

INTRODUCTION

This brief summarises the results of the Household Income and Expenditure Survey (HIES) that was implemented in Solomon Islands from October 2012 to October 2013. Information on household (HH) income and expenditure patterns is presented at the national level, and then disaggregated by rural and urban, with the objective of providing socioeconomic information to assist with planning and policy development.

SUMMARY OF RESULTS

- Nationally, average annual HH income is \$57,400¹ (median: \$33,100). In rural and urban areas, average HH income is \$45,100 (median: \$29,900) and \$114,800 (median: \$58,800), respectively. There is a large amount of income inequality within and between urban and rural areas of Solomon Islands.
- One-third of rural HH income is derived from subsistence², while almost all urban HH income is cash-based.
- One-quarter of total urban HH expenditure is on: rice, noodles, bread, biscuits, chicken wings, sugar, beer, tobacco and betel nut.
- More than half of the value of rural HH food consumption is derived from subsistence.

Table 1: Population and median HH income and expenditure by area

	National	Rural	Urban
Population			
Persons	615,804	501,353	114,451
Households	108,041	89,026	19,015
Household income (SBD)			
Median annual HH income ⁴	\$33,100	\$29,900	\$58,800
Median annual HH cash income ⁵	\$16,400	\$12,600	\$52,000
Household expenditure (SBD)			
Median annual HH expenditure ⁴	\$39,500	\$35,800	\$73,200
Median annual HH cash expenditure ⁵	\$23,700	\$18,900	\$68,900

¹ All currencies reported in SBD (7.78 SBD/USD on 17 February 2015).

² Subsistence income is derived from the value of home-produced and consumed goods.

³ Median income and expenditure (Table 1) is reported to give an indication of expenditure distribution, compared to average (Table 2).

⁴ Excluding imputed rents.

⁵ Excluding imputed rents, subsistence and in-kind income.

AVERAGE HH INCOME AND EXPENDITURE

Table 2: Average annual HH income and expenditure (SBD) by type

Average annual	National	Rural	Urban
Household income			
Cash	\$43,300	\$28,800	\$111,000
Subsistence	\$14,100	\$16,300	\$3,800
Household expenditure			
Cash	\$39,800	\$27,900	\$95,600
Subsistence	\$14,100	\$16,400	\$3,400

Wages and salaries, and business income, account for more than half of national HH income. Over one-third of national HH

income is generated from primary activities (subsistence and sale of produce) and almost all HHs generate some income from primary activities (subsistence consumption). **Half of national HH expenditure is dedicated to food, 11% to transportation and 10% to alcohol, tobacco and betel nut.**

Over half of rural HH income is generated from primary activities and over one-third from wages and salaries and business income. 59% of rural HH expenditure is on food (of this, 60% is generated from subsistence consumption), 9% is on transportation and 9% is on alcohol, tobacco and betel nut.

80% of urban HH income is sourced from wages and salaries (incl. business income) and 8% from property income (rentals).

POLICY GOALS

It is beyond the scope of this brief to present detailed policy implications, however the following goals are recommended based on HIES results:⁶

1. Food security and nutrition: promote sustainable primary industry development, along with natural resource management and efficient marketing infrastructure, to facilitate rural-to-urban trade. The objective of this policy goal is to increase domestic productivity, to improve rural income and to reduce the incidence and economic burden of non-communicable diseases.

2. Health: increase access to improved drinking water and sanitary facilities and educate HHs about the nutritional benefits of consuming locally produced fruit, vegetables and seafood, and about the adverse health outcomes of betel nut, alcohol and tobacco use. The objective of this policy goal is to reduce the incidence and economic burden of communicable and non-communicable diseases and to boost demand for local produce.

3. Rural development: boost agricultural and fisheries production and develop marketing infrastructure to improve market access and rural-to-urban trade efficiency. The objective of this policy is to sustain rural cash income and employment, to substitute imports and provide urban HHs with an affordable and nutritious consumption base.

4. Disaster preparedness: implement disaster risk management strategies and preparedness initiatives to reduce disaster risk of, among other things, loss of life, shelter, food and income for subsistent-dependent Solomon Island HHs.

⁶ The policy goals correspond with the objectives of the National Development Strategy (2011 to 2020) and the United Nation Sustainable Development Goals.

