Who benefits from Cameroon's public spending and fiscal policies?

Tabi Atemnkeng Johannes, senior lecturer at Dschang University in Cameroon

The government of Cameroon is currently in the midst of a major public spending and fiscal reform. Yet little is known about the distributive impacts of the current system. While public spending and fiscal reform, including tax and transfer policies, are inextricably linked, most studies examine their incidence on income distribution separately and without explicit links to poverty impacts. This paper jointly examines the distributive and poverty effects of Cameroonian fiscal and public spending policies using data from the 2001 Cameroon household survey. Indices of progressivity (Kakwani and Reynolds-Smolensky) and poverty (FGT) are computed, and other techniques of distributive analysis (concentration curves and non-parametric regressions) are used to get a full picture of the incidence of these policies.

Broadly speaking, the tax system is found to be generally progressive, but less so than public spending on education and health. Public spending and fiscal policies are both found to reduce inequality. Interestingly, while public spending on education and health are most progressive in urban areas, followed by semi-urban and rural areas, the opposite is true of fiscal policy. When we consider the two sets of policies together, they are found to mainly reflect fiscal policies in that they are more progressive and poverty-reducing in rural areas, followed by semi-urban and urban areas, respectively when we use relative poverty lines. Though we also noted a poverty-increasing effect of the net tax system using absolute poverty lines, the poverty impact still remains minimal in the rural areas.

This is an indication that, if one had to choose, the analysis of the impacts of fiscal policies is more important, at least in the case of Cameroon. This lends support to the suggestion that the current fiscal system could be mobilized to generate resources to finance the construction of schools and hospitals in poor neighborhoods without any regressive tendencies. Furthermore, this would be to the benefit of rural areas, where poverty remains high and inequality actually increased between 1996 and 2001.
Multi-Dimensional Analysis of Poverty in Ghana Using Fuzzy Sets

Kojo Appiah-Kubi, Research Fellow, Institute of Statistical, Social and Economic Research Institute of Statistical, Social and Economic Research (ISSER), University of Ghana

Poverty, as a burning issue worldwide, has also attracted a lot of attention among analysts in Ghana during the last decade. However, most studies have serious shortcomings that throw doubt upon the results and conclusions obtained. These studies tend to focus on poverty at a single point in time and fail to capture the changes and overall evolution of poverty. They also generally adopt a single proxy of poverty, namely income or consumption, neglecting other important non-monetary dimensions of poverty such as access to clean water, sanitation, housing conditions, etc. Finally, most poverty studies adopt a simplistic approach whereby one is either poor or non-poor depending on whether one's income is above or below a chosen poverty line.

Kojo Appiah-Kubi carries out an analysis that addresses all three of these issues by applying so-called fuzzy sets in studying several dimensions of poverty in Ghana in 1991/92 and 1998/99. Fuzzy sets explicitly take into consideration the degree of poverty. The different dimensions examined combine monetary and non-monetary, as well as qualitative and quantitative, poverty indicators into a number of composite poverty measures. The study compares levels of deprivation in Ghana over time using micro-data from the last two rounds of the Ghana Living Standard Surveys (1991/1992 and 1998/1999).

Appiah-Kubi estimates a composite deprivation rate of 21.4 percent for Ghana as a whole, which is considerably less than the estimated poverty incidence of 39.5 percent obtained with traditional, unidimensional, methods. However, his results suggest that, rather than falling over the 1990s, as suggested by existing studies, his broader estimate of poverty has actually slightly increased during this period. In particular, households are found to have particularly high degrees of deprivation for seemingly "non-essential" household durables such as televisions, refrigerators, as compared with "essential" household items such as water, shelter and food. This suggests that Ghanaians gear their lifestyle in order to fulfill the basic necessities of life.

Ethno-cultural Diversity and Multidimensional Poverty Differentials in Cameroon

Paul Ningaye, lecturer, University of Dschang, Cameroon

The cultural environment of a population influences its perception of well-being and, consequently, of poverty. The objective of this research is to measure the influence of cultural aspects on poverty distribution from a multidimensional viewpoint.

Multidimensional indices and indicators proposed in the literature treat elementary indicators as if they were related to only one aspect of poverty and are essentially descriptive. This does not make it possible to fully consider the multidimensional nature of poverty in comparisons, nor to test the significance of observed differences. These limits have been overcome by applying structural equation modeling (SEM). Multiple correspondence factorial analysis identified the relevant dimensions of poverty in the context of this research, as well as their indicators. SEM then allowed us to study interactions between these dimensions and their explanation of the subjective dimension. Finally, nested modeling techniques were used to explain the observed differences both in the objective dimensions, as well as in the subjective dimension.

Results show that:

➢ The cultural environment leads individuals to elaborate different poverty criteria from group to group;

➢ They then tend to use available or potential resources to improve the dimensions that they deem to be the most important to them;
This leads to an unequal distribution of poverty dimensions without a group being superior to others in all the dimensions.

We therefore propose decentralized and participative approaches in elaborating poverty alleviation strategies.

Agriculture Trade Reform Leads to Fewer Poor but Poorer Poor in the Philippines

*Erwin Corong, Lecturer in Economics at the University De la Salle University in Manila (Philippines)*

The Philippines has undertaken a substantial trade reform program since the 1980s in order to enhance domestic producer efficiency and encourage exports. However, the impact of these reforms on the poor is not very clear and is the subject of very intense debate. At center stage is the likely poverty impacts of opening up the highly protected agricultural sector.

