World Bank poverty analysis in Fiji
Issues in methodology and policy applicability

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ABSTRACT
Quantitative poverty analysis for Fiji has become more frequent over the last five years, corresponding to the increasing frequency of household income and expenditure surveys (HIES). The Fiji Bureau of Statistics (FBS) has sponsored several poverty analyses using the 2002-03 and 2008-09 HIES data resulting in Narsey (2008), Narsey (2010), Narsey (2011b) and Narsey(2012).

The World Bank also initiated a poverty analysis exercise in Fiji in 2010, using different methodology from that used by Narsey (2008) and FBS (2011) and produced parallel results which were different from Narsey (2011) in key respects. The World Bank (2011) results will understandably be the results used internationally and perhaps even locally. This paper argues, however, that the World Bank’s methodology has weaknesses when applied in the Fiji context, giving incorrect results and signals. The World Bank methodology also has weaknesses in important policy applications such as the determination of minimum wages guidelines to improve the living standards of the most vulnerable non-unionized workers in Fiji.

Quite anomalously, World Bank poverty analysis in Fiji does not follow World Bank’s own expert advice for comparable situations. This paper suggests that international organisations like World Bank need to re-examine their poverty analysis methodology and policy applicability for middle income countries like Fiji where the HIES data is statistically robust, and also look towards strengthening domestic capabilities and continuity in such poverty analysis initiatives.

Keywords: Fiji, World Bank, HIES, incidence of poverty, methodology of poverty lines, poverty alleviation guidelines