

THE MAJOR TASK OF THE MICRO Impacts of Macroeconomic Adjustment Policies (MIMAP) Project is to highlight the impact of macroeconomic adjustment policies on vulnerable groups. As such, poverty impact assessment is one of its key concerns. The success of any poverty-related initiative, however, would obviously—and critically—depend on how poverty is defined or measured in the first place.

At present, the measure of poverty used by government statistical agencies is based on income. Critics, however, have noted that income is unable to adequately capture the different aspects of poverty. Consequently, there has been a recent trend towards the use of the Minimum Basic Needs (MBN) approach for measuring or monitoring poverty, as advocated, for example, by the Presidential Commission to Fight Poverty (PCFP) under the government's Social Reform Agenda. This approach views poverty as a multi-dimensional state of deprivation characterized by lack of access to

potable water, lack of adequate shelter, or lack of nutritional food, among others. What is not clear, though, is how these pieces of information will be used.

Uses of MBN

Using MBN indicators in identifying the poor is quite tricky. Do we want to identify the poor through the MBN approach because:

- * these indicators are related to, but more easily observable than, income; or
- * these indicators represent achievements (shortcomings) that are desirable (undesirable) by themselves.

In other words, the MBN indicators could be used either as a *proxy for*

income-based poverty, or as an *alternative definition of poverty* altogether. A recent paper¹ commissioned by the MIMAP Project examines the issues that arise in either of these uses.

Basic Needs and Income

To examine whether MBN indicators can indeed proxy for income, the authors of the said paper first tested whether there are any important relationships between one's MBN status and level of income. The following are some insights that one can draw from the paper:

- * There is a positive correlation between *access to potable water* and income. In particular, since *80 percent of those whose main source of water is from springs and rivers belong to the poorer half of households*, this would be a relatively good proxy for income.

Redefining Poverty: *Who are Poor?*

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¹"Using MBN Indicators for Poverty Monitoring" by Celia M. Reyes, Reynaldo R. Cancio and Kenneth C. Ilarde, MIMAP Project Director, Research Associate, and Research Assistant, respectively. Presented at the Joint MIMAP-PIDS-TRP Technical Workshop, April 11-12, 1996, Calatagan, Batangas.

THE PAN ASIA NETWORKING PROGRAM of the International Development Research Centre (IDRC) held its first All-Pan Partners Conference on June 10-14, 1997 in Ulaanbaatar, Mongolia. Jointly organized by the IDRC and Datacom Company, Ltd. of Mongolia, the conference brought together, for the first time, all the partners—the resource persons, internet content providers, internet service providers and internet policymakers—involved in the whole PAN program. About 120 participants from 21 countries in Asia and the Pacific were invited to participate in evaluating the prospects of the Internet and networking technologies in Asian development.

Among the topics discussed during the conference are:

- * areas of cooperation

among Asian research organizations, information resource centers, educational institutions, service providers, and publishers which may be facilitated by the Pan Asia Networking,

- * feasibility of establishing a consortium of Asian organizations to develop and manage future cooperative initiatives of Pan Asia Networking,

- * policy and legislative issues related to regulation of content, copyright of intellectual properties, computer security and web-publishing, as applied to digital media environment spawned by the new information and communication technologies,

- * strategies for providing remote communities with access to the

Synergizing

the PAN Asia Networking Program

Internet as well as to its new information and communication technologies,

- * methods for evaluating the impact and benefits of the new information and communication technologies on Asian communities, and

- * increased attention to research and development for networking application, policies and impacts through a program directed at specific developmental problems.

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MIMAP Adopts Environmental Component

THE INTERNATIONAL DEVELOPMENT RESEARCH CENTRE (IDRC) has recently approved funding for the two-year environment component of the MIMAP project. This component, known as the "Impacts of Macroeconomic and Adjustment Policies on the Environment," aims to assess the environmental effects of changes

in macroeconomic and other adjustment policies.

