PEP has gone through a busy period since the last edition of PEP-Talk in October 2006. Many of the activities are outlined in the subnetwork news further below. For the network as a whole, this period was marked by a number of major events.

First, PEP has been working intensively on the preparations of its third phase of activities, which will cover a period of four years beginning later this year. This third phase will feature many new and important developments that will be presented in the next edition of PEP Talk. In this process, PEP has benefited greatly from an in-depth and comprehensive external review conducted by Michael Ward, Tchabouré Aimé Gogué and Mario Lamberte.

The next phase of activities will feature efforts to dramatically diversify and expand PEP's sources of funding. A major step in this direction was taken with the establishment of a major joint research initiative on human capital investment policy impact evaluation funded by AusAID with a budget of up to $CAN 1.1 million over a period of three and a half years, which is discussed below.

PEP's 2007 general meeting will be hosted by El Grupo de Análisis para el Desarrollo (GRADE) and Universidad del Pacífico (UP) in Lima (Peru) from June 9th to 16th. It will feature two international policy conferences - "Trade and Poverty" and "Reaching the MDGs" - sponsored by the Inter-American Development Bank (IDB), the Network on Income and Poverty (NIP), the United Nations Development Programme (UNDP), Corporación Andina de Fomento (CAF) and Ministerio de Economía y Finanzas (MEF).

We are also delighted to announce the expansion of our African office with the recruitment of a new administrative assistant, Awa Diop. Welcome to the network!

**Modelling Gender Impacts of Economic Reforms in Pakistan**

*Rizwana Siddiqui, Research Economist at the Pakistan Institute of Development Economics, Islamabad, Pakistan*

Women in Pakistan are less nourished, less educated, less mobile, less empowered, located in lower paid jobs and earn less (even with the same education level) than men. Under these conditions, ostensibly gender neutral macroeconomic policy framework is expected to reinforce biases against women.

Recently-developed gender aware computable general equilibrium models analyse the impact of trade liberalization focusing only on the production side of the economy due to the paucity of gender disaggregated data on household consumption. The present study argues that the unitary consumption function may produce biased results and hide the cost born by women in terms of foregone consumption.

To overcome this restriction, we estimate a distribution factor using household data and develop a gender aware computable general equilibrium model for Pakistan that takes into account not only market and non market activities (household and leisure) but also the intra household allocation of resources, which makes it possible to study the gender dimensions of the impact of economic reforms comprehensively. Three measures of poverty: monetary (FGT-index), capability (infant mortality and literacy rates) and relative time poverty are used to examine...
whether trade liberalization and fiscal adjustment affect men and women differently or not.

The model is implemented using 1990 data from a gender aware social accounting matrix (SAM) developed for this study. This SAM has a few new features, adjustments for the wage income of own account workers and inclusion of not only non market work but also hidden market work of women.

The results indicate that in the work-leisure hours distribution, women spend 80 percent of their time in work (40 percent in domestic work and 40 per cent in market work) and 20 percent in leisure activities, whereas men spend 60 percent of their time in work (50 percent in market work and 10 per cent in domestic work) and 40 per cent in leisure activities. The results also reveal that the intra-household allocation of resources is biased against women. However, this result differs between rich and poor households as well as by commodities.

The simulation results reveal that both trade liberalization and a cut in public spending are pro rich. Within poor households, women – the most vulnerable group of population – are more adversely affected, whereas it is men that are most penalized among rich households. From this we conclude that prosperity reduces the bias against women.

Trade liberalisation is found to increase poverty in rural areas and to reduce it in urban areas. In Pakistan as a whole, the incidence (headcount) of poverty falls, whereas the depth (poverty gap) and severity increase. A cut in government expenditure reduces poverty in Pakistan by all measures.

Despite a decline in the incidence of poverty in both exercises, the gender composition of the poor changes in the majority of households. Under trade liberalization, the poverty of women relative to men increases in relatively poor households and falls in rich households, leading to an increase in the overall relative poverty of women in Pakistan. However, female relative poverty remains constant in the case of reduced public spending.

In both exercises, time poverty of women relative to men increases in rural areas and falls in urban area, leading to an overall increase in relative time poverty among women in Pakistan. Capability poverty increases among men and women in Pakistan. Women are the most adversely affected as measured by the literacy rate. Public spending cuts also increase capability poverty more among women than men in both urban and rural areas, as well as in Pakistan as a whole.

With fixed resources, an improvement in the bargaining power of women improves their condition, but at the expense of the welfare of men. As a result, it reduces the gender gap.

The study concludes that prosperity and education help to reduce the gender gap, whether it is measured by monetary, capability or time use indicators.

This work was carried out with the aid of a grant from Poverty and Economic Policy (PEP) Research Network, financed by the International Development Research Centre (IRC). It was published as MPIA working paper 2007-13.

The Impacts of ECOWAS Trade Liberalization Scheme on Poverty in Nigeria

Manson Nwafor, researcher, African Institute for Applied Economics, Enugu, Nigeria

While Nigeria is making concerted efforts to liberalize trade and be more investor friendly, more than half of its population lives on less than 1 dollar per day. Furthermore, the proportion of the population that is poor has doubled over the last 3 decades clearly indicating that poverty is a growing problem. Given the concerns and experiences of some countries regarding the poverty impacts of trade liberalisation, a study was carried out to ascertain whether trade liberalisation will be propoor.

For some years the Government of Nigeria has been going through the process of adopting the Economic Community of West African States (ECOWAS) import tariff rates in line with the ECOWAS trade liberalisation scheme (TLS). The scheme was adopted in late 2005. The TLS, as part of the efforts aimed at promoting economic integration of the West African sub-region, involves removing tariffs on intra-ECOWAS trade and establishing a Common External Tariff (CET) with other ECOWAS countries. Other groups and agreements also call for a reduction of tariffs (as well as non-tariff barriers to trade) by Nigeria and other countries. These include the African Caribbean Pacific-European Union agreement, International Monetary Fund, World Bank, World Trade Organisation etc.