To shed light on these concerns, a team of Filipino researchers, led by Erwin Corong and Caesar Cororaton, employed a computable general equilibrium (CGE) microsimulation model of the Philippines that individually models each of 24,797 Filipino households from a nation-wide household survey. This type of macro-micro model makes it possible to analyze the impacts of recent tariff reforms on all aspects of the Filipino economy, notably household income and poverty.

Simulation results show that overall output increases marginally. Agriculture output contracts as consumers substitute towards cheaper agricultural imports. In particular, there is a substantial fall in the output and exports of import-competing subsectors such as sugarcane, hog, corn, chicken, livestock, and palay, whereas the export-oriented banana subsector expands considerably. Manufacturing output and exports also expand considerably as this sector benefits particularly strongly from the fall in the cost of imported intermediate inputs. Meanwhile, the service sector expands in response to increased trading activity in the domestic economy.

The national poverty headcount ratio (percentage of poor) decreases. However, both the poverty gap and severity of poverty worsen marginally, implying that, while there are fewer poor, those who remain poor are subjected to more abject poverty. All poverty indices decrease significantly in most urban areas, as they capitalize on the expansion of the manufacturing and service sectors. While, in contrast, rural households suffer overall, due to declining returns to agricultural land and labor, close examination indicates that seven of the 14 rural areas actually experience a reduction in poverty headcount. In general, these areas belong to regions with somewhat progressive urban centers, suggesting that rural households were able to seek alternative employment in non-agricultural sectors. Coupled with a decline in consumer prices, this brings about a reduction in poverty headcount in these rural areas.

In conclusion, tariff reductions appear to have marginally reduced the number of poor in the Philippines, while increasing the degree of poverty among those who remain. Simulation results indicate that trade openness has a pro-urban anti-rural bias. Thus, the critical challenge for the country at this point is to capitalize on the gains and to minimize the losses. This suggests that regional compensatory policies should be considered to address the anti-rural bias of trade reform.

The poorest of the poor in Senegal

*Oumar Diop Diagne, economist with the Ministry of the Economy and Finances, Dakar, Senegal*

*Salimata Faye, Centre de recherches économiques appliquées (CREA)*

*Ousmane Faye, Postgraduate researcher, Université de Liège*
Poverty has many forms other than simple monetary poverty: access to lodging, water, electricity etc.; poverty in human, social, physical and financial capital; lack of education; etc. What’s more, we know that monetary poverty can, sometimes, be compensated by the lack of poverty in another dimension. A Senegalese research team examined different dimensions of poverty in Senegal and, in particular, individuals who are poor in all the analysed dimensions. The interest of this approach is to dispose of a robust poverty measure and to highlight the priority targets in the fight against this phenomenon.

Three poverty measures are combined to bring out the hard core of poverty in Senegal. These measures are indicators of relative, monetary and patrimonial poverty. The monetary indicator is based on a measure of expenditures per adult-equivalent, while relative and patrimonial poverties are measured by composite indices of existential well-being and human, material and social capital. Based on data from the recent Senegalese Household Survey (Esam 2001), 14 percent of Senegalese households combine these three types of poverty. In other words, these households are poor whatever the poverty measure used. They are the hard core of the poor in Senegal.

The analysis shows that these households are more likely to be found in urban areas than in rural areas. They are more concentrated in southern regions of the country than elsewhere. We also find that, in urban areas, these households are mostly headed by “vulnerable” individuals, defined as individuals who are divorced or widowed wives, elderly or in a difficult situation with respect to the labour market. In rural areas, they are mostly headed by farmers. Three lessons can be drawn from this research:

i) The level of acute poverty, implying complete destitution, is very high in Senegal;

ii) Monetary and other forms of poverty, in particular the lack of capital, are strongly related;

iii) Lack of permanent revenue is the main cause of poverty in Senegal.

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**NEWS**

**Re-Opening of PEP's African Office in Dakar**

It is with great pleasure that we announce the re-launch of an African PEP office in Dakar! As some of you may recall, Ms. Ndeye Aidara, who ably organized the PEP general meeting in Dakar in June 2004, was subsequently hired to establish an African PEP office. For roughly six months she played a central part in PEP's administrative team, handling in particular the preparation of letters addressed to PEP researchers and researchers submitting new proposals. Unfortunately, for health reasons, she was obliged to withdraw early in 2005.

We are now happy to say that the office is once again up and running. Ismaël Fofana, who most of you know, moved to Dakar with his family in early September to head up the office. His title will be PEP deputy co-director (African office). Ismaël completed his Masters degree in economics under the supervision of Bernard Decaluwé and John Cockburn two years ago and is currently pursuing his PhD under the supervision of Katheline Schubert at the Université de Paris I. He is a specialist in gender modeling, CGE microsimulation techniques and data reconciliation/adjustment.
Ismaël Fofana has also just hired an administrative assistant, **Ms. Aissatou Diop**, to work full-time with him in the African office. Ms. Diop is fluent in four languages - English, French, Spanish and Wolof- which will be a great asset for the network! She has training in international business and languages and has lived and worked in Senegal, France and Spain, as well as having traveled extensively in all of these countries, as well as the United States. She will certainly be often in contact with you in the near future concerning your projects, notably in the context of the preparations for the June meetings in Addis Ababa. Her main tasks will be communications with PEP researchers, translation, coordination of African PEP projects, and collaboration in the organisation of the PEP general meeting in Africa. Note that this African office serves all three PEP networks: CBMS, MPIA and PMMA.

