PROCEEDINGS

RESEARCH NETWORK

PMMA/MPIA Interim Meeting

22-25 February 2003
AIM Conference Center
Makati City, Philippines
Introduction

This meeting was organized to present, discuss and evaluate research proposals as well as reports from National MIMAP teams. On the first day, national teams presented selected reports. On the second day, selected new PEP proposals were presented. During the last two days, time was set aside for discussions on conceptual and specific technical issues between resource persons and individual researchers from PEP and national teams.

Session 1: Welcome and announcement (Plenary)

Chair: Poncilano S. Intal Jr.

During this session Dr. Ponciano Intal Jr (Angelo King Institute, De la Salle University) officially opened the 1st MPIA-PMMA PEP interim meeting and invited Dr Mario Lamberte of the Philippines Institute for Development Studies (PIDS) to provide the opening remarks. After a brief history of the MIMAP–Philippines project, its growth and success, he presented their interest, as well as the interest of policymakers, for research on poverty eradication. He talked about the collaboration between PIDS and Laval University (CREFA) and his participation in the COFI project.

Dr. Ponciano Intal Jr invited Randy Spence (IDRC), “Grand-Father of the MIMAP program”, to pronounce some welcome words. He complimented researchers, the steering committee and the resource persons for their participation in the success of MIMAP and PEP. He officially launched the 1st interim meeting and invited Stephen McGurk (IDRC), the new MIMAP team leader, to say a few words. He talked about his excitement to see such commitment from the MIMAP and PEP researchers and encouraged all to continue strengthening it. Furthermore, Stephen indicated that PEP is a large part of MIMAP and would like to see improvement and strengthening of its collaboration with policymakers.

Finally, John Cockburn (CIRPEE – Université Laval), the co-director of PEP-Network said a few words. John thanked the organizers. He presented the new network and its position in relation to the MIMAP program, the three sub-networks, PMMA, MPIA and CBMS and their coordinators, respectively Jean-Yves Duclos (CIRPEE – Université Laval), Bernard Decaluwé (CIRPEE – Université Laval) and Celia Reyes (Angelo King Institute, De la Salle University). He presented the current members of the steering committee and resource persons. John finished with the presentation of the four-day meeting program.

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Concerned with gender (Benin), transient versus chronic poverty (Benin), the dynamics of poverty (Burkina Faso) and finally education and poverty (Senegal).

Chair: Boniface Essama-Nsaah

Presentation: Marie-Odile ATTANASSO (Benin), "Analyse des déterminants de la pauvreté monétaire des femmes chefs de ménage au Bénin", comments by Cissé Fatou

The main objective of this study is to better understand female poverty and its determinants in order to define the best strategies to fight poverty. The author began by studying the differential in poverty by gender and living area and looking for the determinants of female poverty in a context of decentralization.

Floor comments:

• *Ponciano Intal Jr*: found the results really interesting and he noted that the incidence of poverty among female heads of household is greater in urban areas of Benin. This result is the opposite of the Philippine case. He proposed that Marie-Odile complete this work by a differentiation by size of household.
• *Abdelkrim Araar*: The conclusion of the test done to compare could be false because the weighting is not taking in account. He proposed to add the impacts for male heads of household and to compare with the female results. Finally, the author must complete the bibliographic references.
• *Touhami Abdelkhalek*: Could the concept of feminization be elaborated because it is a dynamic concept not fully included in this study?
• *Chris Scott*: He proposed to better define two concepts. First, how is the distinction between men and women heads of household made and second, are the women heads of households by choice or not? Finally, he would like to know if the author verified that the determinants of poverty are the same for women and for men.
• *Claude Wetta*: This question was studied by the Burkinabé MIMAP team and they found the same conclusions that it is important to do this distinction between men and women.
• *Adolf Mkenda*: This study has been done in Tanzania and Ivory Coast with the same conclusions too, but it is important to take in account the choice of the poverty indicator since it could influence the results.
• *Jean-Bosco Ki*: The author must specify the meaning of the “inversion of the tendency” because this work is not dynamic. The results could be influenced by the size effect since the sample has more men than women.
**Presentation:** Damien MEDEDJI (Bénin), "Analyse de la mobilité et des facteurs d'entrées et de sorties dans la pauvreté en milieu urbain au Bénin", comments by Touhami Abdelkhalek

The author constructed a transition matrix (2x2) to analyze mobility in urban poverty and the characteristics of poor households in the short term. After, a probabilistic model is used to analyze the determinants of this mobility. Finally, some simulations are done to analyze the impact of structural and demographic changes on each group of households.