Specifically, the environment component will involve the following activities:

- * development of quantitative models that will trace the effects of policy changes on sectoral

output, prices and income distribution;

- * the linkage of these changes to shifts in land use and soil erosion;

- * case studies relating public expenditure policies and changes in the energy sector and the environment;

- * case studies relating environmental effects of policies to the household level;

- * dissemination of the results of project studies through seminars and technical papers; and

- * interaction between the various MIMAP projects and the International Food Policy Research Institute (IFPRI) and the Fundacao Getulio Vargas of Brazil. *RRC* 

Bringing MIMAP to Sri Lanka

AS PART OF THE CONTINUING effort to help strengthen policymaking in the various countries of the Asian region, the Centre for Integrated Rural Development for Asia and the Pacific (CIRDAP), in cooperation with the International Development Research Centre (IDRC) of Canada, held a seminar on the nature and thrusts of the Micro Impacts of Macroeconomic Adjustment Policies (MIMAP) Project in Colombo, Sri Lanka early this month.

The objective of the conference was to explore the feasibility of initiating MIMAP in this country. Sharing their country experiences on ongoing MIMAP projects were representatives from India, Bangladesh and the Philippines. Dr. Celia Reyes, Research Fellow at the Philippine Institute for Development Studies and project director of MIMAP-Philippines, represented the Philippines.

Among the participants in the two-day seminar were Dr. Rohinton Medhora of IDRC-Canada, Dr. Terence Abeysekera of the World Bank Mission, and Dr. Frederick Abeyaratne of the United Nations Development Programme. Officials of selected government institutions and experts from the academe and research community in Sri Lanka were likewise represented. *BEM*



MIMAP Country Representatives Meet

THE SECOND INTERNATIONAL meeting of the Micro Impacts of Macroeconomic Adjustment Policies (MIMAP) Project, as organized by the International Development Research Centre (IDRC) of Canada, was held on May 5-7, 1997 in Ontario, Canada with various country project representatives, in particular those from the Philippines, Bangladesh, India and Vietnam, presenting updates on the modelling and poverty monitoring efforts of their respective projects. In addition to the updates, the participants also tackled new initiatives in the areas of health and environment.

Leading the list of resource persons were Dr. John Whalley of the Centre for the Study of International Economic Relations-University of Western Ontario, Ms. Elizabeth Sadoulet of the Department of Agriculture and Resource Economics-University of California, Dr. Romeo Bautista of the International Food Policy Research Insti-

Philippine Economic Data in the Net

Comprehensive and up-to-date economic information on the Philippines and selected countries are now available in the internet via the Data and Information Resource Program (DIRP) of the Philippine Institute for Development Studies (PIDS).

DIRP contains a wide array of time series economic data, sourced from various official agencies, which can be accessed for free. It also has a listing of all PIDS publications. The database covers information on the national income accounts, monetary aggregates, public finance, employment, balance of payments, and many more important indicators. It also has a user-friendly postprocessing facility which allows the graphing and merging of variables as well as easy downloading of files.

The DIRP can be accessed at <http://www.pids.gov.ph> 

tute, Dr. Alejandro Herrin of the School of Economics of the University of the Philippines, and Dr. Ponciano Intal Jr. of the Philippine Institute for Development Studies.

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RESEARCH RESULTS

Redefining Poverty...