**CBMS News**

Country members of the CBMS Network are forging ahead on all fronts with the following new developments:

**Bangladesh**

After successfully piloting the CBMS in four villages, the CBMS-Bangladesh team has decided to expand the coverage areas of its local poverty monitoring system (LLPMS) the LLPMS project, which is being carried out by the Bangladesh Academy for Rural Development (BARD) in coordination with the Bangladesh Institute for Development Studies (BIDS), will now cover all 18 villages of Muhammadpur Union (West) under the Daudkandi Upazilla of Comilla District.

**Cambodia**

As part of its continuing advocacy campaign, the CBMS-Cambodia project team has hit the road to actively promote and share the results of the CBMS pilot test to various stakeholders in several fora.

On February 28, 2005, the team actively participated in the National Forum on Pre-Identification of Poor Households hosted by the Cambodian Ministry of Planning. The event served as a venue to discuss various approaches in identifying poor households in the country.

It also recently organized a national seminar on community-based poverty monitoring system in Phnom Penh. The seminar, which was chaired by H.E. CHHAY Than (Senior Minister and Minister of Planning), aimed to present the survey results and gather feedback from stakeholders on the pilot implementation of the community-based poverty monitoring system (CBPMS) in Cambodia.

**Indonesia**

The early stages of the implementation of CBMS in Indonesia have moved to the next level with the successful completion of preparatory activities including a consultation workshop with relevant stakeholders and the conduct of the pretest of the survey instrument.

A consultation workshop was held on February 2, 2005 at the SMERU’s office to get valuable feedback from government agencies and non-governmental organizations on the draft research instruments. Meanwhile, the pretesting of the research instruments was conducted on March 16, 2005 in the village of Solokpandan, Cianjur where a total of 11 families were interviewed.

With the preparatory stage completed on schedule, the CBMS-Indonesia team is now preparing for the conduct of the actual fieldwork. Training for cadres will be held in mid-April, to be followed by the enumeration activity.
Lao

Seven months after initiating the commune-based poverty monitoring system (CBPMS) pilot survey in four villages in the districts of Savanakhet and Saravan, the CBMS-Lao Project Team reports that the data collected by the study will soon be incorporated in the Village Books of the pilot sites. CBMS work in the country aims to supplement the socio-economic information contained in these books which include data on population, housing, agriculture, labor, education and health.

Pakistan

The CBMS pilot study was recently completed in Pakistan and efforts are currently being made to integrate as many indicators as possible in the National Reconstruction Information Management System (NARIMS) format for data collection. NARIMS was formulated by the National Reconstruction Bureau (NRB) for the collection of data for financial management, planning and development purposes, evaluation of existing schemes, and for performance incentives.

The CBMS sites for the pilot study included two union councils in the Punjab province, namely, Dhamyal and GB 42 union councils composed of seven and two villages, respectively.

Benin

The passage of Municipal Decree 2005/N°019/MCOT/SG/DPDM concretized the implementation of a community-based monitoring system in Cotonou, the seat of government of Benin.

The decree, which was recently approved by the Town Council, paved the way for the creation of the Coordinating Committee of the Community System of Poverty Follow-Up (CCSPF). Meanwhile, it was decided that the CBMS pilot site will be the 13th district, one of the poorest districts in Cotonou based on analysis of secondary data.

Burkina Faso

The CBMS-Burkina Faso Team is now gearing up for the third phase of the implementation of the community-based monitoring system. Said phase will cover two new sites: Department of Diébougou and Department of Koper.

Meanwhile, the team is also providing assistance to its neighbouring countries which are also interested in implementing their own local poverty monitoring systems.

Ghana

After successfully conducting the CBMS survey in three communities of the Dangme West District of the Greater Accra region, the CBMS-Ghana Project Team reported that it is now encoding and consolidating the data generated by the study.

The survey which started last year covered a little over 6,000 households in the communities of Dodowa, Prampram and Ningo and employed between 20-30 enumerators per area to administer the questionnaires. After the data entry and processing, results will be presented to the district in a validation workshop.
Philippines

Expansion of CBMS sites

The CBMS Philippines Team is working on expanding the coverage of CBMS implementation in the country. New partnerships are sealed by the Team for technical collaboration for the implementation of the community-based monitoring system in the following provinces: Eastern Samar, Biliran, Samar and Leyte in the Eastern Visayas Region and the province of Agusan del Sur. On the other hand, the Department of Interior and Local Government (DILG) through the Bureau of Local Government Development has officially adopted the CBMS data collection and processing instruments as a tool to generate the core local poverty indicators and also to localize the monitoring of the millennium development goals. This initiative by the DILG was made possible in partnership with local government units (LGUs) in its pilot sites and the World-Bank ASEM Project.

As of date, CBMS is being implemented in 17 provinces covering 228 municipalities, 11 cities and 5,741 barangays (villages). In addition to this, discussions are ongoing for the implementation of the CBMS in other LGUs in the country in partnership with UNFPA, UNDP and World Bank.

Clearance for the adoption of CBMS

In November 2005, the National Statistical Coordination Board has issued a clearance for the adoption of the CBMS. The CBMS was granted clearance by the NSCB in line with its Statistical Survey Review and Clearance System (SSRCS). This is a mechanism instituted by the NSCB through Memorandum Circular Nos. 4-88 and 4-95 to: (a) ensure sound design for data collection, (b) minimize the burden placed upon respondents, (c) effect economy in statistical data collection, (d) achieve better coordination of government statistical activities, and (e) inform the private sector and the public in general that a government survey operation has passed clearance and enjoin their cooperation in the conduct of the survey.

