A. Develop an open, non-discriminatory trading and financial system, including good governance, and poverty reduction | *** | G | |
| Target 8B. Address the needs of small island developing states | *** | G | |
| Target 8C. In cooperation with the private sector, make available, by 2010, the benefits of new technologies, especially information and communications | *** | G | |

2.2 Household Income and Expenditure Surveys

The Tongan government carried out its second Household Income and Expenditure Survey (HIES) during 2009, collecting data from nearly 2,000 households across the different islands⁴ (Tonga Statistics Department, 2010, p.i). Key findings from the HIES include (p.iv-v):

**Expenditure Summary**

- **Total consumption expenditure** of Tongan households was 333,027,000 pa’anga in 2009. Key expenditure areas include: food expenditure (51% of the total); transportation (11%); and housing and utilities (10%).
- **Average monthly consumption expenditure** per household was 1,550 pa’anga (urban households = 1,856 pa’anga; and rural = 1,460 pa’anga).
- **Rural/urban consumption** patterns did not differ greatly – although food expenditure was greater for the rural population; and rural households consume more home produce (90%) compared to urban households (51%).
- **Total non-consumption expenditure** was 98,819,000. Key expenditure areas include: gifts (e.g. to other households, the church, and the school) special events (e.g. weddings and funerals).

**Income summary**

- **Total income** of Tongan households was 355,856,000 pa’anga in 2009. Key income areas include: wages and salary income (43% of the total); income from subsistence activities (subsistence income + home produce consumed) (29%); remittances (21%).
- **Average monthly income** per household was 1,657 pa’anga (urban households = 2,170 pa’anga; and rural = 1,505 pa’anga).
- **Rural/urban income** patterns differed significantly – with the urban population more reliant on wage and salary income, and the rural population more reliant on subsistence activities. Both populations were equally reliant on remittances (with 80% of households receiving this source of income).

2.3 Demographic, social and economic surveys

**Demographics**

Tonga carried out a national population census in 2011, updating the previous 2006 population census data. The 2011 census shows (Statistics Department Tonga, 2011b, 2011a):

- A population of 103,000 – an annual increase of 0.2% from 102,000 in 2006.
- Number of households at 18,000 – an increase of 3.4% from 17,462 in 2006.

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⁴ Note, there were restrictions on surveying the Ongo Niua islands due to transportation problems and the 2009 tsunami.
In terms of population by island group, the 2011 census shows:

<table>
<thead>
<tr>
<th>Island Group</th>
<th>Total population</th>
<th>Percentage of national population</th>
<th>Percentage annual change in population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tongatapu island</td>
<td>75,158</td>
<td>73%</td>
<td>+0.8%</td>
</tr>
<tr>
<td>Vava’u islands</td>
<td>14,936</td>
<td>15%</td>
<td>-0.7%</td>
</tr>
<tr>
<td>Ha’apai islands</td>
<td>6,650</td>
<td>7%</td>
<td>-2.6%</td>
</tr>
<tr>
<td>‘Eua islands</td>
<td>5,011</td>
<td>5%</td>
<td>-0.8%</td>
</tr>
<tr>
<td>Ongo Niua islands</td>
<td>1,281</td>
<td>1%</td>
<td>-5.2%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>103,036</strong></td>
<td><strong>-</strong></td>
<td></td>
</tr>
</tbody>
</table>

Other demographic data reported since 2010 includes:

- **Tonga is predominantly rural** – with only approximately 25% of people in urban areas (Tonga Ministry of Finance and National Planning, 2010, p.xii).
- **Tonga has a young population** – the median age is 21 years, 38% of the population is under 15 years, and 8% are 60 years and older (Tonga Ministry of Finance and National Planning, 2010, p.xii).
- **Life expectancy averages at 70 years** – with women living to an average of 73 years, and men 67 years (Tonga Ministry of Finance and National Planning, 2010, p.xii).