However it was not clear what the effects of trade liberalisation would be as past studies did not explicitly examine the poverty effects nor the ECOWAS trade liberalisation scheme as a policy package. To address these issues we used data from the 2003/4 household survey and a model of the Nigerian economy. Our simulation of the ECOWAS scheme involves the replacement of the initial Nigerian tariff structure by the ECOWAS structure, which involves a reduction in most tariff rates but, importantly, an increase in tariffs on oil and mining imports and, to a lesser degree, manufactured consumer goods. As a result the latter sectors emerge as “winners” and expand in both the short and long terms. As they are relatively capital intensive, returns to capital increase relative to returns to land and wage rates. This has positive implications for urban households and negative implications for rural households.
due to the dependence of the later on mostly land and labour income. As a result, urban poverty decreases in the short and long run while rural poverty increases in both periods. For trade liberalization to have a pro-poor effect, policies to improve the agricultural sector will have to be implemented before or concurrently with it. In this way the rural areas which obtain most of their income from this sector will respond more positively to trade liberalization.

On completion of the study, a national dissemination seminar was organized in collaboration with the Central Bank of Nigeria. Stakeholders from both the private and public sector including the Ministry of finance and the Chambers of commerce participated in the seminar. Key issues discussed were the need for proper sequencing of trade liberalization in line with other needed reforms, enforcement of rules of origin in trade agreements and addressing ways in which farmers can benefit from trade liberalization.

This research was carried out with the aid of a grant from Poverty and Economic Policy (PEP) Research Network, financed by the International Development Research Centre (IDRC), and was published as MPIA working paper 2007-16.

Measurement and Sources of Income Inequality among Rural and Urban Households in Nigeria

Abayomi Samuel Oyekale, Lecturer, University of Ibadan

Building an egalitarian society void of poverty and inequality has been Nigeria’s major goal in past development plans. Governments have therefore adopted policy measures to enhance welfare and equity. These efforts are worthwhile, as the oil-rich country has witnessed fluctuating growth, declining per capita income and comparatively unfavorable social indicators.

Using the 2004 National Living Standard Survey (NLSS) data collected by the National Bureau of Statistics (NBS), this study decomposed the sources of income inequality based on the different income sources and socio-economic characteristics of households. It also provides an empirical linkage between inequality and poverty.

Results show that with a Gini inequality index of 0.58, indicating that Nigeria still faces significantly high income inequality. Income inequality is also found to be higher in rural areas than urban areas. In terms of geopolitical zones (GPZ), income inequality is highest in the South East and lowest in the South West. Also, total income is largely derived from paid employment, non-farm enterprise and agriculture.

In urban and rural areas, employment income increases income inequality while agricultural income reduces it. However, non-farm income reduces inequality in urban areas, while it increases it in rural areas. In all the GPZ, paid employment income increases income inequality while agricultural income reduces it. Also, in the North East, North Central, South West and South East, non-farm income reduces income inequality.

With the regression-based decomposition, income inequality increases with household size, attainment of formal education, residence in urban centers, number of times household members fell ill, being married, remittances, engagement in salaried jobs, engagement in non-farm jobs, access to credit, and residence in the South West and South South GPZ, while engagement in farming reduces income inequality.

Dynamic poverty decomposition showed that between 1998 and 2004, the poverty headcount increased by 1.93 percent in urban areas, and by 14.5 percent in rural areas. In rural areas, income growth and income distribution both increased poverty, whereas in urban areas income growth was found to reduce poverty and income distribution increased it. At the GPZ level, it is only in the North West that income distribution had negative effects on poverty, while income growth reduced poverty only in the North East and South West GPZ.

The study recommends that efforts to ensure a more equitable distribution of income should be made with a focus on the development of essential social infrastructure to facilitate access to education, health and financial services. This would lead to reduction in rural-urban migration, which otherwise further increases inequality. The poor would benefit in terms of employment from a welfare package for low income earners. To make non-farm activities beneficial to the poor, sustainable programs for promoting small scale enterprises should be put in place. Also, the National Directorate of Employment’s (NDE) activities should not be directed at rural youths. Also, intensive family planning campaigns should be promoted, especially in rural areas, in order to limit population growth. Promotion of education among the poor should be given priority in order to increase their income-earning opportunities. Finally, income transfer programs that target the poor for specific financial assistance should be considered.

This research was carried out with the aid of a grant from Poverty and Economic Policy (PEP) Research Network, financed by the International Development Research Centre (IDRC), and was published as PMIA working paper 2006-20.
Poverty and inequality in Tunisia: A non monetary Approach

Mohamed Ayadi, Tunisia, profesor, Université de Tunis, Tunisia

A recent study on poverty and inequality in Tunisia based on a non monetary approach has confirmed the robustness of this new method of investigation for the purpose of poverty and inequality analysis. It has shown a significant drop in poverty levels in the ‘90s with some weakening following the years of drought (1993, 1994 and 1995). A sharp drop in inequalities has equally been observed during the 1988-2001 period. The absolute inequality index has dropped from 0.34 to 0.22.

This study was carried out by a group of Tunisian researchers and was published recently in the series of PEP Working Papers. It reveals that in this country situated in North Africa, poverty is essentially a rural phenomenon. Therefore, 70% of poor people live in the rural areas, and more particularly in the Centre West region of the country. The study also reveals that poverty levels have dropped in all the regions and areas; yet poverty sources have remained the same between 1988 and 2001.

This study has made it possible to carry out an analysis of poverty and inequality phenomena from a new perspective, and to integrate new deprivation dimensions so far ignored in the previous studies. However, a second positive aspect to be accounted for in this study lies in the fact that it does not only measure overall or regional poverty levels, but also identifies the sources of poverty and inequality.

The authors of this study, who drew from three different surveys, reveal that the improvement in the standard of living and the reduction of poverty levels in those regions requires a marked improvement in the living conditions of the population (access to housing, access to sanitation, safe drinking water, electricity, etc.).

The researchers have adopted a multidimensional and non monetary approach in their analysis of poverty using a well-being composite index (WBCI) as it takes into account assets owned by the household (radio, TV set, gas cooker, telephone, running water, toilet facilities, type of housing, etc.).

Just like in any other non monetary approach, this analysis has allowed to suggest practical mechanisms to be put in place in a bid to efficiently reduce poverty. In fact, the criteria chosen for the identification of poor people are more tangible. It is easier to actually see the type of housing and the sanitation facilities than to measure the exact income of a given household.

Two major recommendations are made by this group of researchers to decision-makers in the area of economic policies in Tunisia. The first one consists in adopting a composite indicator for poverty analysis. Such an indicator will help the decision-makers to better appreciate the social actions undertaken in favour of the poor people, notably with a view to improving their living conditions.