3rd National Conference on CBMS

To share recent developments in the implementation and use of CBMS for planning, program design and impact monitoring, the Team conducted the 3rd National Conference on CBMS. The conference, which was held on September 28-30, 2005 at the Angelo King International Center in Malate, Manila, was attended by policymakers, program implementers and other CBMS practitioners at the local and national level. Representatives of donor agencies and international development partners have likewise attended the event.

CBMS Development Grant Program

The CBMS Network Coordinating Team in collaboration with Peace and Equity Foundation and United Nations Development Programme (UNDP) Philippines has awarded a total of PhP1.75M to 10 organizations from all over the country to finance poverty reduction programs which were identified using data gathered through CBMS. The recipients received their grant funds during the awarding ceremonies held last February 20, 2006 at the Angelo King International Center. The 10 winning grant applications were chosen from nearly 60 proposals submitted by a wide variety of public and private organizations including local government units, people's organizations, non-government organizations, cooperatives, and faith-based organizations.

New proposals

New proposals from Tanzania, Vietnam, Sri Lanka, Kenya, Zimbabwe, Colombia and Cambodia were recently submitted to the CBMS Network Coordinating Team and are currently being evaluated by the CBMS Screening Committee.
MPIA News

Ramon Clarete, a very well-known researcher in Asia and member of the MPIA steering committee, has accepted to act as deputy MPIA network leader with special responsibility for the development of the research agenda for Asian Countries. Similarly, Touhami Abdelkalek, longtime collaborator of the PEP network and member of the MPIA steering committee, has also accepted to play this role for Africa and, in particular, for francophone researchers.

During this period several new MPIA working papers were published, posted on the PEP web site, and distributed at the June 2005 PEP meeting in Colombo (see "working papers" below). Fourteen PEP research projects are currently under way and seven have already been completed. The selection process for new MPIA proposals to be presented in Addis is near completion and has been very difficult given the large number of high quality proposals received.

At the Colombo meeting, Michael Grimm of Goettingen University provided an excellent two-day training workshop on top-down CGE microsimulation techniques, which is a popular alternative to the integrated CGE microsimulation models generally used in the MPIA network. The workshop was very constructive and the exchange of views with respect to this very "hot" research topic was fascinating and created a lot of animated discussions among participants. Research in this direction is currently underway within the network.

Three new and important research initiatives have also been completed during the last few months. First was a World Bank-funded project led by Quentin Wodon and involving the analysis of trade and fiscal reforms in a number francophone countries in Africa. This project received from the Bank-Netherlands Partnership Project (BNPP), a trust fund managed by the World Bank. With the assistance of MPIA resources persons from Laval, PEP researchers from Benin, Burkina Faso, Cameroon and Senegal applied the integrated CGE microsimulation techniques developed by the network. This work is now being prepared to be published in a World Bank book later this year.

The second initiative was also lead by two prominent World Bank researchers - Thomas W Hertel and L. Alan Winters – with funding from the BNPP. In the context of a large research project on the poverty impacts of a potential Doha Development Agenda, no less than ten PEP researchers and resource persons were involved in contributing four chapters to this book. The result of this collaborative project is already available in the form of a highly-publicized book (T Hertel and A Winters, Poverty and the WTO : Impacts of the Doha Development Agenda, Palgrave and the World Bank 2006).

The results of the last initiative is also available in the form of a book edited by Fouzi Mourji, Bernard Decaluwé and Patrick Plane - Le Développement face a la pauvreté – published by Edition Economica in 2006. This book contains the contribution of several francophone PEP researchers and brings together selected papers from a conference jointly organized by PEP and the Agence Universitaire de la Francophonie in Marrakesh (Morocco) in March 2004. Contributions by Ismael Fofana, Anyck Dauphin, Sami Bibi, Jean Yves Duclos and several other PEP researchers and resource persons covers topics ranging from gender to new approaches to poverty analysis.

With 75-odd new research proposals submitted this time, of which up to 10 will be invited to present at the June 2006 PEP general meeting, and a strong harvest of final reports on the horizon, the MPIA network continues to improve and expand!

PMMA News

In the last few months of this year, major efforts have been made to devolve PEP direction and network leadership activities to the South and simultaneously reduce the growing management burden of the PEP co-director and network leaders. The PMMA network has identified two deputy network leaders along thematic grounds; one (Jean-Bosco Ki of Senegal) to supervise research
activities on multidimensional poverty analysis in close collaboration with Louis-Marie Asselin, and the other (Sami Bibi of Tunisia) to lead activities on poverty measurement and the impacts of public spending.

In the PMMA network, a new version of the popular DAD software was prepared with a number of important improvements and accompanying technical notes and exercises (see www.pep-net.org, "DAD software").

With three recently published working papers (in French, English translation soon to be completed) and five others soon to be out, and with 27 ongoing research projects, the PMMA network is in full swing. The topics are nicely spread across the effects of public expenditures and taxes, the analysis of multidimensional poverty, and innovative analyses of labor markets, poverty and income distribution. The geographic coverage is also wide, with 17 projects in Africa, 8 in Asia and 2 in Latin America. Three of the projects are supported by the Gender Challenge Fund. Some of the recently funded projects use innovative techniques to capture and understand multidimensional poverty in Togo, Senegal and Tunisia, investigate the determinants of spatial poverty in China, Cameroon and Kenya, analyze female employment and wages in Sri Lanka and China, and study the distributive impact of fiscal policy and public expenditures in Nigeria, Tchad and India.