### 3. Political economy

#### 3.1 Democratic reform

**Tonga is a country in the midst of profound changes** in terms of culture, society, politics and economics. An ethnography by Besnier (2011, p.5) identifies that ‘in the last half a century, the society has transformed itself from a relatively stable organic entity into a diasporic, pluralistic, and deeply modern society’, and particularly events since 2006 have instigated some of the biggest changes in its modern history.

**Expectations were high following the 2010 elections**, and the following three years have disappointed some Tongans, as the electoral reforms did not benefit everyone (Pulu, 2013, p.112). Pulu (2013, p.115) notes that ‘democracy was a euphemism for reform’. Pulu (2013) notes that democratically elected parliamentarians now outnumber the nobility by seventeen to nine – the nine nobles are voted by the landed gentry of thirty three estate holders – Pulu (2013, p.111; Moala, 2012) highlights how this favours and sustains a male gender bias in parliament. There is little academic or practitioner literature, as yet, analysing the implications of democratic reform on poverty in Tonga.

#### 3.2 The political economy of policy reform

The literature revealed a number of reports since 2010 exploring the political economy of policy reform. **The 2006 unrest spurred on multiple reform agendas** in Tonga including democratic, fiscal, economic,
and public sector reforms (Bolt, 2013). Bolt (2013, p.86) notes that Tonga’s ‘commitment to fiscal reform remained strong and had widened to a broader reform program’, as a consequence of the 2006 riots. ‘Later moves to change democratic processes facilitated wider acceptance of the need for public sector reforms, including reform of [state-owned enterprises]’ (Bolt, 2013, p.86).

Both the ADB and World Bank rate the quality of Tonga’s policies and institutions as ‘weak’ (Tonga Ministry of Finance and National Planning, 2011, p.37). In 2010, Tonga was ranked in 52 out of 183 countries on the World Bank’s Doing Business Index (p.37). The World Bank’s (2010, p.19) country strategy identifies two ‘moderate’ risks for donors in Tonga: (1) ‘Perhaps the most significant country level risk is the volatile economy, and the sustainability of reforms efforts; and (2) ‘As in any capacity constrained small island state, investments face implementation risks’.

The World Bank (2010, p.i) identifies that ‘renewing economic reform momentum will be vital for Tonga to bounce back more strongly from current economic difficulties’ – particularly in public expenditure policy and management. The World Bank (2010, p.4) also recognises that the ‘domestic policy environment has strengthened steadily’. For the period 2008 to 2012, The World Bank gave Tonga a Country Policy and Institutional Assessment (CPIA) score of 3.7.5

In a review of Pacific countries’ commitment to reform, based on reforms and policy-based loans by the Asian Development Bank (ADB) during 1997–2007, Bolt (2013, p.66, 86) writes that ADB worked closely with the Tongan Ministry of Finance in designing the reform agenda, however other government agencies were ‘inadequately involved in concept and design’ and there was little engagement with the public. This meant that when it came to implementation, other ministries ‘showed less ownership and understanding of other measures’ (p.66).

In another Asian Development Bank funded paper, this time examining telecommunications regulatory reforms in the Pacific, ‘Ofa (2011) identifies five factors that led to the successful reform agenda in Tonga, compared to other Pacific countries. First, the Tongan reform agenda had clear objectives from the beginning, and these were reflected in the policies pursued (p.83-4). Second, the creation of an independent regulator – in the Department of Communications – through a legal act and a policy document, affirmed the government’s commitment to the reforms and created a predictable investment environment (p.84).

Third, the King of Tonga’s commitment to liberalising the telecommunications sector coupled with his divestment in the monopoly provider, TonFon, was central to overcoming political and public resistance’ (p.84; Duncan, 2011, p.17). Fourth, multilateral commitments to liberalisation of the sector, made at the World Trade Organisation (WTO), locked in its reform agenda (p.85). The Tongan case provides evidence how multilateral policy restraints – including dispute mechanisms with teeth – can help initiate and sustain reforms (Duncan, 2011, p.18). Fifth, due to emigration, Tongans in the diaspora would have experienced the benefits – cost, quality, and availability of services – of a competitive telecommunications sector (‘Ofa, 2011).