**Floor comments:**
- **Boniface Essama-Nsah:** He proposes to take in account the characteristics of the country to explain the interaction between the individual and social features.
- **Dorothée Boccanfuso:** The methodology chosen by the author to find the determinants is a multinomial logit with the hypothesis of independence between the positions in 95 and 99. Damien did an IIA test but it seems that the acceptation of the IIA hypothesis (H0) does not imply this independence between the positions in 95 and 99. Then this independence hypothesis could be too strong. Furthermore, the author could be more explicit on the weighting choice. It is not clear if the interpretation of the results can be extrapolated to the whole population.
- **Chris Scott:** It seems that all the information is not included in the analysis. There is a censured variable but the mobility of the income is not seen. The suggestion is to consider a model with continued and censured variables such as a Tobit model.
- **Ponciano Intal Jr:** he suggests that some results could be better explained.

**Presentation:** Claude WETTA and Bernard BONZI (Burkina Faso), "Dynamique de la pauvreté au Burkina Faso: Évolution du profil de pauvreté 1994-1998", comments by Essama Nsah

The main objective of this report is to analyze the dynamics of poverty with both national surveys (EP94 and EP98). The authors compare the poverty indices, the incidence, severity and depth of poverty considering many poverty lines and scales of equivalence. They decompose the variation of poverty in growth and inequality components using different methods. Finally they compare the income distributions using the Lorenz curves.

**Floor comments:**
1. **Abdelkrim Araar:** the choice of the poverty line in the decomposition of poverty variation section is too arbitrary. They cannot use dominance analysis to choose the poverty line. The interpretation of the residual in this decomposition needs to be done to better understand the results.
2. **Dorothée Boccanfuso:** it would be preferable not to choose a poverty line different from the one used in the previous studies and in the official reports. Furthermore, the discussion on equivalence scales is not relevant in this research and could introduce confusion for the policy makers.
Presentation: Fatou CISSE, Gaye DAFFE and Abdoulaye DIAGNE (Senegal), "Education, Équité et Pauvreté".

The objective of this paper is to investigate if the allocation of public expenditure for education at different schooling levels succeeded in targeting the most vulnerable in Senegal. After showing that there is strong inequality in access to education, the paper demonstrates that the source of this inequality is a result of the strong education expenditure bias towards the non-poor population. The paper also analyses the degree of the contribution of education to poverty and income inequalities. The results allowed the formulation of policy recommendations to improve the efficiency of public expenditure for education and increase accessibility of the poor to education.

Floor comments:
1. Louis-Marie Asselin: If the data are available, he proposes to take into account the physical accessibility to schools by region to explain the inequality.
2. Eric Norbert Ramilison: A similar study was done for Madagascar, but how does the government improve the benefits of the poor in terms of public expenditures? The people with a high level of education send their children to school. In this sense, the non-poor get more than the poor. In Madagascar the government proposed a policy favorable to the poor urban households, but the inequality increased in the rural area and the poorest are in this region.
3. Claude Wetta: He remarks that the schooling rates are high in the urban area outside Dakar. How can they explain these results? A policy implication could be to regionalize the teacher competition to respond to the lack of teachers in some regions.