From Page 1

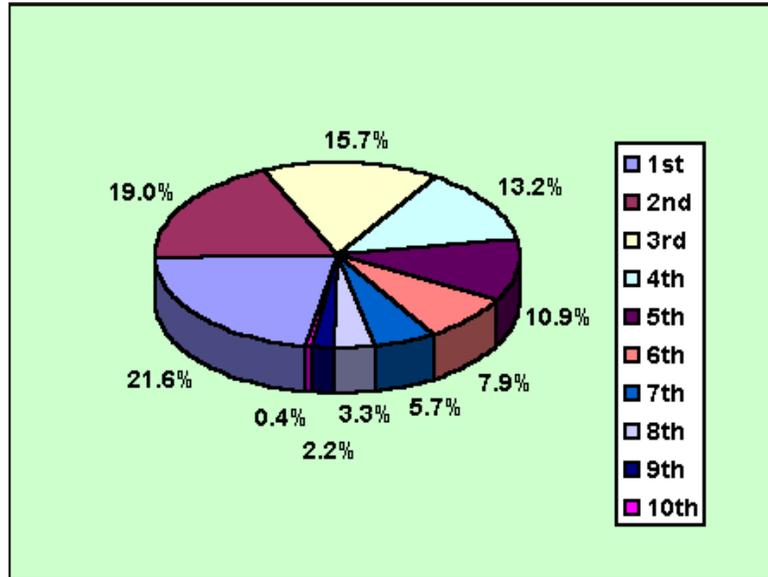
* Access to sanitary toilet facilities continuously improves with income. In fact, since 75 percent of those who use open pit toilets and 80 percent of those who have no toilet facilities at all, belong to the bottom 50 percent of households, these are relatively good ways of identifying the poor (Figure 1).

* The durability of houses tends to improve with income. The strength of construction materials can identify the nonpoor well since 88 percent of those with strong houses belong to the upper 7 deciles. Meanwhile, use of light and makeshift materials may be an indication of poverty since 74 percent of those living in lightly constructed houses and 70 percent of those living in makeshift houses belong to the five poorest deciles.

* In terms of the tenure status of the house, in rural areas, 78 percent of squatters belong to the bottom 50 percent of households and can therefore be possibly used in identifying the poor in such areas (Figure 2). On the other hand, squatting is not a good proxy for income in urban areas since it is almost equally distributed across deciles.

* The percentage of households with (without) access to electricity rises (falls) steeply with income. Also, since 80 percent of those without electricity belong to the poorer half of the household population, it is a relatively good indicator of poverty.²

Figure 1
Distribution of Households Without Toilet Facilities Across Deciles



* The proportion of employed household heads declines as one moves up the income deciles. A possible reason for this is that the rich rely less on income from wages, salaries and entrepreneurial activities, and more on remittances and transfers. Consequently, identifying households as poor because the head is unemployed is not a good idea since 76 percent of unemployed household heads belong to the upper 6 deciles.

* Ownership of consumer durables increases as income increases. In particular, 90 percent of television set owners, 97 percent of VTR owners, 94 percent of stereo

owners, 96 percent of refrigerator owners, 95 percent of freezer owners, 96 percent of air conditioner owners, and 95 percent of vehicle owners belong to the upper 60 percent of the household population. Figure 3, for instance, shows the distribution of VTR owners among the various income deciles. Ownership of these durable goods is thus an easy way of identifying the nonpoor.

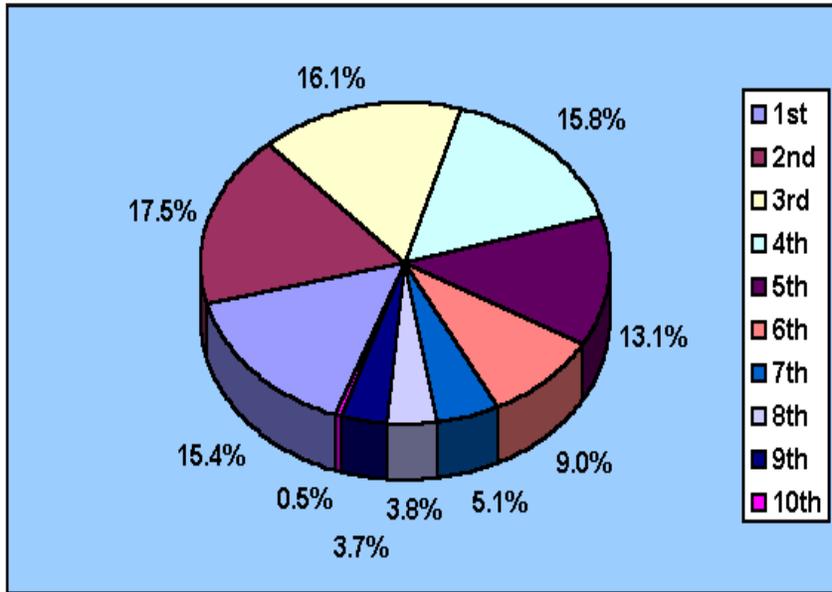
Redefining Poverty

As mentioned above, the MBN approach could also serve as an alternative definition of poverty. But how exactly can it be used to define poverty?