The PMMA network played a leading role in the International Conference on the “Many Dimensions of Poverty”, organized by International Poverty Centre (IPC - UNDP): see more on this below ...

Jean-Yves Duclos and Abdelkrim Araar will have their book "Poverty and Equity: Measurement, Policy and Estimation with DAD" co-published in April by Springer and IDRC.

The PMMA network was also fortunate to receive well over 100 new research proposals in response to our most recent call for proposals. Ten to 15 of these proposals will be selected shortly for presentation at our June 2006 general meeting. A record number of final reports is also expected for this meeting. As the PMMA network matures, we are seeing an ever-expanding role for dissemination activities including working papers, national conferences, participation in international conferences and publications in book and journals.

**Hot PEPpers: News of PEP members**

**Christian Arnault Emini, Cameroon**

Christian Arnault Emini was appointed ‘Attaché’ to the Services of the Prime Minister of Cameroon, by decree of the President of the Republic Paul Biya n° 2005/321 on September 6, 2005. Mr Emini has been given the title of Attaché, one of the highest positions in the services of the Prime Minister in the newly created Division of Economic Analysis and Prospectives, in charge of guiding the President in the management and the orientation of economic policies.

**Ramos Mabagu, South Africa**

PEP researcher Ramos Mabagu will join South Africa's Financial and Fiscal Commission at the end of March to become Senior Program Manager: Macroeconomics and Public Finance. His responsibility will be to construct and maintain macroeconomic models to help in advising government with equitable allocation of national revenues across the three spheres of government. According to Ramos: "After all its really the PEP work on South Africa that has convinced them that I will be the right guy for the Division."
Margaret Chitiga, South Africa

Margaret Chitiga, leader of one of the first three teams to complete a PEP project, has been promoted to Associate Professor at the University of Pretoria. She believes that: "her pioneering work on CGE microsimulation in Southern Africa was a pivotal point of the reasons behind the promotion, which she directly attributes to PEP."

If you have news about yourself or another PEP colleague that you would like to share with us, please send us this information by email (pep@ecn.ulaval.ca). It will be our pleasure to publish it in the next edition of PEP-Talk.

PEP Researchers in International Conferences

All three of PEP's first wave of final reports were presented in international conferences in the course of this year.

Margaret Chitiga was invited to present her MPIA research paper on the poverty impacts of trade liberalization at the Eight Annual Conference on Global Economic Analysis organized in Lübeck, West Germany (June 9-11, 2005) by our partners from the Global Trade Analysis Project (GTAP; www.gtap.org).

Rina Oktaviani (Indonesia) presented her MPIA research paper: The impact of reducing oil subsidy on indonesian macroeconomic performance, agricultural sector and poverty incidences (a recursive dynamic computable general equilibrium analysis) at the EcoMod 2005 Conference, Istanbul, Turkey, from June 29 - July 2, 2005.

Technical workshop on poverty analysis in Senegal, Dakar, February 27, 2006 – Hôtel Sofitel-Teranga, organised by the Direction de la Prévision et de la Statistique (DPS), the Cellule de lutte contre la Pauvreté (CSP) the Consortium pour la Recherche Économique et Sociale (CRES), the Poverty and Economic Policy (PEP) research network and the PREM Division of the Africa Region of the World Bank, with the support of the Environmentally and Socially Sustainable Development and the Belgian Poverty Reduction Partnership Trust Fund of the World Bank. Fatou Cissé from the CRES presented: 'Analyse en MEGC de l'impact de la libéralisation du commerce', and Oumar Diagne's presentation was entitled: 'Le noyau dur de la pauvreté au Sénégal'.

Basic Poverty Measurement and Diagnostics Course in Dar es Salaam, Tanzania, Milu Muyanga attended the Basic Poverty Measurement and Diagnostics Course in Dar es Salaam, Tanzania between 26th September and 3rd October 2005. Research on Poverty Alleviation (REPOA)- Tanzania and the International Development Research Center (IDRC) jointly organized this regional training program. The objective of this course is to build the analytical capacity of a carefully selected group of researchers in the region who have demonstrated a keen interest in poverty research and to increase the pool of poverty specialists in the region to undertake high quality poverty analysis.

This course was very resourceful and well delivered. I also had an opportunity to present my study and share my experience with the participants. I also talked to them about what it takes to win a PEP grants. I'm sure this time round, PEP will receive one or two proposals from the participants who attended the course.

International Conference on the Impact of Global Issues on Women and Children from February 12 to 16, 2006 in Dhaka, Bangladesh. In the context of her team's PEP project, Jasmin Suministrado has been awarded a grant to attend the International Conference on the Impact of Global Issues on Women and Children from February 12 to 16, 2006 in Dhaka, Bangladesh to present the findings of the research of the team: Labor supply responses to adverse shocks under credit constraints: Evidence from Bukidnon, Philippines.