The second one suggests a two-dimension targeting policy: targeting by source consisting aiming at the WBCI components, and targeting by geographical region.

From a methodological point of view, this study falls in line with the new approach in the analysis of households’ welfare levels.

The analysis of poverty and inequality uses a household standard of living indicator in a bid to make a distinction between poor and non poor people, or to measure the level of inequality that affects all the households. All the studies conducted on poverty and inequality in Tunisia have used income as the sole indicator of the standard of living. Yet, this approach has been increasingly criticized. Low income is not the only factor responsible for household deprivation. Well-being is associated, among other things, with the capabilities of an individual to provide for some basic needs such as living in a decent house, being adequately fed, or appropriately educated. Amartya Sen, Economics Nobel prize-winner, holds that if the income is very important, the other well-being measurements are intrinsically important. UNDP has integrated this new dimension in assessing the standards of living of the populations and in defining a series of non monetary indicators such as the human development index (HDI). The abovementioned study defines a new indicator which rectifies the problem relating to the ad hoc choices when constructing the HDI. The WBCI uses weightings which are more appropriate.

This work was carried out with the aid of a grant from the Poverty and Economic Policy (PEP) Research Network, financed by the International Development Research Centre (IDRC), and BASIS-CRSP through the International Food Policy Research Network (IFPRI). It was published as PMMA working paper 2007-05 (the English version is soon to come)
Policy Impact Evaluation Research Initiative (PIERI)

Thanks to the joint effort of a team of international experts and the financial support from the Australian Aid Agency, a series of up to six policy experiments will be conducted between 2007 and 2010 by teams of developing countries researchers from around the world. The experiments will make it possible to evaluate the impacts of various policies and programs that aim to improve human capital in rural areas.

Why should evaluations be conducted?

With the transition to market-based systems, many countries are designing and implementing social policies targeted to specific populations, e.g. social protection to poor people, job training programs to the youth and unemployed and agricultural development programs to farmers. Policy-makers, donors and taxpayers are interested in knowing whether the money is well spent. Conducting an evaluation can help answer important questions such as:

- What is the average impact of the program on participants?
- What would be the impact from expanding eligibility to the program?
- What would be the average impact if the program was universal?
- Who gains the most from the program?
- Are some people missed by the program?
- Do others benefit who should not?
- Would it be possible to have the same impacts at lower cost?

In fine, conducting an evaluation can help generate political support for the continuation or expansion of a program. It can feed into the design of the intervention and lead to its improvement.

Why should experiments be run?

Rigorous assessments of public interventions are needed. Field experiments, just like controlled medical experiments, provide the most convincing evidence. The objective in modern evaluation research is to construct a comparison group of non-participants who are as similar to the participants as possible – with the exception that they do not receive the treatment. That is precisely what an experiment allows by randomly assigning the treatment to some people and not to others: the best “counterfactual” possible.

What can we learn from a series of experiments in different countries?

The advantage of a series of evaluation projects centered on a unified theme is that it makes it possible to contrast and compare results in order to draw out general results and identify country specificities. For this reason, it contributes to the accumulation of knowledge on the behavioral responses to incentives embedded in programs.

Why focusing on human capital-enhancing strategies in rural areas?

People around the world value education and health for themselves and their families. Policy-makers also value them because only a well-trained and healthy population is likely to create wealth. In recognition of this fact, human capital is at the center of the MDGs and many other poverty alleviation strategies that have been designed and implemented throughout the developing world. Health and education poverty is particularly stark in rural regions.

Why should the research be done by developing countries researchers with technical and financial support from PEP-AusAID?

Evaluation findings may also inform policies outside national boundaries. Their public good value justifies funding evaluations with resources beyond those available domestically. But, who should perform the evaluation? Program administrators conducting in-house evaluations, although very knowledgeable, may be more likely to emphasize positive impacts. In contrast, while possibly more objective, international experts may lack in-depth knowledge of the program and its environment. Researchers in developing countries are often the best placed to undertake program evaluations, as they can be as knowledgeable as program administrators while remaining as impartial as international experts. When appropriately trained and given resources to conduct the evaluations, they are likely to generate a valuable input into decision-making. A team of international experts from Australia, Canada, Peru and USA will provide the scientific support.

Some important details about the initiative:

- With a total budget of CAN $1,284,000, with a generous contribution of CAN $1,104,000 from AusAID, this initiative will provide funding for six field experiments that will help evaluate the impacts of human capital enhancing interventions around the world.
- With additional funding from other donors, this first phase of PIERI may be followed by additional phases focusing on other type of poverty-focused interventions relevant to policy-makers around the world.
UN ESCAP hosts Experts Group Meeting on localizing the MDGs using CBMS

An Experts Group Meeting on localizing the millennium development goals (MDGs) using the community-based monitoring system (CBMS) was hosted by the United Nations Economic and Social Commission for Asia and the Pacific (UN ESCAP) in Bangkok on November 28, 2006. Leading the group of experts who shared their experiences and knowledge during the said activity were Hon. Datu Zamzamin Ampatuan, former chairperson of the UN ESCAP Poverty Committee and currently the Administrator of the Southern Philippines Development Authority (SPDA), and the Honorable Governor Joel Reyes of the Province of Palawan. Also present were Dr. Celia Reyes and Ms. Anne Bernadette Mandap of the PEP-CBMS Network, SMERU Executive Director and CBMS-Indonesia Team Leader Dr. Sudarno Sumarto, SEDEC Vice-Director and CBMS-Vietnam Team Leader Vu Tuan Anh, NSC-Lao PDR Deputy Director and CBMS Program Manager Phonesaly Souksavath, and Pasay City Cooperative Officer Mr. Rolando Londonio from the Philippines.

The meeting aimed to provide valuable inputs and recommendations to the ESCAP Poverty Committee Meeting scheduled on November 29-December 1, 2006. Findings presented during the expert's group meeting have an important bearing on the monitoring of the MDGs as well as on the development of the informal sector. In terms of the informal sector, the experts noted that the very limited availability of official information on the sector made it difficult to assess the impact of various policy interventions on their activities.