²Note, however, that the FIES does not allow us to distinguish between households without electricity but living in areas with electricity versus households without electricity because of its unavailability in their area.

RESEARCH RESULTS

Figure 2
Distribution of Rural Squatters Across Deciles



Ongoing research studies on economic modelling, poverty monitoring, income distribution and growth can be browsed over the MIMAP webpage at <http://pdfi.pids.gov.ph/mimap>. Aside from providing its viewers with a database of macroeconomic indicators, the webpage also contains a series of Philippine data sets pertaining to indicators of welfare with respect to security, survival and enabling needs as gathered from official sources.

One possible approach is to set a definite norm, classification or criterion for determining poor households based on their MBN characteristics. The paper made use of 6 indicators found in the *Family Income and Expenditures Survey (FIES)*:

- ✿ access to potable water,
- ✿ access to sanitary toilet facility,
- ✿ nonmakeshift house,
- ✿ nonsquatting tenure status,
- ✿ above basic educational attainment of the household head, and
- ✿ per capita income at least equal to the (regional) poverty threshold.

The table on page 8 lists the different criteria that were tested together with the resulting poverty incidence estimates.

As gleaned from the table, one can get a wide range of estimates of

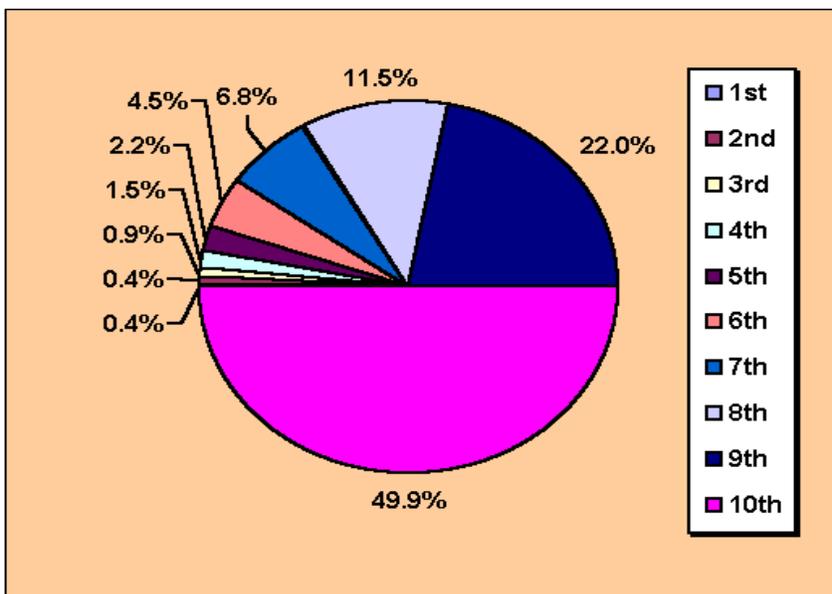


Figure 3
Distribution of VTR Owners Across Deciles

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BASED ON A DEPARTMENT OF Education, Culture and Sports (DECS) report, the combined enrolment in the elementary and secondary levels for school year (SY) 1996-97 grew at 3.2 percent compared to last year's enrolment. This represents around 521,111 new elementary and high school students in SY 1996-97 (Table 1).

Of this increase, 435,245 students or about 84 percent went to government elementary and high

schools and the remaining 85,866 (roughly 16 percent) were absorbed

by the private schools in the country.