The paper details three lessons learned for the donor community (‘Ofa, 2011, p.88):

(1) The risk of regulatory capture is always present and can undermine the credibility of telecommunications and other reforms in the Pacific island countries.

6 The Communications Act, and the Communications Policy Statement
(2) Pro-competitive policies that lead to liberalisation play a central role in increasing the credibility of reforms.

(3) Technical assistance channelled towards increasing public knowledge of, and support for, the reforms is vital.

3.3 Tensions with external actors

While the domestic violence and tensions of the 2006 riots have now subsided, following constitutional reform, Pulu (2013) argues that political and economic liberalisation has brought other tensions. Pulu (2013) argues that the economy has been ‘captured by aid donors, international banks, international money monitors’ (p.118).

Tensions have also emerged between New Zealand and Tonga due to New Zealand changing the focus of its aid policy from poverty to economic growth, and New Zealand’s role in supporting Tonga to take up regional integration and free trade agreements (Pulu, 2013, p.118). There has also been controversy over alleged corruption of aid funds.\(^7\)

3.4 Remittances

The role of remittances in Tonga is well documented in the literature – key recent studies include Jimenez-Soto and Brown, 2012 and Brown, Connell and Jimenez-Soto, 2013. An estimated 150,000 Tongans live in New Zealand, Australia, and the US – this is around 1.5 times the size of the population in Tonga (Tonga Ministry of Finance and National Planning, 2010, p.xii). Remittances play a key role in supporting the Tongan people – making up a total of 21% of total income of Tongan households in 2009.

It also plays a key role in poverty alleviation. Quantitative analysis by Brown, et al. (2013) calculates that in Tonga:

- The poverty rate would have been 62% without migration and remittances in comparison with the observed 32%.
- ‘Recent household-level survey data on migration and remittances in two Pacific island states, Fiji and Tonga, demonstrate that where formal social protection systems are largely absent, migration and remittances can perform a similar function informally, contributing significantly to development objectives’ (p.1).
- ‘Migrant households among the poorest are likely to be much better insulated against negative income shocks than the non-migrant households in the same income category’ (p.1).

Quantitative analysis by Jimenez-Soto and Brown (2012) calculates that in Tonga:

- Remittances reduce the incidence of poverty by 31% and depth of poverty by 49% (p.425).

3.5 Government interference in media

An article\(^8\) by the Tongan media owner and campaigner Kalafi Moala on the Pacific Institute of Public Policy’s news site warns of government controlled media noting that the Tongan government has tried to legislate to set up a media council through a government ministry to hold media accountable. The article notes that libel is a criminal offence in Tonga, and ‘Tonga’s defamation laws have been used more than a

\(^7\) See - http://devpolicy.org/pacific-buzz-november-8-2011/

few times in recent years to defend and protect the reputation of those believed to have been damaged by the media through libellous reporting’.

4. Challenges facing Tonga and development actors

4.1 Natural disasters and climate change

Tonga is highly vulnerable to natural disasters, and is exposed to climate change risks. Speaking at the UN General Assembly in 2012, Tongan Prime Minister Lord Tu’i’ivakano warned ‘There is an urgent need to continue to address the security implications of climate change including the impact on territorial integrity, the frequency and severity of climate related disasters, threats to water and food security, and the forced displacement of people’ (in Macelllan, 2013, p.364). However, as the Pacific Institute of Public Policy (2012, p.2) notes, the small populations and geopolitical power of the Pacific islands mean that they will ‘increasingly struggle to influence international treaties’ relating to issues such as climate refugees.