Session 3: MPIA (Saturday, Feb. 22, 10:00-12:30)

CHAIR: Stephen McGurk


The Treatment of Labor Markets and the Distributional Effects of Trade Liberalization in Vietnam Using CGE Model, was presented by Nguyen Van Chan. This paper uses four different labor market structures in a computable general equilibrium framework to study the effects of trade liberalization on Vietnamese households. First, the labor factor is treated as fully mobile across all sectors. Second, labor markets are segmented into agricultural and industrial sectors with the assumption of no mobility between the blocks. Labor within each sector block remains fully mobile. Third, mobility within sector blocks involves a transaction cost. Finally, mobility between sectors is allowed with a transaction cost. The basic model includes 17 sectors of activity and 10 household groups identified according to level of expenditure. The main conclusion of the authors is that the segmentation of the labor market and the introduction of transaction costs affect the simulation results. The impact of trade liberalization is sharper against the poor rural household but the aggregate effects remain similar to the standard model.
**Floor comments:**
- Questions about the mobility of worker, the segmentation of the labor markets and the estimation of the transaction cost were discussed.
- The small aggregate effects of trade liberalization with labor market segmentation and the level of transaction cost were pointed out.
- The absence of government compensatory measures for the tariff cut and the possibility to introduce different types of labor force (skilled vs. unskilled...) were noted.

**Presentation:** Ismaël FOFANA, John COCKBURN and Bernard DECALUWÉ (Canada), *Developing Country Superwomen: Impacts of Trade Liberalization on Female Market and Domestic Work*, comments by Jeevika Weerahewa

The purpose of this study is to analyze the impacts of trade reform on female domestic and market work in Nepal and to determine the relation between male participation in domestic work and these results. The core model structure includes 11 sectors and 7 urban and rural households. Male and female labor are imperfect substitutes. Their labor supply is endogenous and leisure and domestic work time are imperfect substitutes in the household utility function. The main results of the simulation are increase in the relative market labor participation and market wages of females, leading to an increase in the female share in household income. The increase in the female relative wage (relative market labor participation) falls (rises) with the level of male participation in domestic work.

**Floor comments:**
- The key is the factor intensity of sectors in male and female labor.
- The bargaining power of women within the household is one of the important components to take into account as a future direction of gender studies.
- The application of the model to the Sri Lanka case was discussed.
- The possibility to make more coordination between PEP and the gender network.

**Session 4: PMMA (Saturday, Feb. 22, 14:00-17:30)**

**CHAIR:** Celia Reyes

In this PMMA session, three Asian MIMAP reports (two Indian and one of Sri Lanka) were presented. The labor market was analyzed with the both Indian paper: the first one study the U-shaped female labor supply function and the second proposed a profile of workers by education and status (MIMAP-India). The last paper of this session was on the intra-household allocation and the impact of female sources of incomes (MIMAP-Sri Lanka).
Presentation: Basanta PRADHAN and Shalabh Kumar SINGH (India), "U-shaped Female Labor Supply Function: An exploration based on MIMAP-India survey data", comments by Jeevika Weerahewa

This theme has drawn great attention in the literature. It looks at the influence of the increase in the female work force. The initial impact is generally found to be negative but with the spread of development it tends to increase, thus giving rises to the U-shaped female labor force function. In this context a variety of factors have been considered as supply-side determinants of female labor-force participation rate (opportunities for informal employment, technological and structural change, increase in organised labor markets,…). In all these discussions, it appears that the specific socio-economic characteristics of the households, which influence the decision making process of the households with respect to female employment, have been ignored. This decision-making process may change during the development process hence giving rise to the U-shaped female labor supply curve. It is the contention of this paper that women's participation in labor force is determined by the family considering a number of factors, even as men are assumed to earn the livelihood.

Floor comments:
- **Chris Scott**: There are three sources of income to take into account: the social income, the household income and the women income. It seems that this distinction is not clearly done. Econometrically, he proposed that instead of estimating only one equation they use two choices of participation. The main reason is that with only one choice, there could be exogeneity.
- **Ponciano Intal Jr**: The implication of the level of education is not clear. If the level of education decreases, how will the labor force react?
- One question was on the demand side on the labor market. It is important to consider. What are the factors on this side? What are the implications in term of policy with this research?

Presentation: M.R. SALUJA (India), "A Profile of Workers by Education and Status", comments by Kojo Appiah-Kubi (absent)

This paper analyses the distribution of employment by level of education and status for rural and urban areas and by gender along with the average weekly earnings for 10 broad sectors of the economy. While average weekly earnings rise with the level of education, there remains a wide gap in earnings across sectors, regions (rural-urban) and gender.