Profiling the School Year's Enrolment Figures

In terms of public-private school distribution, on the average, there was a total of 8,078 elementary (including pre-school) and secondary schools in the Philippines as of SY 1996-97. In contrast, the total number of public elementary and secondary schools (not including laboratory elementary and secondary schools of state universities and colleges) during the same school year reached 42,750, five times more than the number of private schools.

Figures from the DECS also show that Region 9 (Western Mindanao) posted the highest growth rate of enrolment at 12.8 percent, followed by Region 2 (Cagayan Valley) at 6.1 percent. Metro Manila (NCR) ranked only third with a 4.7 percent growth rate although in absolute terms, it had the highest increase with 91,673 new students in both elementary and high school. Meanwhile, very slight decreases in enrolment growth rates were observed in Region 6 (Western Visayas) and Region 8 (Eastern Visayas) at -0.7 percent (or 10,281 students) and -0.3 percent (or 2,633 students), respectively, for the same school year.

Table 1
Total Enrolment in Elementary and Secondary Schools
SY 1995-96 and SY 1996-97

Region	1995-96	1996-97	Growth Level	Rate(%)
Philippines	16,351,433	16,872,544	521,111	3.2
NCR	1,962,475	2,054,148	91,673	4.7
CAR	324,548	336,692	12,144	3.7
ARMM	400,534	411,564	11,030	2.8
I	953,434	960,018	6,584	0.7
II	624,049	662,562	38,513	6.2
III	1,624,047	1,689,126	65,079	4.0
IV	2,376,012	2,446,072	70,060	3.0
V	1,136,518	1,152,361	15,843	1.4
VI	1,460,146	1,449,865	(10,281)	(0.7)
VII	1,191,904	1,239,582	47,678	4.0
VIII	804,551	801,918	(2,633)	(0.3)
IX	689,552	777,625	88,073	12.8
X	621,263	643,432	22,169	3.6
XI	1,121,240	1,147,569	26,329	2.4
XII	589,465	615,387	25,922	4.4
XIII	471,695	484,623	12,928	2.7

Source: Department of Education, Culture and Sports

INDICATORS

Moreover, there was one teacher for every thirty-four public elementary students and one teacher for every thirty-two public high school students in the country in SY 1996-97 (Figure 1). Government secondary schools in Region 7 (Central Visayas) had the highest teacher-pupil ratio (TPR) with 41 students per teacher while the smallest TPR may be noted in the Autonomous Region of Muslim Mindanao (ARMM) where there was a single teacher for every twenty-one students. In Metro Manila (NCR), the ratio was 29 students per teacher.

Cohort survival rate (CSR)—defined as the ratio of the total number of pupils who enroll in the first year to the total number of students who enroll in their last or graduating year—was recorded at only 68 percent at the elementary level in the school year under review. The highest CSR in the elementary level was observed in Metro Manila (NCR) at 87.9 percent. This means that of the total enrolment of 2.2 million in the first grade during SY 1991-92 in Metro Manila grade schools, 87.9 percent or 1.9 million reached the sixth grade in SY 1996-97. ARMM experienced the lowest CSR at only 31.4 percent rate (Figure 2).

At the secondary level, meanwhile, CSR was measured at 71 percent for the whole Philippines. Region 2 in northern Philippines took the highest rate at 80 percent while ARMM had the lowest at 44 percent. Metro Manila (NCR) ranked only third with 77 percent.