Further information and reading

This fact sheet was produced by SPC's Statistics for Development Division.

Solomon Islands HIES analytical reports:
<http://www.spc.int/prism/reports>

Regional development indicators:
<http://www.spc.int/nmdi>

RURAL HOUSEHOLDS

URBAN HOUSEHOLDS

RURAL

URBAN

72%



have access to an improved drinking water source

89%

99%



have a vegetable garden

45%

TOTAL HH EXPENDITURE

9%



rice expenditure

6%

9%



alcohol, betel nut and tobacco expenditure

11%

6%



charitable expenditure

5%

62%

have a traditional roof

33%

use improved sanitation facilities

62%

main activity is producing goods

73%

main activity is producing goods

59%

of total expenditure is on food

18% on tubers

94%

of tuber consumption is home-produced

67%

main activity is employee

67% in private sector

35%

of total expenditure is on food

4%

expenditure on prepaid recharge cards

51%

main activity is employee

60% in private sector

33%

own a TV

57%

main cooking fuel is wood & coconut shells



17%

of total expenditure is on transport

RURAL

HH expenditure

- 37% of expenditure is the value of subsistence consumption

HH income

- 53% of HH depend on primary production activities
- 85% of HH make money from the sale of primary produce

64%

undertake livestock activities



57%

undertake fishing activities



URBAN

HH expenditure

- 14% of expenditure is on housing and utilities

HH income

- 86% of HH have at least one HH member with a waged job
- 13% of the population (aged 15 to 60) have at least two jobs