The World Bank (2012a, p.6-7) calculates that the average annual economic impact from disasters in Tonga is 4.3% of GDP (this makes it the 5th country most affected, from the 20 countries under analysis).

The government and donors are investing in natural disaster and climate change schemes. Macelllan (2010, p.411) notes that community-based disaster prevention training ‘saved many lives’ in the three countries that were affected by the 2009 Tsunami. The Tongan government has now produced a National Tsunami Plan.10

4.2 Economic vulnerability

As a small, remote, relatively undiversified island economy dependent on other regional countries, Tonga’s economy is highly vulnerable to external shocks (World Bank, 2010, p.2). The 2008 global financial crisis had a strong impact on Tonga as: remittances from the diaspora slowed, tourism declined, and fuel and food price shocks pushed up essential import prices (p.i). Tonga is also ‘heavily reliant’ on other countries due to investment, trade, remittances and aid11 (World Bank, 2010, p.3).

4.3 Gender equality

Despite good health and education outcomes for women and girls, women’s representation in Parliament is low (World Bank, 2010, p.2). In 2011, Tonga only had one woman in Parliament (Macelllan, 2012). Pulu (2013, p.111) notes that ‘Tongan society’s patriarchal structure and the widespread practice of Christianity as the state religion, has led to the prevalence of male political leaders being accepted as symbolic of culture’.

9 The Tsunami affected the coast of the island Niuatoputapu.
10 See - http://pidp.eastwestcenter.org/pireport/2013/August/08-28-17.htm
4.4 Young people, crime and violence

A report by the Pacific Islands Forum Secretariat and the UNDP Pacific Centre - based on interviews, focus groups and workshops in select countries – explores young people’s involvement in crime and violence in select Pacific countries, including Tonga (Noble et. al., 2011). The report notes that the majority of crime in Tonga is committed by young people aged between 15 and 34 years of age (Noble et. al., 2011, p.142):

The role of young people as victims and perpetrators of crime and violence is increasing in the following areas: inter-school fighting (while this is a tradition in Tonga, it has been increasing in recent years, and was the most widely mentioned category of violence); drug related crimes; and domestic and sexual violence (Noble et. al., 2011, p.142-144). It also recognises that young people played a key role in the 2006 Nuku’alofa riots (Noble et. al., 2011, p.145). The report identifies a few causes of these increasing trends, including: globalization, urbanization changing traditional norms and roles of Tongans, changing family structures, parent absenteeism and migration (Noble et. al., 2011, p.152-3).

4.5 Aid effectiveness

Maclellan (2013, p.359) identifies a key priority for Pacific countries in 2012 was ‘continuing implementation of the 2009 Cairns Compact on Strengthening Development Coordination in the Pacific’ with an aim of improving the effectiveness of aid management systems (p. 359). The latest progress report on the Cairns Compact was published in 2011 (Pacific Islands Forum Secretariat, 2011). A peer review team was sent to Tonga in 2012.

Tonga is not a signatory to the Paris Declaration, and it doesn’t have a formal donor co-ordination mechanism – therefore the institutions to support aid effectiveness ‘appear less developed’ (Dodd, et al., 2013, p.10). Dodd, et al. (2013, p.13) note that this could be a reason why use of government systems in the health sector is ‘patchy, despite their relative strength’; and the quality of technical assistance is of concern (p.13).

The World Bank (2010, p.9) recognises this issue to be of increasing importance as donors increase aid flows to Tonga, and channel significant amounts through budget support (meaning that coordinated policy dialogue is important). Tonga is also due to receive more funding for climate change adaptation (World Bank, 2010, p.9). In a blog post for the Australian National University’s Development Policy Centre, Pryke comments on the increase in aid and aid-like flows from non-DAC donors saying, ‘The entry of non-traditional donors not only increases aid volumes directly; it also provides competition and keeps traditional donors engaged with the Pacific’. 12

