



Achieving education and health outcomes in Pacific Island countries – is there a role for social transfers?

Over the past two decades, most PICs have made good progress in improving the health and education of their citizens. Some have faced setbacks caused by shocks and crises; nonetheless, the *2010 Pacific Regional Millennium Development Goals (MDGs) Tracking Report* indicates that most PICs are moving forward in achieving internationally agreed goals. Significant challenges remain, however, before citizens enjoy satisfactory levels of health and education, in particular poor families.

In education, the main challenges faced by PICs are access to secondary education, low education quality, and child malnutrition adversely affecting learning ability. Data from 2006-08 reveals that secondary school enrolment was only 64 per cent in Samoa, 34 per cent in Kiribati and 32 per cent in Vanuatu. In health, the challenges are reducing infant mortality, halting a steep rise in non-communicable diseases (diabetes etc.), addressing inadequate sanitation, and ensuring coverage and access for poor families and those in remote areas.

Expanding fee-free basic education across the Pacific should encourage more children to enter or remain in primary school. However, there is a danger that secondary education is being neglected in preference to a focus on primary education. If Pacific islanders are to compete in national and regional labour markets, many more children need to complete secondary education, making fee-free education for poor families at secondary level a future priority. In the health system, expenditure patterns need rebalancing so that affordable health services are accessible even in more remote regions. Samoa, for example, provides subsidised health care and free transport on ferries to the elderly. Social health insurance is being explored in Fiji, Kiribati, Tonga and Vanuatu, but this is unlikely to significantly improve access for the poor.

Given that poverty is often a root cause of poor health and poor education, a key policy question for PICs is whether greater investment in social transfers might address poverty and, as a result, improve health and education among the poor. There is growing evidence that social transfers can play a role in reducing poverty and contributing to better health and education outcomes for the poor. For example, in South Africa, old age pensions and child grants have helped tackle malnutrition, with children growing by up to an additional five centimetres, which also benefits their cognitive development and school performance. Cash transfers enable poor families to send their children to school, and there is evidence that they also lead to improved health outcomes and use of health facilities.

Pacific Island governments face difficult choices as they seek to improve the wellbeing of their citizens in the face of economic challenges and limited public budgets. Development partners already play a vital role in supporting governments, and recent initiatives to address access to services, for example, by providing fee-free education, are an encouraging trend. However, a similar focus needs to be directed to improving the quality of public services, in particular for the poor and those living in more remote areas and islands. In addition, tackling poverty directly through innovative social transfer programs offers the potential for greater uptake by the poor of available services, leading to better human development outcomes.