In view of this, the CBMS is considered as a major tool to collect data at the local level to complement official statistics through the conduct of household census. Because it covers all the households in the community, the CBMS is also able to capture the activities of the informal sector. At the same time, the CBMS also encourages community participation in the collection and validation of data, including those related to MDG indicators. The collected data help local governments to effectively implement targeted strategies that would achieve the MDGs while promoting ownership for the community and local governments.

Meanwhile, the Poverty Committee also noted that the CBMS could play a key role in achieving the MDGs at the local level. It noted with satisfaction the contribution of CBMS in providing disaggregated data on MDG indicators to policymakers in the Philippines. The Committee likewise noted with concern that data gaps and inconsistencies hampered both national and regional assessments of the progress toward the MDGs. Moreover, the lack of sub-national data made it difficult to assess disparities among sub-groups. The Committee agreed that the CBMS could complement the official data collection activities of national statistical offices and improve the availability of MDG and other indicators at the local level. It also agreed that localizing the MDGs through CBMS would help integrate the goals into the national development strategies. As such, the Committee urged other developing countries to initiate and implement similar innovative systems that would help localize the MDGs.

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CBMS Network calls for new proposals

The CBMS Research Network is calling for proposals from institutions in developing countries, except for countries where CBMS is currently being implemented, i.e., Bangladesh, Benin, Burkina Faso, Cambodia, Ghana, India, Indonesia, Laos, Nepal, Pakistan, the Philippines, Senegal, Sri Lanka and Viet Nam, for the development and institutionalization of a community-based monitoring system in their own countries. Each grant is intended to cover the design and the pilot of the CBMS in the respective countries. Aside from the financial support, grantees are given opportunities to participate in the annual CBMS and PEP network training workshops and conferences and are also given access to the CBMS network database as well as technical support from the network’s pool of technical advisors.

Institutions that intend to avail of the grant should submit a research proposal to the CBMS Network Coordinating Team for initial screening. CBMS network proposals are categorized into two: Development and pilot test of a CBMS, and Expansion and institutionalization of a CBMS.

Proposals may be submitted to the CBMS Network Coordinating Team in the following emails:
mimap@dls-csb.edu.ph and reyesc@dls-csb.edu.ph.

For more details on the guidelines for the submission of proposal, visit the CBMS section at the PEP website at www.pep-net.org.
News Updates-Tanzania

CBMS activities in full swing

The CBMS implementation in Tanzania is only 8 months old but many activities have already been accomplished in such a short period of time. During this period, the following activities were undertaken:

Preparatory activities

The project team networked with the key persons and organizations that were identified to be involved in the project. The objective was to inform them about the project activities and the role that they were expected to play.

Conduct of the surveys

Data collection was done with the use of two instruments: the household questionnaire and official (village/ward level) questionnaires. A total of 24 enumerators conducted the interviews with direct assistance from the community leaders and with supervision from the CBMS team. About 5,000 households were interviewed (2423 in K/Ndege ward and 2478 in Nala village). The official (village/ward) questionnaires were also completed by leaders under the supervision of the project team members.

Consolidation and processing of data

All the 5,000 completed questionnaires were checked and verified by 20 leaders from each area. After data verification, the enumerators for each area performed manual data entry and tallying.

Analysis of the survey results

The most challenging effort in the whole exercise dealt with the determination of the poverty line for each community and the proportion of poor households in the study areas. This was done on the basis of consumption expenditure per capita, in line with the adopted national definition. However, based on the preliminary results, the poverty line that was adopted was that of 1,400 Tanzanian shillings (that is USD 0.78) per day per person in close alignment with the national poverty line. This was made after consultations with the enumerators, and community and council leaders. The main argument here is that the intent of the CBMS exercise is not only to estimate poverty at one point in time but also to measure poverty over time.

Validation of results

The results were validated in K/Ndege and Nala through two local workshops. Some leaders from other surrounding villages were also invited in an effort to raise the overall awareness regarding the CBMS exercise and its results. All of them expressed an interest in developing and adopting the CBMS in their respective areas.

Upcoming activities

For the coming months, the CBMS Team will likewise be busy with the conduct of the following activities.
- Finalization of the analysis and finetuning of the results.
- Production of poverty maps, spot maps and profiles of study area.
- Preparation of development plans of the pilot areas.
- Presentation of the project results to the stakeholders at the local, council/regional and national levels.
- Finalization of the Technical Report.

News Updates-Philippines

CBMS Network Conference tackles new challenges

The CBMS-Philippines Team hosted the First CBMS Network Conference on November 15-17, 2006 at the Heritage Hotel in Pasay City. With the theme “Improving Governance and Scaling Up Poverty Reduction through CBMS,” the conference was a combination of the Fourth CBMS-Philippines National Conference and the First Annual CBMS International Network Meeting.

At least 250 participants composed of about 20 foreign CBMS researchers and stakeholders, 150 local planners and policymakers from various local government units, and 80 representatives from the national government agencies, non-government organizations, academic and research institutions, and development partner organizations attended the meeting. Hosted by the Angelo King Institute (AKI), the 3-day conference provided an avenue for interactive discussions and sharing of experiences among CBMS practitioners, policy analysts, policymakers, local planners and other development partners from Asia and Africa on recent applications of the CBMS, strategies for implementation and related issues on the scaling up and institutionalization of the CBMS.

The keynote speakers were Ms. Margarita Songco, Deputy Director General of the National Economic and
Development Authority of the Philippines, and Dr. Nanak Kakwani, former Director and Chief Economist of the International Poverty Center of the United Nations Development Programme based in Brazil.

Among the highlights of the conference was a panel discussion of CBMS stakeholders from various sectors at the national and local levels on the institutionalization of the CBMS.

For more information about the conference and for copies of the papers and presentations, please visit the CBMS section of the PEP website at [www.pep-net.org](http://www.pep-net.org).

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**New set of awardees for the CBMS-UNDP Development Grant Program**

The CBMS-UNDP Development Grant Program, an initiative of the PEP-CBMS Network Coordinating Team in partnership with the UNDP-Philippines, has awarded a total of P2.155 million to the second batch of grantees composed of 12 local government units (LGUs) from all over the country to finance barangay-based poverty reduction programs identified through the survey results of the CBMS.

The recipients were given their certificates of award by Mr. Kyo Naka, Deputy Resident Representative of the United Nations Development Programme (UNDP)-Philippines, Ms. Corazon Urquico, Portfolio Manager of the Empowerment of the Poor Unit of the UNDP-Philippines, and Dr. Celia Reyes, Leader of the CBMS Network Coordinating Team during the awarding ceremonies held on the occasion of the CBMS Network Conference on November 17, 2006 at the Heritage Hotel in Pasay City.