International Conference on the “Many Dimensions of Poverty”

Jean-Bosco Ki, PMMA deputy network leader (multidimensional poverty analysis) and a statistician and financial analyst based in Dakar, Senegal

From August 29th to 31st, 2005, was held in Brasilia, an International Conference on “Many Dimensions of Poverty”, organized by International Poverty Centre (IPC - UNDP) with the collaboration of the Department for International Development (DfID), the Institute of Applied Economic Research (IPEA) and the Inter-American Development Bank (BID). The conference gathered more than 50 well-known specialists in poverty and inequality across most disciplines, as well as policy practitioners and development stakeholders, to discuss analytical, theoretical and empirical issues in multidimensional poverty analysis. From the PEP research network, Frikkie Booysen, Jean Bosco Ki, Paul Ningaye, Jean-Yves Duclos and Louis-Marie Asselin all participated in this conference. While Sami Bibi was unable to accept his invitation to the conference, his and other PEP papers are being reviewed for a special issue of World Development based on the conference.

During three days, participants discussed perspectives on a multidimensional approach to poverty analysis, relevant dimensions of poverty, different ways of quantifying multidimensional poverty, empirical case studies, policy implications and the relevance to national consensus building.

Beyond the main traditional approaches to poverty analysis – the capability, basic needs and subjective approaches – new interesting approaches were presented among which featured mainly human rights-based, sociological, psychological, institutional and anthropological approaches.

According to Amartya Sen’s well-known capability approach, preference is given to indicators of ‘functionings’ such as being nourished, or being educated, rather than to indicators of commodities, resources, income or access to services. The basic needs approach prioritizes social services and access to basic infrastructure (education, sanitation, health care, nutrition, drinking water, housing, energy, communication, transportation, roads, basic assets, etc.). The subjective approach gives preference to indicators of poverty as perceived by the poor themselves.

Peter Townsend, who gave the inaugural lecture, argued for a multidimensional international measurement of poverty focused on the cardinal features of human rights. Basic human rights include the satisfaction of basic human needs (food, water, sanitation, health, shelter, education and information), access to a sustainable livelihood and social, cultural and political integration. In the same vein, Linda Jansen developed a “rights-based approach” to multidimensional poverty analysis that was inspired by the example of South Africa. Thomas Pogge also argued for “The Human Rights of the Global Poor” because various human rights are both widely recognized and widely violated by international law.

Robert Chambers proposed a sociological approach with different webs of ill-being and well-being involving relationships between poverty, economic development and global functioning in societies. He defined poverty as a “bad condition or experience of life” and well-being as “experience of good quality of life”. His presentation was complemented by a paper of David B. Grusky and Kim Weeden defining the main features of a multidimensional framework based on inequality analysis.

Joaquina Palomar Lever’s proposed an approach focusing on subjective psychological perception of poverty by the poor themselves. Alice Sindzingre presented an institutionalist approach based on
the claim that institutions and norms determine achievements, levels and access to income, health, education and other dimensions directly and via cognitive processes. Sara Berry emphasizing the benefits that anthropological approaches have produced particularly in Africa and in many other parts of the world.

The conference also reflected on the many dimensions of well-being. Those most often quoted were related to human rights, income, resources, institutions, deprivation, vulnerability, insecurity, relationships, perceptions of poverty, employment, freedom, leisure, longevity, environment, time use, social exclusion, peace, justice, violence, sexual activities, child-bearing, economic security, safe birth control and reproduction, love, clothes, shame, sadness, cleanliness, esteem, rootedness, climate, friendship, marriage, religious faith, physical appearance and intelligence.

With so many dimensions of well-being, it is a real challenge to find a suitable quantification and aggregation of the corresponding poverty indicators. Conference participants suggested a number of methods, notably the fuzzy set approach, multiple correspondence analysis, cluster analysis, factor analysis, a multidimensional approach to subjective poverty, econometric models to explain and estimate capabilities, multidimensional stochastic dominance, statistical tests for comparing multidimensional poverty, and the construction of pro-poor policy (PPP) indices. There was an obvious separation between participants interested in international poverty comparisons and those who focused on within-country comparisons. Practical cases of implementation of these methods were illustrated with country studies from Africa, Asia, Latin America and Europe.

The conference also generated several alternative international strategies to defeat poverty in the World. In particular, participants promoted more equitable tax and incomes policies, employment creation programmes, “universal” social security and public social services, social democratic control of transnational corporations and international agencies, development of international company law, coherent strategies for broad-based growth, public and private capital accumulation and benefit sharing, suitable monetary policies and better control of inflation (oil prices), an international child benefit and the respect of human rights.

**Conference web site:** [www.undp-povertycentre.org/md-poverty](http://www.undp-povertycentre.org/md-poverty)

**PEP Researchers Organize Two National Conferences**

**Enugu Forum Policy Seminar in Nigeria**

A PEP team in Nigeria led by H. Ementa Ichoku held a one day conference in the Enugu state to present and discuss the findings of their team’s research on the "Redistributional Effects of Health Care Financing in Enugu State". The conference was held at the National Achieves, Ogui Road, Enugu, Nigeria on 28 February, 2006. Wide publicity was achieved, notably through a one-hour preview on a local radio station a day before the conference. The conference was part of the Enugu State Policy Forum directed by the African Institute for Applied Economics (AIAE) and generated a record turn-out for this regular seminar series. Among the invitees were top public officers, NGOs, university academics and interested members of the public. The presentation centered on three main aspects of the research: the extent of catastrophic out-of-pocket healthcare payments in Enugu state, its impoverishing effects, and equity implications. This was followed by comments and general discussions of the paper. The conference report was also aired in local radio and television stations after the conference.
Dissemination Seminar in NDjamena - Tabo Symphorien Ndang