The cohort survival rates in private elementary and secondary schools are generally higher than those in public schools (Figure 2). To

Figure 1
Number of Pupils per Teacher by Region, SY 1996-97

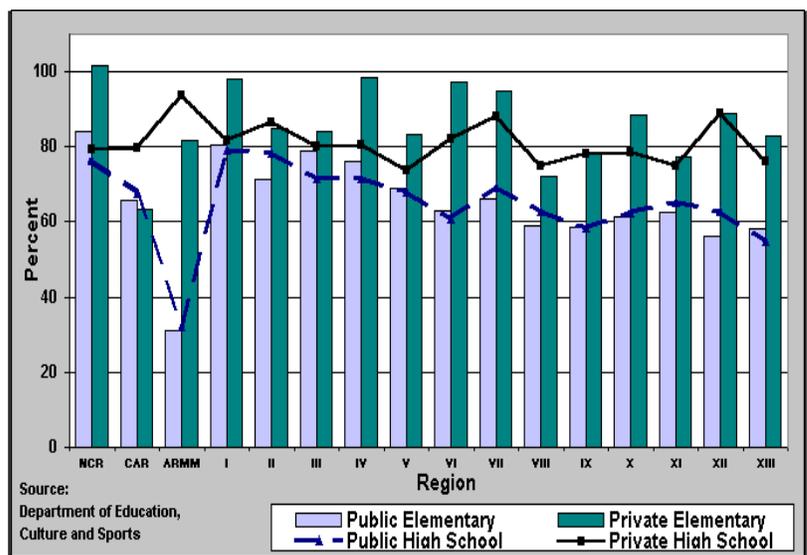
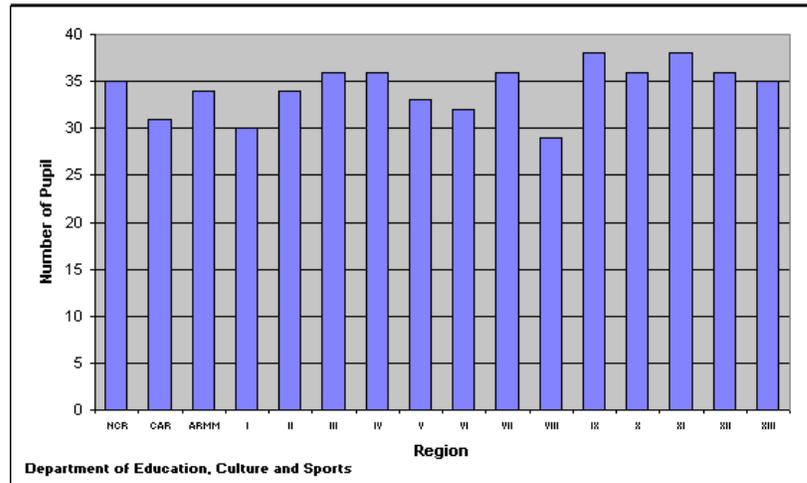


Figure 2
Cohort Survival Rate in the Elementary and Secondary Level, Public and Private by Region, SY 1996-97

illustrate, figures reveal that the average CSRs in private elementary and high schools were recorded at 93 and 80 percent, respectively, while those in the elementary and second-

ary public schools settled only at 67 and 68 percent, respectively. *ELC*



MIMAP PROJECT UPDATES

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The conference was also simultaneously held on the Internet via web publishing and virtual conferencing. This was done to give the rest of the world a chance to participate in the conference.

The conference proceedings can be browsed on the Internet through the Pan Asia homepage at <http://www.PanAsia.org.sg>. *KCI*



MIMAP Country...
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Among the participants were the project leaders and representatives of each of the MIMAP teams in Asia, prospective MIMAP team members from Africa, Lao PDR and Pakistan, and experts from the World Bank, Institute of Policy Analysis-University of Toronto, Canadian International Development Agency, and the Swiss Agency for Development and Cooperation. *BEM*



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poverty incidence depending on which norm is used. One should therefore be careful not only in choosing which indicators to use but also in determining how exactly the multiple criteria will be used to define the poor. This is one area where further research needs to be done. *RRC*



Criteria	Poverty Incidence
Consider a household poor if it fails to meet:	(proportion of households)
✿ all 6 indicators	0.01%
✿ at least 5 out of 6 indicators	0.23%
✿ at least 4 out of 6 indicators	3.40%
✿ at least 3 out of 6 indicators	16.12%
✿ at least 2 out of 6 indicators	38.17%
✿ at least 1 out of 6 indicators	66.82%

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