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**MPIA News**

**Overview of MPIA projects**

Several MPIA new Working Papers were published and posted on the PEP Website, registered on current directories Eldis, SSRN, etc. (see the list of the new Working Papers below). Fifteen (15) PEP research projects are currently well advanced and sixteen (16) are already completed. The themes addressed by MPIA researchers vary even though these researchers share similar methodologies. Along with Uruguay, Brazil, and Columbia, which have been studied by MPIA researchers in previous years, a number of projects are currently underway in Latin America (Peru, Uruguay, Ecuador, and Argentina). The Millennium Development Goals are at the heart of today’s concerns, whether they be related to questions concerning gender, education, or poverty reduction. Furthermore, as there is often significant income disparity between regions in a country, many researchers have addressed this issue. Whether it is in Tunisia, in the Philippines, or in China, the central focus of researchers is in attempting to understand the regional impacts, in terms of production, income, and consumption levels, following economic liberalization in the respective countries. These questions are analyzed using common methodologies, and diverse micro simulation methods are also used in the cases of Tunisia, Argentina, and Ethiopia. Overall, regarding research questions or methodologies, MPIA researchers are developing a body of knowledge that greatly interests the international scientific community.

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**New on PEP Website (training material)**

A new training material for data handling/preparation, using GAMS (General Algebraic Modeling System) Data Exchange Facility is now available.

- Computing for Import Weighted Average Tariff Rates
- Aggregating Input-Output Table
- SAM Balancing and GAMS GDX Facility

**Study visits**

During the 2007 winter, five (5) MPIA researchers participated in the study visits funded by the PEP Network at the Laval University, Canada. According to participants, such visits prove to be extremely useful in furthering research studies as they allow in-depth discussions with researchers and facilitate the resolution of the technical problems which frequently arise in the course of a research work. PEP visitors at Laval benefited from the presence of a number of French doctoral students who were visiting Laval at the same time, thus enriching the diversity of problems to be addressed as well as furthering the sharing of experiences.

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Launching SANEM

SANEM (The PEP-GTAP South Asian Network on Economic Modeling) was launched on January 1, 2007. It is primarily a network of economic modelers in South Asia. SANEM aims to promote the production, exchange and dissemination of basic research knowledge in the areas of regional integration, multilateral and domestic trade liberalization, environment and poverty. There is no denying the fact that these issues are of the utmost importance for all South Asian countries. It has been observed that though there are a good number of economic modelers in the South Asian countries, there is no effective network to foster collaboration amongst these individuals and disseminate their policy findings. As a result, much of the research conducted by these economists is rarely shared and remains unnoticed, not only by other modelers, but also by the policy makers for whom much of this work is ultimately intended. This network will therefore seek to link not only the economic modelers but also the policy makers, teachers, students, research institutions, NGOs and other stakeholders interested in the aforementioned issues for South Asia. The most striking feature of SANEM is that both the PEP and the GTAP networks have come forward to fully participate in this network. It is needless to mention that both PEP and GTAP are renowned worldwide networks for economic modelers. There will be a large number of activities under SANEM, including research grants, regional policy conferences, annual conferences, training programs, study visits, and the publication of books, working papers, policy briefs, and newsletters.

PMMA News

Overview of PMMA projects

With 28 working papers published so far and several others soon to be out, and with 14 ongoing research projects (and 25 completed projects), the PMMA network continues to build momentum. The current geographic coverage of these projects is large – 8 projects in Africa, 5 in Asia and 1 in Latin America – and a wide variety of issues have been addressed: the poverty effects of public expenditures and taxes, multidimensional poverty analysis, and analyses of labor markets, poverty and income distributions. Indeed, researchers are using innovative techniques to capture and understand multidimensional poverty in Togo, Senegal, Burkina Faso, Kenya, Central Republic of Africa and Tunisia, to investigate the determinants of spatial poverty in China, Cameroon and Kenya, to analyze female employment and wages in Sri Lanka and China, and to study the distributive impact of fiscal policy and public expenditures in Vietnam, Cameroon, Guinea, Peru, Nigeria, Chad and India. Three of these projects are supported by the Gender Challenge Fund. The PMMA projects that have been selected following the Addis Ababa general meeting and that are still underway are particularly effective at meeting three important PEP criteria:

1) Breadth of scientific contribution and methodological soundness;
2) Policy relevance and reliability;
3) Balance in terms of seniority and socio-economic composition of the research team.

Study visits

During the 2007 winter, 7 PMMA researchers have participated in a study visit funded by PEP, of which four took place at Laval University, one at the International Institute for Educational Planning (IIEP) in Paris, one at Michigan University, and one at the Australian National University.

Stata and DAD Training Workshop

Abdelkrim ARAAR and Sami BIBI both served as Chief Lecturers/trainers during World Bank-funded training workshops organized from 22 to 24 April 2007 in Algiers on Poverty Analysis based on the STATA and DAD softwares. The premises of the Conseil National Economique et Social (National Economic and Social Council - CNES) was the venue of this training workshop whose participants consisted of CNES senior staff as well as representatives of other institutions affiliated to the Ministère de l’Emploi et de la Solidarité (Ministry of Employment and National Solidarity). This training workshop will be supplemented by a second one on the Analysis of Poverty Dynamics, scheduled to hold from 12 to 16 May 2007. Many economists, including Jean Yves Duclos, will provide this training on behalf of the World Bank.