Floor comments:
- **Evan Due**: How does this work contribute in terms of policy and in the framework of MIMAP? The author raises a lot of questions but what actions are taken by the government?
- **Chris Scott**: It will be difficult to use these results to elaborate pro-poor policies. For example, the welfare aspect is not taken into account in this work.
Presentation: Ishara RATHNAYAKE and Jeevika WEERAHEWA (Sri Lanka), "Intra-Household Allocation of Calories among Low Income Households in Sri Lanka: Impact of Female Sources of Income", comments by Louis-Marie Asselin

Women play a major role in the Sri Lankan economy. This has a direct effect on their level of income. However malnutrition is still a common problem among women and children in lower income groups in all sectors of Sri Lanka. This study tries to find out whether the malnutrition in Sri Lanka is due to misallocation of calories among the different family members and to find out the determinants of the intra-household allocation of calories. Finally, the authors want to verify if there is a link between the source of female income and the intra-household calorie allocation.

Floor comments:
- Chris Scott: One remark was on the definition of “nutritional”. He proposed the alternative of a nutritive model to the relative caloric allocation because one effect of the nutritional allocation is that more calories imply more work efficiency. He raised the question of child work.
- Evan Due: The level is important information but the access of groups of populations could be also an important dimension in this work.
- John Cockburn: The results are very interesting but some of the signs are counter-intuitive. How can the author explain these results?

Session 5: MPIA (Saturday, Feb. 22, 14:00-17:30)

Chair: Randy Spence

Presentation: Caesar CORORATON (Philippines), "Trade Reforms, Distribution, Welfare and Poverty: The Philippine Case", comments by François Aka and Nabil Annabi

This paper presents a computable general equilibrium model used to analyze the effects of tariff reforms on income distribution and welfare in the Philippines. The model has 12 production sectors and 4 types of labor (skilled and unskilled). The household sector is divided into urban and rural and each category is grouped into six socio-economic classes according to the level of education of the head of household. The main results are the large effects on the non-food manufacturing sector that benefits from both the effects of output reallocation and labor movements. Factor substitution favors skilled workers. The author concludes that across household groups, tariff reduction is pro-poor.

Floor comments:
- The closure rule of the model and the dividend adjustment were commented.
- The results were pointed out, especially the effects on import and domestic prices.
- Tariff rates presented on the tables were discussed and criticized.
Presentation: John WHALLEY and Shunming ZHANG (China-Canada), "The Contribution of the Hukou System to Inequality in China", comments by Dedi Budiman Hakim.

This paper uses simple models to study income inequality and labor migration in China. First, a simple model explores a two-region case. Second, a Gini model explores income inequality. Finally, a housing model proves that high urban house prices prevent rural labor moving to urban areas.

Floor comments:
- What are the motivations of migration?
- What kind of assumption is used concerning the amount of houses? There is a fixed amount of houses with fixed square meters in each.
- Questions of the costs of migration between rural and urban regions were discussed.
- This study will be applied to Vietnam with a comparison to China.

Presentation: Abdoulaye DIAGNE, François Joseph CABRAL, Fatou CISSE and Mamadou DANSOKHO (Sénégal), "Politiques commerciales, intégration régionale et distribution de revenus au Sénégal", comments by François Aka and Bernard Decaluwé

This paper presents a CGE application to the Senegal. The simulations concern the effects of trade reform and compensatory tax measures on household welfare and poverty. The structure of the model takes into account 5 production sectors and 3 categories of households. On the production side, land is introduced as a factor in the agricultural sector.

Floor comments:
- The change in the social accounting matrix of households' income sources and the value added structure were discussed.
- The results will be more reliable with the new matrix.
- The estimation of poverty indices is incomprehensible.
- Why do the Po indices not change in the simulation 1?
- The average income is fixed between households to be able to estimate the poverty indices.

Session 6: PMMA (Sunday, Feb. 23, 9:00-12:30)

CHAIR: Stephen McGurk.