On January 12, 2005, a PEP team in Chad held a national research dissemination conference on the theme "Qui profite les dépenses sociales au Tchad?, une analyse d'incidences à partir des données d'enquête" (Who benefits from social spending in Chad? An incidence analysis based on survey data) at the CEFOD (Centre d'Education et de Formation pour le Développement) in N'Djamena. Many personalities representing international institutions, government, universities, national and foreign research centers, foreign chancelleries and student associations were present. The PEP team from Chad led the open debate on the main results of their research. This research concerned, among other things, the multidimensional poverty profile in Chad, the beneficiaries of public spending and the nature of pro-poor policies. This event was covered by Chad National Radio (RNT), Chad Television (TVT), local private and public newspapers which spread the word widely afterward. The afternoon session was reserved for a debate on the theme: «What can research to for poverty alleviation in Chad?» led by the main economist of the Chad Poverty Observatory, Mr N. Doumdé.

Continuing with their goal of dissemination, the Chad PEP team also accepted an invitation to present its findings at the International Conference on Sustainable Development in Chad in the Oil Era, organized January 16 and 17 at the CEBHEVIRA by the University of N'Djamena, CERDO and French universities from La Havre and Nice, under the chairmanship of the State Minister for National Education, Sport, Culture and Youth, Professor Avocksouma Djona. This was another opportunity to present the team’s areas of research as well as the PEP Network to a diverse and multidisciplinary public.

PEP Launches its New Web Site

PEP’s new web site (www.pep-net.org) has been entirely remodeled and features a more attractive and user-friendly presentation, as well as a number of new functions... Click here to see what's new.

PEP Signs a MOU with the Arab Planning Institute (API)

PEP Signs a MOU with the Arab Planning Institute (API):

PEP and API intends to explore areas of collaboration including joint research initiatives, national conferences, publications, training activities, study visits, etc. PEP researchers and PEP Talk readers are encouraged to explore the API web site and participate in API activities.

EVENTS

4th PEP General Meeting: June 13-17, 2005 in Colombo (Sri Lanka)

Over 150 participants from more than 40 countries worldwide participated in the 4th PEP General Meeting, held June 13-17, 2005 in Colombo (Sri Lanka). The guests of honour, Professor Wiswa Warnapala, Minister of Foreign Affairs, and Dr. Sarath Amunugama, Minister of Finances, opened the meeting on the morning of June 13.

In total, 80 speakers presented interim reports, final reports, new research proposals or invited papers during the five days of the Meeting. Individual meetings were also organized between participating resource persons and researchers.
5th General Meeting in Addis Ababa, Ethiopia

The Addis meeting (June 18-22, 2006) promises to be very exciting with all three PEP subnetworks gathered together to listen to and discuss a large number of excellent new proposals (only 10% of proposals are selected) and research reports by a dynamic and talented group of developing country researchers, as well as some presentations by invited speakers. The meeting is hosted and organized in collaboration with the UNECA’s African Centre for Gender and Development (ACGD). The selection of proposals and reports to be presented will be completed by mid-March and invitations will follow shortly thereafter. PEP-funded teams presenting final reports will also be invited to submit the candidacy of one young researcher to attend the meeting. The meeting is organized back-to-back and in close collaboration with the Global Trade Analysis Project's (GTAP, www.gtap.org) ninth annual conference, at which all participating MPIA researchers are invited to attend in lieu of the traditional MPIA short training course. A separate PMMA short training course will be organized on June 16-17. The meeting will have the following basic structure:

- **Sunday** June 18th (afternoon): Plenary: Welcome speech by the Prime Minister of Ethiopia (TBC) and keynote speech by Nanak Kakwani, director of the UNDP's International Poverty Centre in Brasilia (Brazil), as well as presentations of research from all three of the PEP networks.
- **Monday** June 19th: Parallel PEP subnetwork sessions;
- **Tuesday** June 20th: Parallel PEP subnetwork sessions;
- **Wednesday** June 21st: Parallel PEP subnetwork sessions (morning) and individual meetings between resource persons and participating researchers (afternoon);
- **Thursday** June 22nd: Individual meetings between resource persons and participating researchers (morning) and closing ceremony (afternoon).

Study visits

Our visitors at Laval University had the opportunity to discover the pleasures of winter in Quebec City. We see them here with the Carnaval Bonhomme (Snowman) and at the sugar shack (in our next PEPTalk release, we will honour our winner of the snowshoe race)

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 2006, PEP funded the following study visits:

- **Maria Laura Alzua** – MPIA, Argentina (Laval University) March 5 to 26, 2006
- **Fenglian Du** – PMMA, China (Winnipeg University) January 14 to February 4, 2006
- **AbdelRahmen El Lahga** – PMMA, Tunisia (Laval University) January 14 to February 4, 2006
- **Dileni Gunawardena** – PMMA, Sri Lanka (Warwick University, United Kingdom) April 23 to May 14, 2006
Saibal Kar, India, (East Anglia, United Kingdom) April 10 to 30, 2006
Claudio R. Karl – MPIA, Colombia (Laval University) February 26 to March 19, 2006
Boévi Kouglou LAWSON BODY – PMMA, Togo (Laval University) January 25 to February 10, 2006
Juan Liu, China (Middlesex, United Kingdom) January 15 to February 5, 2006
Milu Muyanga – PMMA, Kenya (Laval University) March 4 to 25, 2006
Luc Nembot Ndeffo – PMMA, Cameroon (Laval University) February 27 to March 19, 2006
Selim Raihan – MPIA, Bangladesh (University of Sussex and Laval University) March 5 to 26, 2006
Saoussen Ben Romdhane, Tunisia (Laval University) January 15 to February 5, 2006
Poulomi Roy, PMMA, India (Laval University) February 26 to March 20, 2006.