In April 2013, Australia and China signed a Development Cooperation Partnership for the Asia–Pacific region, establishing cooperation on regional health issues (including Malaria and HIV) and water resource management. Future activities will be agreed on a case by case basis. 13

4.6 Regional issues

Maclellan (2011, p.364) reports that pressures in the region – including competing trade and fisheries agendas (Bryant-Tokalau, 2012); responding to climate change; and diverging responses to the Fijian coup – have damaged intra-regional unity. This has promoted the emergence of new sub regional

groupings, however, it remains to be seen if these will rival the power of current regional groups. Macelllan (2010) highlights increasing debate over the capacity of regional organisations to respond to the Pacific island’s core development challenges, namely climate change and the global economic crisis.

5. Development programmes in Tonga

5.1 Tongan government


The Tongan government’s development plan details nine broad areas of objectives: inclusive communities; public and private sector partnerships; infrastructure; education; skilled workforce; health; cultural awareness, environmental sustainability, disaster risk management and climate change adaptation; better governance; and law and order.

5.2 Donors

General aid flows

Aid to Tonga has increased over the past few years, with ODA received rising from USD 39 million in 2009, to USD 70 million in 2010, to USD 94 million in 2011. Different figures are reported regarding Tonga’s aid-to-GNI ratio, however a blog the ANU’s Development Policy Center calculates that Tonga’s aid-to-GNI ratio averages out at around 17% from 2009 to 2011, this is an 86% increase on the average across the period 2000 to 2002. Service delivery in Tonga relies heavily on donor support, a Development Policy Centre blog by Negin identifies that in 2007: donors provided 39% of total health expenditure in Tonga. This is largely provided by one donor – the Australian Government – raising concerns about dependency (Dodd, et al., 2013).

According to the latest OECD-DAC data (2010-11), the five largest OECD-DAC donors (gross ODA) are Australia (USD 26 million), Japan (USD 21 million), New Zealand (USD 13 million), the World Bank’s International Development Association (USD 10 million), and Asian Development Bank’s Special Funds (USD 6 million). Comparable data on non-DAC donors is not available. However, it is estimated that China is contributing approximately USD 850 million to all of the Pacific region islands from 2006-2011 (around 6% of total aid to the region).

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14 See - http://www.oecd.org/dac/stats/TON.gif
19 Comparable data on non-DAC donors is not available.
Australia

Strategy paper: **Australia Tonga Partnership for Development** (published 2009)

The Australian Government’s activities focus on the following activities: developing the public sector, improving health and education services and outcomes and improving infrastructure. Australia expects to provide AUD 32.2 million AUD in development assistance to Tonga in 2013-14 (this includes an estimated AUD 19.9 million bilateral assistance; AUD 9.9 million to regional programs; and AUD 2.4 million to programs managed by Commonwealth Government agencies).

Japan

Strategy paper: not available online

The JICA website explains its work in Tonga as: ‘JICA is providing assistance with a focus on environment, climate change measures and disaster preparedness projects. JICA also provides assistance to form an island community recycle-based society, promote the introduction of renewable energy, and strengthen monitoring and warning capacity’.21

New Zealand

Strategy paper: **Joint Commitment for Development** (published 2011)
http://www.aid.govt.nz/webfm_send/112

New Zealand Aid activities focus on six areas: energy; small to medium enterprise development; tourism; education and training; police; and budget support. New Zealand has allocated NZD 51 million of development support for the Tonga bilateral programme over the 2009/10 to 2011/12 period.

World Bank

Strategy paper: **Country assistance strategy for the period FY2011-2014** (published 2010)

World Bank Group activities focus on three areas (p.11): supporting policy reform to strengthen growth prospects and improve service delivery; generating opportunities through greater global and regional integration; and building resilience against shocks. Coordinated International Development Association (IDA) and International Finance Corporation (IFC) work will focus on private sector and strengthening service delivery (through contracting to the private sector) (p.i).