This session began the presentations of PEP – PMMA proposals. Jean-Yves began by presenting the functioning of the workday and the two central themes of the six proposals: i) Multidimensionality of poverty, and ii) Impact of public expenditures on poverty.
Presentation: Véronica AMARANTE and Andrea VIGORITO (Uruguay), "Different Dimensions Of Deprivation In Uruguay", comments by Celia Reyes and Essama Nsaaah

This research proposal has a twofold purpose. On the one hand, it aims at studying poverty in Uruguay considering multiple deprivation indexes in order to elucidate whether understanding poverty as a multidimensional phenomenon has consequences on the design and results of empirical research strategies. On the other hand, this study aims to shed some light on the main variables influencing the fulfilment of each dimension, especially focusing on the role of income.

Floor comments:
- **Chris Scott**: He found the presentation interesting but was surprised by the fact that no study was done in Uruguay unlike Chili, Mexico and Argentina. He proposed that more dimensions be added, such as criminality. For the PMMA group it could be interesting to use other data sources and not only household surveys. He suggested adding a distinction between the transient and chronic poverty to complete the analysis.
- **John Walley**: The capacity approach reveals the problem of aggregation. He thinks that incomes do not grow; therefore the analysis becomes less pertinent.
- **Abdelkrim Araar**: One reason for the lack of research in this way is that this methodology is not easy to apply, because there is no consensus. He made a criticism of the Sen approach because of the "liberties" taken in its application. He would like to see more information about the modeling of the capacity and functioning functions.
- **Evan Due**: The Sen approach is generally not used at the social level. Furthermore, the macro frame is not taken into account and it is essential in a context of economic policy.
- **Dorothée Boccanfuso**: The concept of a comparative approach could be interesting but the results could be different according to the deprivation index or the functioning production function chosen. The same remark applies to identifying the link between the achievement of certain functionings and income. Are the data, panel data?


The main research objective of this proposed study is to build up a poverty profile in Tanzania using the 1990/91 and 2000 Household Budget Surveys so that meaningful comparisons of poverty between different regions and communities can be made and also to be able to assess the trend of poverty in the country between 1990/91 and 2000. The main thrust of the study would be the use of a more rigorous analysis that tests for sensitivity of results (e.g. attempts to use different adult equivalent scales, stochastic dominance tests to test sensitivity to reasonable variations in the poverty line and for multidimensional poverty analysis) as well as establishing the robustness of the results.
Floor comments:
- Shi Li: He proposed to take account of labor mobility.
- John Walley: He found the proposal strong. He wanted to know how the intra household transfers should be included in the analysis, given that Tanzanian households are extended. He suggested introducing “Western concepts” in this work since neither MIMAP nor World Bank did it before. In this sense, this proposal should be innovative.
- Dorothée Boccanfuso: This proposal seems to be ambitious, but very interesting and new for the country. The author could make choices. He proposes three main research questions, which could each represent a proposal. Concerning the data needs, it is not clear if the surveys will be comparable and if, to do the research, he needs to buy the data. Is this easy and how costly is it in Tanzania?

Presentation: Kojo APPIAH-KUBI (Ghana), "Multidimensional Analysis of Poverty in Ghana Using Fuzzy Sets", comments by Louis-Marie Asselin and Dorothée Boccanfuso

Most of the methods used in analyses of poverty in Ghana have usually suffered either from a uni-dimensional limitation or from the need to dichotomize the population into the poor and the non-poor by means of the poverty line. The objective of the research is to assess living conditions in Ghana with the help of several variables using fuzzy sets and to study multidimensional aspects of the phenomenon of poverty and living conditions in Ghana by combining monetary and non-monetary, qualitative and quantitative indicators to a number of composite measures of human welfare.