Training on Multidimensional Poverty and Targeting

The Inter-American Development Bank has requested Mr.Jean-Yves Duclos to organize a three-day workshop on Multidimensional Poverty and Targeting. This workshop held from 1st to 3rd May 2007. The didactic material used, which has been devised with the collaboration of Abdelkrim Aaraar, complements the one which, for some time now, is being developed on these issues, with the scientific assistance provided by the PEP Network.
**EVENTS**

**6th General Meeting to be held 9 - 16 June 2007 in Lima, Peru**

The PEP Network Annual General Assembly Meeting will for the first time ever hold this year in Latin America. Lima, the capital city of Peru, has been chosen to host the event which will take place from 9 to 16 June 2007 in the premises of the Sheraton Hotel. The two local organizers of this Meeting include “el Grupo de Análisis para el Desarrollo” (GRADE) and the “Universidad del Pacífico” (UP). Researchers from both GRADE and UP have been taking part in the PEP Network’s activities for some years now, and their two institutions are working together in co-organizing this 6th Annual General Assembly Meeting which will bring together over 200 invited, foreign or local participants during workshops and conference sessions scheduled as shown in the following programme outline:

9 and 10 June 2007 : MPIA and PMMA Training Workshops *(MPIA : Growth and Poverty, PMMA : Poverty Dynamics)*
12 June 2007 : International Conference on the Achievement of the Millennium Development Goals (MDGs)
13 June 2007: Day off (No meeting)

Besides PEP’s usual training workshops and meetings, the novelty this year lies in the introduction of two policy conferences focusing on policies, organized in a bid to allow PEP researchers and invitees to present their works and discuss with representatives of other institutions from Africa, Asia and Latin America, be they civil servants of the public sector, or leading politicians at regional level. These meetings will provide the opportunity to exchange and agree on actions to be taken as concerns poverty reduction policies, MDGs achievement and International trade. Renowned researchers such as Jere Behrman and Nora Lustig will be part of the guest speakers.

Apart from funding provided by the International Development and Research Centre (IDRC) which is the main sponsor of the PEP Network, this event will also benefit from financial support from the “Banco Interamericano de Desarrollo” (BID) (Inter-American Development Bank), the “Corporación Andina de Fomento (CAF), le “Ministère d’Économie et de Finances”, el “Programa de la Naciones Unidas para el Desarrollo - México (PNUD-MEXICO; Programme des Nations-Unies pour le Développement) ainsi que la “Red sobre Inequality and Poverty Inégalité et Pauvreté).”

**PEP Researchers in International Conferences**

The dissemination of Researchers’ findings is part of the main objectives of the PEP Network, which spares no effort in providing financial support to subsequent activities. The most outstanding fact in this connection is the provision of funds to researchers taking part in international conferences. Such participation contributes to the promotion, at international level, of both the researchers and the PEP Network. Several PEP researchers have presented their research works in many famous international conferences bringing together academic decision-makers as well as other speakers in international debates on Poverty Reduction.

**International Insertion, Employment and Poverty in Uruguay**

Maria Inés Terra Ortiz, Professor and researcher of the University of República, Montevideo, Uruguay, organized a policy conference on December 12, 2006 at the Central Bank of Uruguay, Montevideo. This conference brought together a large and diverse audience from different backgrounds: students, professionals, civil servants, policy makers and journalists. The conference also had important media coverage: several newspapers published its main conclusions and the conference was also mentioned in TV news and radio programs. Briefs, with the most important highlights and conclusions of the three research presentations, were provided to all participants.

**the Centre for the Study of African Economies (CSEA)**

Some PEP researchers attended the CSEA annual congress held from 18 to 20 March 2007 at the Oxford-based St-Catherine College in the UK. For details: [http://www.csae.ox.ac.uk/conferences/2007-EDIA-LaWBiDC/prog-details.asp](http://www.csae.ox.ac.uk/conferences/2007-EDIA-LaWBiDC/prog-details.asp).

Luc NEMBOT, Impact of Equivalence Scales on the Spatial Distribution of Poverty in Cameroon: A Dynamic Approach, co-auteurs : Nguetse, P T ; Makoudem, M T ; Kamdem, C B. 

Paul NINGAYE, La pauvreté multidimensionnelle au Cameroun : Sa répartition spatiale, ses déterminants, co-auteur : Laurent NDJANYOU.

Souleymane Sadio, Diallo, Trade Openness and Income Distribution in Côte d’Ivoire: Simulation with a CGE Dynamic Model, co-auteurs : Seydou, K ; Monan, K.
Annual Congress of the Association Canadienne d’Economique (Canadian Economics Association - ACE)

The Association Canadienne d’Economique (ACE) will hold its 41st Annual Congress from 31 May to 3 June 2007 at the Université Dalhousie at Halifax. Communications of the PEP Network Associate Researchers, which have been selected for this Congress, will be presented during the joint PEP/CDSG sessions, involving the Canadian Development Study Group.

Many PEP researchers based outside Canada have benefited from financial support to help them present the findings of their own PEP-funded research projects. These beneficiaries include:

**Erwin Corong**, Philippine tariff reduction program: Poverty effects insights from a CGE analysis, co-auteur: Caesar B. Coronaton

**Deanna M. Dolor**, Labor supply responses to adverse shocks under credit constraints: Evidence from Bukidnon, Phillippines, co-auteurs: Hazel Malapit, Jade Eric Redoblado, Jasmin Suministrado


**Sudip K. Sinha**, Is the value added tax reform in India Pro-Poor: An analysis of data from two major states, co-auteurs: Ajitava Raychaudhuri et Poulomi Roy.

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**Study visits**

Following the approval of an interim report, PEP-funded teams are invited to submit the candidacy of one team member to participate in a three week study visit to the institution of their choice. The goal of the study visit is to provide the researcher ongoing scientific support and a first-rate research environment in order to complete a draft of the team's final report. In 2007, PEP funded the following study visits:

- **Akoété Ega Agbodji** – MPIA, Togo (Laval University) January 14 to February 3, 2007
- **Carmen Estrades** – MPIA, Uruguay (Laval University) January 26 to February 18, 2007
- **Cuong Nguyen Viet** – PMMA, Vietnam (Australian National University, Australia) February 15 to March 8, 2007
- **Dia Bernadette Kamgnia** – MPIA, Cameroun (Laval University) March 2 to 24, 2007
- **Djoke Kossi Agbéviade** – PMMA, Togo, (Laval University) January 21 to February 3, 2007
- **Faicel Zidi** – MPIA, Tunisie (Laval University) March 16 to April 7, 2007
- **Jane Mariara** – PMMA, Kenya (Laval University) March 16 to April 7, 2007
- **Quang Tuan Bui** – MPIA, Vietnam (Laval University) February 3 to 24, 2007
- **Sékou Falil Doumbouya** – PMMA, Guinea (Laval University) February 23 to March 17, 2007
- **Xiaohua Li**, PMMA, China (Michigan University, Ann Arbor, MI, USA), January 4 to 25, 2007

To help the CIRPÉE-Laval team to provide support to PEP researchers visiting Université Laval, the following individuals were invited to join the team:

- Aissatou Diop - Administrative assistant, Senegal (Laval University) January 21 to February 21, 2007
- Ismael Fofana - Resource person, Senegal (Laval University) January 13 to February 25, 2007

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**NEW PEP RESEARCH GRANTS**

Following the 6th General PEP meeting, in Lima, new research grants will be awarded. In addition to substantial scientific and technical support, the recipient teams will receive a CAD 20,000$ grant, as well as necessary funding to participate in a PEP General meeting (to present their final report) and are eligible to apply on a competitive basis for funding to participate in a three-week study visit to the institution of their choice, in an international conference, to bring a junior member of their team to a PEP general meeting and to organize a national policy conference. The recipients will be listed in the next issue of PEP-Talk.
Related Events Outside PEP

A continuously updated list of events outside PEP that are judged to be of potential interest to PEP and other poverty researchers is available on the PEP web site. Click here

NEW WORKING PAPERS

Twenty new working papers have been published since our last PEP-Talk, including six MPIA working papers and thirteen PMMA working papers.

MPIA

Chitiga Margaret, Ramos Mabugu, Does Trade Liberalisation Lead to Poverty Alleviation? A CGE Microsimulation Approach for Zimbabwe

Mabugu, Ramos, Margaret Chitiga, Textiles Protection and Poverty in South Africa

Sugata Marjit, Saibal Kar, The Urban Informal Sector and Poverty: Effects of Trade Reform and Capital Mobility in India

Rizwana Siddiqui, Modelling Gender Dimensions of the Impact of Economic Reforms in Pakistan

Abdoulaye DIAogne, François Joseph CABRAL, Fatou CISSE, Mamadou DANSOKHO, Samba BA, Politiques commerciales, intégration régionale, pauvreté et distribution de revenus au Sénégal

Manson Nwafkor, Adeola Adenkinju, Kanayo Ogujiuba, The Impacts of Trade Liberalization on Poverty in Nigeria: Dynamic Simulations in a CGE Model

PMMA

Ramos Mabugu, Chitiga Margaret, Poverty and Inequality Impacts of Trade Policy Reforms in South Africa

Oyekale, Abayomi Samuel, Adetola Ibidunni Adeoti, Tolulope Olayemi Oyekale, Measurement and Sources of Income Inequality among Rural and Urban Households in Nigeria

Borel Anicet FOKO TAGNE, Francis Ndém and Rosine Tchakoté, Pauvreté et inégalités des conditions de vie au Cameroun : Une approche micro multidimensionnelle

Ningaye Paul, Hilaire Nkengfack, Marie Antoinette Simonet and Laurentine Yemata, Diversité ethnoculturelle et différentiel de pauvreté multidimensionnelle au Cameroun

Luc NEMBOT NDEFFO, Ngangue NGWEN, Pierre Joubert NGUETSE TEGOUm, Cyrille Bergaly KAMDEM and Marianne MAKOUDEM, Impact des échelles d'équivalence sur la répartition spatiale de la pauvreté au Cameroun : Une approche dynamique

Mohamed Ayadi, AbdelRahmen El Lahga, Naouel Chtioui, Pauvreté et inégalités en Tunisie : Une approche non monétaire

Frikkie Booysen, Ronelle Burger, Gideon Du Rand, Michael von Maltitz and Servaas Van der Berg, Trends in Poverty and Inequality in Seven African Countries

Abdelkrim Araar, Poverty, Inequality and Stochastic Dominance, Theory and Practice: The Case of Burkina Faso

Boëvi Kouglo LAWSON BODY, Kokou BANINGANTI, Etsri HOMEVOH, Etse Adjo LAMADOKOU, Analyse comparative de l'état de pauvreté et d'inégalité au Togo : une approche multidimensionnelle basée sur l'indice de richesse

Nakar DJINDIL Syntiche, Tabo Symphorien NDANG, TOINAR Mogota AnatoLE, A qui profitent les dépenses sociales au Tchad? Une analyse d'incidence à partir des données d’enquête

Shi Li, Pingping Wang and Ximing Yue, The Causes of Chronic and Transient Poverty and Their Implications for Poverty Reduction Policy in Rural China

Rim Chatti, AbdelRahmen EL Lahga, A Note on the Contribution of Sectoral Natural Population Growth to the Aggregate Poverty Change: Evidence from Bangladesh, Mongolia and Nicaragua

Oumar Diop DIAagne, Ousmane FAYE, Salimata FAYE, Le noyau dur de la pauvreté au Sénégal

Ajitava Raychaudhuri, Sudip Kumar Sinha, Pouliomi Roy, Is the Value Added Tax Reform in India Poverty-Improving? An Analysis of Data from Two Major States

Milu Muyanga, Miltone Ayieko, Mary Bundi, Transient and Chronic Rural Household Poverty: Evidence from Kenya
Swapna Mukhopadhyay, India

Swapna Mukhopadhyay is former Professor of Economics, Institute of Economic Growth (IEG), and former Director, Institute of Social Studies Trust (ISST), New Delhi, India. Currently she is a Visiting Fellow at India’s National Institute of Public Finance and Policy. She has research interests in, and publications on, various dimensions of development, especially in areas of poverty, technological change and gender concerns, and has also been involved in field level action research in these areas. She holds a doctoral degree in Economics from the Massachusetts Institute of Technology and over the years, has increasingly been involved in multi-disciplinary research.


Dr. Mukhopadhyay has been associated with the PEP Network from its inception. She was instrumental, along with colleagues in PEP, in initiating the Gender Challenge Fund (GCF) within the PEP Network. The GCF, which is the first of the Joint Research Initiatives (JRI) within PEP, was started first through a transfer of funds from the IDRC-funded Gender Network Programme headed by her in ISST to partly finance the first three gender projects under GCF. She then helped mentor these and several other subsequent Fund projects through to their completion. Dr. Mukhopadhyay is currently a member of the PMMA Subcommittee and the Chairperson of the Steering Committee of the PEP network.

André Lemelin, Canada

Born in Québec, André Lemelin receives a Master in Social Sciences (Economics) from Université Laval and a Ph. D. in Economics from Harvard University (Cambridge, Mass.). After returning to Laval in 1978 as a professor in the Department of Economics, he leaves for Montréal in 1983 to join the Urbanisation, Culture et Société center of the Institut National de la Recherche Scientifique (INRS, Université du Québec), where he still is today.