86%

receive wage and salary income



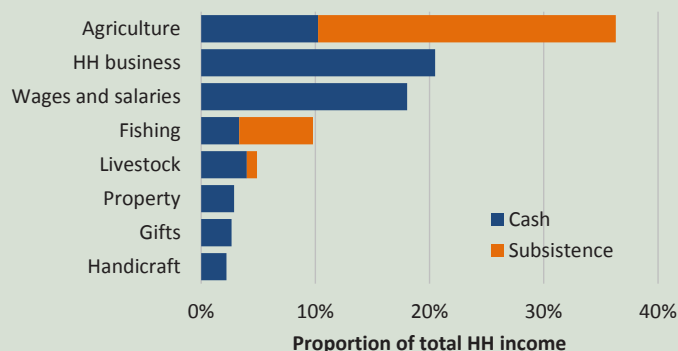
29%

receive business income

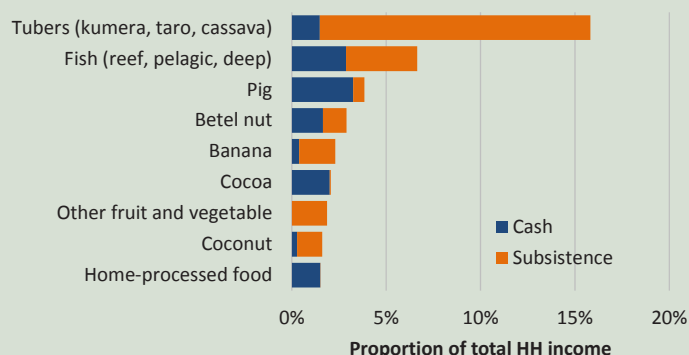


RURAL HH

Income:
(a) source

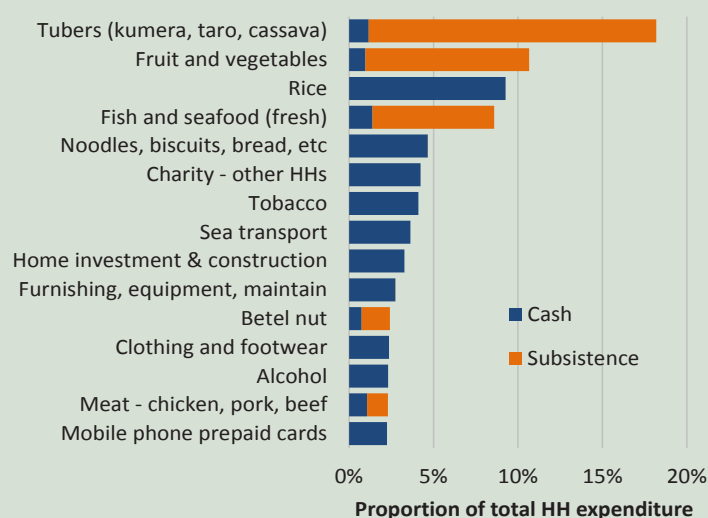


(b) primary produce



Agriculture is the main income source for rural HHs, making up 36% of HH income. Two-thirds of agricultural income is derived from the value of subsistence consumption. HH business and wages and salaries are the main cash income sources. The main primary produce from which income (cash and subsistence) is derived includes tubers (42%), fish (17%), pig (10%) and betel nut (7%).

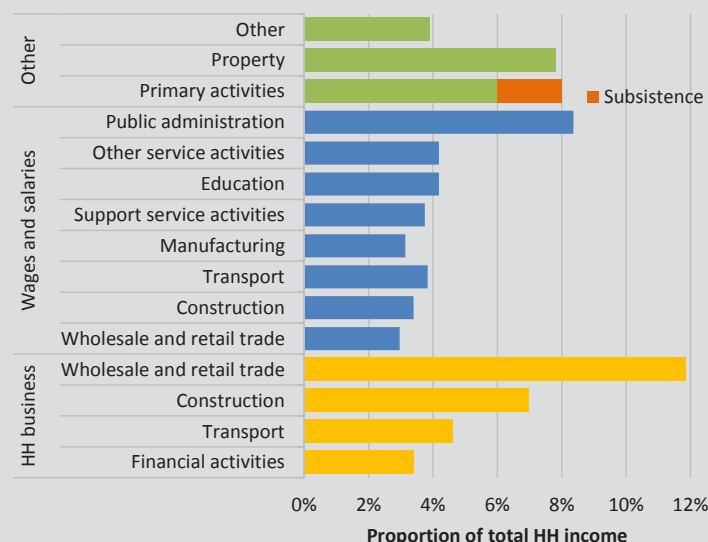
Expenditure: main items



The top 15 rural HH expenditure items account for 81% of total rural HH expenditure. For these items, subsistence accounts for 46% of expenditure, with tubers, fruit, vegetables, fish and seafood ranking high among the expenditure items and being mainly subsistence. Rice is the main cash expenditure item of rural HHs.

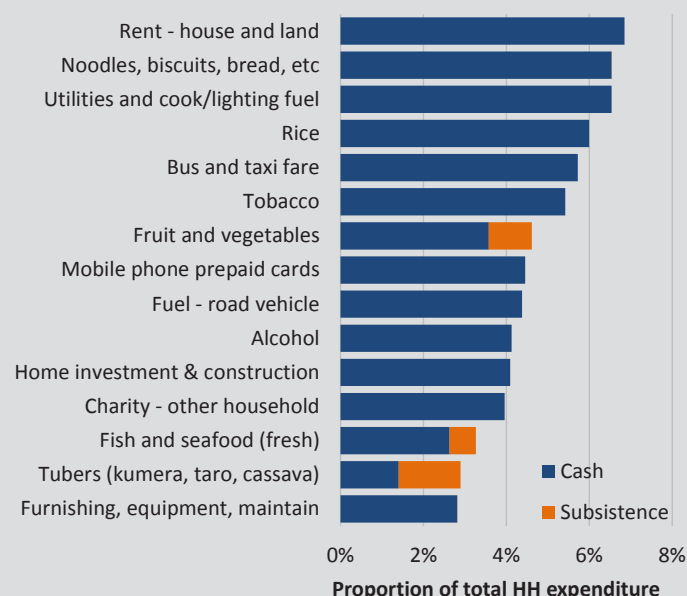
URBAN HH

Income: by income category and sector



Wages and salaries are the most significant income source for urban HHs, followed by HH business income. The main source by sector is wholesale and retail trade, followed by public administration, primary activities (cash and subsistence), property income and construction.

Expenditure: main items



The top 15 expenditure items for urban HHs account for 72% of total expenditure. Urban expenditure is mainly cash-based, and rent (house and land) is the main expenditure item, followed by cereals (excluding rice), utilities, rice, bus and taxi, and tobacco. Home production (subsistence) consumption expenditure is not significant in urban areas.