Floor comments:
- Boniface Essama-Nsah: He saw an analogy between the fuzzy set technique and the probabilistic model in the mapping. He would like to know what the fundamental difference is. To distinguish the poor and the non-poor, the authors need to choose a break point and this choice may not be efficient.
- Adrian Panggabean: At the technical level who are the poor? Where are they? How can they escape poverty? What is the cost-benefit analysis in term of economic policy?
- John Walley: In what sense will this method give more information? There is a problem in the formulation of the methodology.
- Abdelkrim Araar: Application of mathematical concepts in the context of poverty analysis. The theoretical context is well presented but how does he apply it? He did not understand how it would be possible to link the composite indicator and the contributions of policies. Finally, the composite indicator could change from one period to another so that inter-temporal comparisons would be impossible.

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3 No precision about these concepts. It could be supposed that it is concerning the household transfers methodology.
Session 7: MPIA (Sunday, Feb. 23, 9:00-12:30)

Chair: Luc Savard

Presentation: Bernadette KAMGNIA (Cameroon), "Les stratégies de luttes contre la pauvreté au Cameroun: une analyse en équilibre général calculable", comments by Nguyen van Chan and Bernard Decaluwé

The objective of this proposal is to study the impact of anti-poverty measures in Cameroon. The author intends to use a Microsimulation CGE model. The simulation includes the imposition of a common external tariff, the revaluation of the wages in the public sector and the terms-of-trade shocks on the agricultural products (coffee and cocoa).

Floor comments:
- Does the household survey include the employment categories?
- Do you take into account the public spending disaggregation?
- What are the determinants of wages in the informal sector?
- The subject is very interesting but too ambitious with respect to deadlines.
- The revaluation of public wages could increase private wages and inflation.
- What is the share of labor income in total revenue?
- The PAUPER model has to be modified with the introduction of a rigid wage rate.
- It’s more reasonable to work with only one survey data set.
- Equivalent variation measures are not relevant in microsimulation.
- With microsimulations one must ensure that macro shocks will translate to the micro level.

Presentation: Bédia François AKA (Côte d'Ivoire), "Ouverture commerciale, détérioration des termes de l'échange capital humain et pauvreté en Côte d'Ivoire : Analyse à l'aide d'un modèle EGC micro-simulé", comments by Eric Norbert Ramilison and Luc Savard

The purpose of this study is to analyze, within a microsimulation model, the impact of the integration to the UEMOA in the presence of terms-of-trade deterioration and a decrease of public spending on poverty in the Ivory Coast.

Floor comments:
- The agriculture sector should be disaggregated.
- The equivalent variation measure is not relevant in microsimulation.
- The question of public spending has to be rethought.
- Which trade reform to study: The multilateral commercial system or the integration in the UEMOA?
- The major reform to analyze is the suppression of the stabilization fund. How will the government adjust its budget?
• A special treatment of the labor market has to be added. The disaggregation of the labor force with the different categories of households will be very interesting.
• Some precision about the two approaches of microsimulation, sequential or integrated, was made during the discussion.

Presentation: Eric Norbert RAMILISON (Madagascar), "Coûts et impacts d'une hausse de la productivité da la main d'œuvre à Madagascar", comments by Bernadette Kamgnia and Nabil Annabi

The aim of this proposal is to study the cost and effects of an increase in labor productivity in Madagascar. The author intends to study the determinants of labor productivity with econometric estimation and to build a CGE model to analyze the effects of an increase in labor productivity.

Floor comments:
• The difficulty of modeling labor force productivity within a static computable general equilibrium model was pointed out.
• Labor market segmentation and migration was discussed.
• The author should rethink the objective of his proposal. The modeling of training effects could be substituted to the study of an increase in labor productivity.

Session 8: PMMA (Sunday, Feb. 23, 14:00-17:30)

Chair: Chris Scott

Presentation: Yue XIMING, Li SHI, Pingping WANG (China), "The Causes of Transient Poverty and Its Implication to Poverty Reduction Policy in Rural China", comments by Chris Scott

There are still a large number of people living in poverty in rural areas if the international poverty line is applied. The most striking feature of the remaining rural poverty is a large proportion of poor population staying in transient poverty, rather than in chronic poverty. The objectives of this proposal is to find out who is more likely to fall into transient poverty and why. What are the major characteristics of households and individuals in transient poverty and what is the demographic and regional structure of transient poverty in rural China? The analysis of the smoothing of their consumption to cope with income fluctuations will be done. And finally, the authors would verify if the government anti-poverty program helps reduce transient poverty in rural China.