André’s interest in economic modelling goes back to 1969, in Professor Tadek Matuszewski’s team, working on the Quebec input-output model. From 1990, he collaborates with Professor Pierre Fréchette on the application of computable general equilibrium (CGE) models to the regions of Québec and Montréal. Invited by Professor Bernard Decaluwé, he joins the adventure of constructing a large bi-regional (Québec-rest of Canada) CGE model for the Québec ministry of Finance, with support from the Institut de la Statistique du Québec (ISQ). Another project with ISQ begins in 2003: in partnership with Pierre Mainguy, André conceives a method for estimating the gross domestic product of administrative and metropolitan regions within Québec. In 2006, as a visitor in the Centre d’Études Prospectives et d’Informations Internationales (CEPII), Paris, he works on an international financial assets market for the MIRAGE model.

In parallel, André Lemelin has also dedicated himself to teaching quantitative methods applied to urban and regional studies. He teaches at INRS, but also abroad, particularly at the Benemérita Universidad Autónoma de Puebla (Mexico), part of a long-lived relationship; he publishes a Spanish-language manual. He also learned to speak Spanish (but doesn’t pretend to master it).

André is officially part of the PEP network since October 2006, as assistant leader for Latin America. In spite of his recent arrival, he hopes to be able to contribute to the support given young modellers by the network.
ABOUT PEP

Ongoing Call for Proposal

Research proposals may be submitted to the PEP network at any time. Proposals submitted before November 30, 2007 will be considered for presentation in the June 2008 meeting. For more information, consult "Call for Proposals" on the PEP web site.

A pre-selection committee analyzes proposals in order to determine whether they are complete and eligible for financing, to inform the researchers of the proposal's status and, in some cases, to provide some feedback on the proposal itself. Roughly three to four months before each PEP meeting (March 2008 in the case of next year's meetings), a selection committee selects the best research proposals in terms of scientific contribution, policy relevance, concordance with PEP thematic areas and feasibility. These teams are then invited to present and discuss their proposals at the meeting. Taking into consideration that it is almost always necessary to revise and resubmit proposals once or more before acceptance for presentation at a PEP meeting, we encourage interested researchers to submit proposals as early as possible. Furthermore, research teams are strongly encouraged to submit proposals and accompanying documents directly on the PEP Web site.

Other Funding for PEP Researchers

All PMMA/MPIA-funded research teams are reminded that they are eligible to apply for additional funding, provided on a competitive basis, for the following activities:

- To allow a junior PMMA/MPIA team member to participate in a PEP meeting for the presentation of the team's final report.
- To finance the participation of a team member in a study visit or, following approval of the final report, to present their PMMA/MPIA-funded research in an international conference.
- To organize a policy conference to share the results of their research with policy makers in their country.

Details are provided in the PEP Grants Manual, which are available through a link on the home page of the PEP web site.

Online Literature Search Tools

The web site offers a guide to online research tools. In particular, this page outlines the Research Database Service offered by our funder, the International Development Research Centre (IDRC), to all PEP-funded researchers.

A brief Overview of the Poverty and Economic Policy (PEP) Research Network

PEP's Vision: A world in which developing country researchers contribute substantially to efforts to understand and combat world poverty.

The Poverty and Economic Policy (PEP) Research Network brings together and provide technical and financial support to developing country researchers working to reduce poverty. PEP is managed by three principal partners:

- Angelo King Institute for Economic and Business Studies (AKI), De La Salle University, Philippines;
- Centre Interuniversitaire sur le Risque, les Politiques Économiques et l'Emploi (CIRPEE), Université Laval, Canada;
- Consortium pour la Recherche Économique et Sociale (CRES), Université Cheikh Anta Diop, Senegal;

and is composed of three sub-networks:

- Modeling and Policy Impact Analysis (MPIA);
- Poverty Measurement, Monitoring and Analysis (PMMA);
- Community-Based Monitoring Systems (CBMS).
The PEP Team

The PEP team is managed by three administrative offices (Manila, Dakar and Quebec), with the help of a steering committee and a number of resource persons from around the world.

The PEP Network welcomes new staff

MPIA and PMMA

To help deal with the growing size and complexity of the PEP network, our African Office recently hired Ms Awa Diop as an administrative assistant. She is trained in international relations and also has a master’s degree in international business and languages obtained at the Université de la Sorbonne-Nouvelle in Paris. She speaks English, French, Spanish and Wolof. Her role is to help out in the organization of PEP’s 2007 General Meeting and assist in the regular administrative activities of the PEP network. We welcome her to the network!

PEP Web site

As a member of the PEP Network, you join the ranks of more than 5,000 policy makers, researchers, civil society representatives and other individuals interested in reducing poverty worldwide who interact and network on the PEP website! Our website has registered over 150,000 hits to date. In order to ensure that we can keep in contact with you and share our newsletters and calls for proposals, we kindly ask that you keep your account information on the website. To do so, please follow these simple steps:

1. Open a PEP session (www.pep-net.org)
2. Login with your username and password (If you have forgotten your user name and/or password, click on the “Forgot your password or username?” link and follow the instructions.)
3. Click on My profile and then, on Update personal information.
4. Update your information and then click on the button “Update my information”

Thank you for taking the time to update your account and do not hesitate to contact us at pep@ecn.ulaval.ca if you have any questions.

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For more news or to subscribe online, visit: http://www.pep-net.org

If you have news you would like to share, please transmit this information through this email (pep@ecn.ulaval.ca), and it will be our pleasure to publish it in the next edition of PEP–TALK.

Please forward this newsletter to other interested colleagues!

In order for us to be able to contact you, we invite you to update your personal data (“Personal setting”) on PEP’s web site [www.pep-net.org]. You may also select the e-mail addresses at which you would like to receive PEP announcements and PEP-TALK. If you do not wish to be part of this mailing list any more, please deselect the box “want to receive the PEP-TALK”.

The network receives funding from:

The International Development Research Centre (IDRC) as part of its Globalization, Growth and Poverty (GGP) program. For more information on the IDRC, see www.idrc.ca.

The Canadian International Development Agency (CIDA). For more information on CIDA, see www.acdi-cida.gc.ca.

The Australian Aid Agency (AusAID). For more information on AusAID, see www.ausaid.gov.au.