‘There is potentially room for the Bank to provide USD 50 million in grant funds to Tonga over the next 4 years...There is also scope for the Bank to provide flexible budget support’ (p.i).

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21 See - http://www.jica.go.jp/tonga/english/
Asian Development Bank’s Special Funds

Overarching strategy paper: **ADB’s Pacific Approach 2010-2014** (published 2009)


ADB activities focus on three areas (p.23): inclusive and environmentally sustainable growth; good governance; and regional cooperation and integration. ADB established the Poverty Reduction Cooperation Fund (PRF) in 2002 – Tonga is eligible for funding.22

**Other donor development plans include:**

- **UN Development Assistance Framework (UNDAF)** for the Pacific Sub-Region is a five-year strategic programme framework that outlines the collective response of the UN system to development challenges and national priorities in 14 Pacific Island Countries and Territories (PICTs), 2013-2017 -
- **UNDAF Multi-Country Action Plan** -
- **UNDAF Tonga Results Matrix 2013-2017** -

6. References


22 See - http://www.adb.org/site/funds/funds/poverty-reduction-cooperation-fund-prf

http://www.hlsp.org/LinkClick.aspx?fileticket=S0aldURPUB0%3D&tabid=2581


http://www.hlsp.org/LinkClick.aspx?fileticket=S0aldURPUB0%3D&tabid=2581


http://scholarspace.manoa.hawaii.edu/bitstream/handle/10125/23851/v23n2-440-454-politicalrev.pdf?sequence=1

http://scholarspace.manoa.hawaii.edu/bitstream/handle/10125/30630/v24n2-360-375-politicalrev.pdf?sequence=1


http://www.undp.org/content/dam/undp/library/MDG/english/MDG%20Regional%20Reports/PIFS_MDG_TR_20101.pdf


http://www.unpd.org/content/dam/undp/library/MDG/english/MDG%20Country%20Reports/Tonga/Tonga_MDG%202010.pdf


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**Suggested citation**


**About this report**

This report is based on eight days of desk-based research. It was prepared for the Australian Government, © Australian Government 2013. The views expressed in this report are those of the author, and do not necessarily reflect the opinions of GSDRC, its partner agencies or the Australian Government.

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7. Appendix 1 – Research institutes

- University of Hawai’i - Center for Pacific Islands Studies - http://www.hawaii.edu/cpis/; http://scholarspace.manoa.hawaii.edu/handle/10125/2828
  http://programsandcourses.anu.edu.au/program/BPAST
- Pacific Institute of Public Policy (PiPP) - http://pacificpolicy.org/about-pipp/
- Pacific Islands Development Program (PIDP) – East-West Center -
  http://www.eastwestcenter.org/pacific-islands-development-program/about-pidp
- Research Clusters Unit - The University of the South Pacific (USP) -
  http://research.usp.ac.fj/index.php?id=229
- Centre for Pacific Studies - The University of Auckland -
  http://www.arts.auckland.ac.nz/uoa/home/about/departments-and-schools/centre-for-pacific-studies

8. Appendix 2 – Research and data sources

Tongan government online sources:
- Tonga government department of statistics - http://www.spc.int/prism/tonga/

Donor info portals:
- AusAid country profile Tonga -
- UNDP country profile Human Development Indicators -
- Asian Development Bank (ADB) country profile Tonga -
  http://www.adb.org/countries/tonga/main
- International Monetary Fund (IMF) country profile Tonga –
Literature review: poverty, social analysis and the political economy of Tonga

- International Finance Corporation (IFC) country profile - http://www.ifc.org/wps/wcm/connect/region__ext_content/regions/east+asia+and+the+pacific/countries/ifc+in+tonga
- New Zealand Aid Program country profile Tonga - http://www.aid.govt.nz/where-we-work/pacific/tonga
- UN International Fund for Agricultural Development (IFAD) country profile Tonga - http://asia.ifad.org/web/tonga/overview