Floor comments:
• Abdelkrim Araar: Add the reference to the years and the periods when the surveys were done.
- **Gaye Daffé**: There is a problem to define transient poverty with respect to a poverty line that represents a mean. It would be preferable to choose a confidence interval for this poverty line.

- **Randy Spence**: Is it possible to know the length of the period that individuals are in transient poverty?

- **M. R. Saluja**: Does this study need panel data and if yes, are they available?

- **Kujo Appiah-Kubi**: The dynamic analysis should be done with panel data, but this is not necessary since there are other methodologies.

- **Dorothée Boccanfuso**: This proposal is interesting and clearly exposed. The methodology seems to be adapted to the research issues. The remaining difficulty concerns the definition of transient poverty.

**Presentation**: Jean-Bosco KI, Bocar FAYE and Salimata FAYE (Sénégal), "Pauvreté multidimensionnelle au Sénégal: approches NON-MONETAIRES fondées sur les besoins fondamentaux", comments by Louis-Marie Asselin and Abdelkrim Araar

As monetary indicators are often considered as incomplete, this team proposes a multi-dimensional poverty analysis. The objectives of this proposal are to construct a multi-dimensional indicator at the regional and national level and make a comparison with a synthetic monetary-non-monetary indicator. This study will analyze the determinants of the non-monetary poverty compared to the factors explaining the synthesis indicator. The results will assist in the elaboration targeted strategies to fight poverty.

**Floor comments**:

- **Dorothée Boccanfuso**: This proposal is also very interesting and innovative for Senegal, but too ambitious. Four non-monetary indicators should be developed. Furthermore, what is the relevance of comparing the monetary approach and the non-monetary? These two remarks could entail confusion of policy makers. Furthermore, the authors insist on the misadapted character of the monetary approach. The sources of data are multiple and their merging will not be possible. Some of these data sets are not yet available.

- **Gaye Daffé**: He indicated that the Senegalese MIMAP team has explored several non-monetary dimensions of poverty in Senegal.

**Presentation**: Francis MENJO BAYE, Sunday KHAN, Samuel FAMBON, Issidor NOUMBA (Cameroon), "Public Expenditure Commitments and Poverty Alleviation in Cameroon: Some Simulations", comments by Essama Nsaah and Dorothée Boccanfuso

The main focus of this paper is to generate an array of baseline estimates of the annual potential one-off costs of different income transfer and budgetary allocation schemes that could lead to poverty eradication, or at least, reduction. The specific objectives are: 1) to simulate the length of time that an average poor unit will take to graduate from poverty if we only rely on economic growth to reduce poverty; 2) to
simulate public expenditure commitments necessary to generate a poverty free society at the household and individual levels; 3) to simulate the response to measured poverty of hypothetical additive and multiplicative income grant schemes that are compatible with reduced poverty levels, 4) to simulate geographically based indicators for targeting scarce public expenditures using the existing demographic distribution, and to draw policy implications on the basis of the analysis.

Floor comments:
- Jean-Yves Duclos: what is the link between what will be done in the paper and its policy relevance?
- Chris Scott: It could be important and interesting to distinguish the ex-ante and ex-post commitments. This comparison could consider the ex-ante welfare and the allocations ex-post.

At the end of this second workday, Jean-Yves Duclos explained the organization of the next two days of work sessions with the resource persons and the steering committee. A schedule of meetings was proposed to the researchers to allow them to discuss their proposal/reports.

Session 9: MPIA (Sunday, Feb. 23, 14:00-17:30)

Chair: John Whalley

Presentation: Margaret CHITIGA (Zimbabwe-South Africa), "Trade Policies And Poverty In Zimbabwe - A Computable General Equilibrium Micro Simulation Analysis", comments by Touhami Abdelkhalek

The purpose of this proposal is to analyze the effect of trade liberalization on poverty with a static CGE microsimulation model based on a 1995 SAM and household survey.

Floor comments:
- Sectoral aggregation and the household structure were discussed.
- Special treatment of the labor market structure would be very interesting.
- The comparison of the results with those obtained with the intra group parametric distribution function approach presents a very important contribution.

Presentation: Chengfang LIU and Linxiu ZHANG (China), "Migration & Poverty Alleviation In China: Impact Of WTO Accession", comments by Nguyen Van Chan and Shunming Zhang

The objective of this study is to simulate WTO accession in China using a partial equilibrium model for agricultural sector and a transmission mechanism to rural households to quantify the impacts on poverty.
**Floor comments:**
- What is the transmission mechanism between the partial equilibrium model and the micro level?
- Clarifications about the model equations and the explanation of migration mechanism were requested.
- The use of a general equilibrium model to study the WTO effects was recommended.
- How to model the land as a production factor and who is the landowner?
- How to choose the regions for the study?
- A survey on the poverty studies in China should be developed.

**Presentation: Dedi Budiman HAKIM** (Indonesia), "The Impact of Fiscal Policy on Indonesian Macroeconomic Performance, Agricultural Sector and Poverty Incidences", comments by Caesar Cororaton and John Whalley

The objective of this study is to build a dynamic CGE model to analyze the impact of fiscal policies on the agricultural sector in terms of production, capital accumulation and employment.

**Floor comments:**
- The ORANI model is difficult to adopt.
- It is important to focus on different fiscal policies other than trade liberalization for Indonesia.
- What is the mechanism of asset accumulation in the recursive model?
- Labor market features and growth effects were discussed.

**Presentation of the PEP web site (Monday, Feb. 24, 9:00-10:30)**

Jean-Yves Duclos presented the new PEP website and gave instructions to the participants on how to access the proposals, comments, training materials, bibliographic resources etc. He also explained how to subscribe and contact resource persons or other researchers and how to exchange with them (memo, Email, etc.). Jean-Yves insisted on the fact that this website will be a tool used by the Laval team and invited the participants to use it as much as possible.

**Closing session (Tuesday, Feb. 25, 16:30-17:30)**

Bernard Decaluwé began the closing remarks of the MPIA sub-network with a resume of the four days of work. He did a synthesis of what could be important for the poor. The labor market and growth are two ways to reduce poverty but it is not easy to act at the national level. To achieve these objectives, it is essential to have a good understanding of the organization and the structure of economies. This can be verified particularly for the labor markets. For instance, it is essential to analyze the labor mobility and the cost associated with it. Furthermore, the gender dimension needs to be
taken into account in the modeling of the labor markets. The Laval team is presently working on these issues to develop appropriate tools and methodologies. Some other interesting topics such as the link between globalization or fiscal reforms and poverty are not actually covered by the Laval team but it does not mean that this is not important in the fight against poverty.

*Jean-Yves Duclos*, the PMMA sub-network coordinator insisted on the importance of the MIMAP initiative in the willingness to improve the methodology to fight against poverty. In the six new proposals (four African and two Asian), two main topics are considered: the multidimensionality of poverty and the impact of public expenditures on poverty. A lot of methodologies has been presented such as fuzzy sets, different statistical concepts, capacity and functioning approaches, monetary versus non-monetary analysis, decentralization and also dynamic of poverty with transient and chronic poverty.

*Jean-Yves Duclos* presented the Centre Inter-universitaire sur le Risque les Politiques Economiques et l'Emploi (CIRPEE) and the transition with the Centre de Recherche en Economie et Finance Appliquées (CREFA) which was involved in the MIMAP program.

*John Cockburn*, the co-director of the PEP network did concluding comments and explained the next steps for the invited researchers. They will be contacted in the next few weeks. Finally he thanked the organizers and all the participants and expressed the wish that the work that will be done in PEP will help reduce the poverty. He announced the dates and the place of the next meetings:

- Hanoi, 9-13 June 2003 (General meeting)
- Ouagadougou, December 2003 (Interim meeting)
- Dakar, June 2004 (General meeting)

*Chris Scott*, elected president of the steering committee found these four days extremely stimulating and gave some impressions on the PMMA sessions.