To help the CIRPÉE-Laval team to provide support to PEP researchers visiting Université Laval, the following individuals were invited to join the team for periods of three to nine weeks:

- Sami Bibi - Resource person, Tunisia (Laval University) February 26 to March 19, 2006
- Aissatou Diop - Administrative assistant, Senegal (Laval University) January 5 to March 20, 2006
- Ismael Fofana - Resource person, Senegal (Laval University) January 5 to March 19, 2006
- Jean Bosco Ki - Resource person, Senegal (Laval University) January 23 to February 26, 2006

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 PEP RESEARCH GRANTS

Following PEP’s June 2005 4th annual meeting, nineteen new MPIA/PMMA research grants were awarded. Each grants provides the successful research teams with $CAN 20,000, plus funding to attend a PEP general meeting, a study visit, an international conference and to organize a national conference. Congratulations to them all!

- Maria Laura Alzua, Argentina, Social Security Reform in Argentina: Impact on Poverty, Income Inequality and Vulnerability
- Nisha Arunatilake, Sri Lanka, Will school level decision making improve access to better education for the poor in Sri Lanka?
- Erwin Corong, Philippines, Growth, Trade Liberalization, and Poverty in the Philippines: An Integrated Sequential Dynamic CGE Microsimulation Analysis
- Fenglian Du, China, Women's Employment and Industrial Restructuring in China: Investigation Using Urban Household Surveys
Joaquim Bento De Souza Ferreira Filho, Brazil, Tax reform, income distribution and poverty in Brazil: An applied general equilibrium analysis

Borel Anicet Foko Tagne, Senegal, Pauvreté et inégalité des conditions de vie au Cameroun: Une approche micro-multidimensionnelle

Dileni Gunewardena, Sri Lanka, The gender wage gap in Sri Lanka

Konan Arsène Kouadio, Ivory Coast, Investissements agricoles et dynamiques de la pauvreté en milieu rural Ivoirien

Boévi Kouglo LAWSON BODY, Togo, Analyse comparative de l'état de pauvreté et d'inégalité au Togo : une approche multidimensionnelle basée sur l'indice de richesse

Sugata Marjit, India, Urban Informal Sector and Poverty - Effects of Trade Reform and Capital Mobility in India?

Milu Muyanga, Kenya, Rural Poverty Dynamics in Kenya: A Study of Rural Households Entering and Exiting Poverty

Luc Nembot Ndeffo, Cameroon, Impact des échelles d’équivalence sur la répartition régionale de la pauvreté au Cameroun: une approche dynamique

Soheila Parvin, Iran, The Impact of Macroeconomic Policies on poverty and Income Distribution (The case of Iran)

Selim Raihan, Bangladesh, Modelling Gender aspects of Policy Reforms in Bangladesh: A Study in a Sequential Dynamic CGE Framework

Manuel Ramirez, Colombia, Fiscal adjustment, income distribution and poverty in Colombia

Ajitava Raychaudhuri, India, Design of a Pro-Poor Value Added Tax (VAT) System in a Federal Economy like India

Martin Valdivia, Peru, Business Development services for female microfinance clients in Peru: a randomized impact evaluation

Xiuqing Wang, China, Measuring Rural Poverty in China: a Case Study Approach

ABOUT PEP

A Brief Overview of the Poverty and Economic Policy (PEP) Research Network: The Poverty and Economic Policy (PEP) Research Network brings together and provide technical and financial support to developing country researchers working to reduce poverty

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

Ongoing Call for Proposals

Research proposals may be submitted to the PEP network at any time. Proposals submitted before November 30, 2006 will be considered for presentation in the June 2007 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 2006 in the case of the upcoming June 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 PEP grants

All PEP researchers are reminded that they are eligible to apply for additional funding for the following activities:

In the context of PEP research grants, funding can be requested to allow young members (aged under 30 years) of PEP research teams to participate in a PEP meeting. We normally expect one young researcher to participate in the presentation of the team's final report.

Training and Professional Development Grants: to finance the participation of a PEP team member in a training workshop, study visit or international conference related to their PEP research.

National Conference Grants: to assist in financing the organization of a national conference related to PEP research.

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

Online Literature Search Tools:

Our donor, the International Development Research Centre (IDRC), offers an online literature search tool with full text journal access to all PEP-funded researchers.

NEW WORKING PAPERS

MPIA


Annabi, Nabil, Bazlul H. Khondker, Selim Raihan, John Cockburn, Bernard Decaluwe: Implications of WTO Agreements and Domestic Trade Policy Reforms for Poverty in Bangladesh: Short vs Long Run Impacts

Cororaton, Caesar, John Cockburn, Erwin Corong: Doha Scenarios, Trade reforms and Poverty in the Philippines, A CGE Analysis


Pradhan, Basanta K., Sahoo Amarendra: The Impact of Trade Liberalization on Household Welfare and Poverty in India

Nguyen CHAN, Tran Kim DUNG: The impact of Trade Liberalization on Household Welfare in Vietnam
Sami Bibi, Tunisia

Sami Bibi is of Tunisian nationality and has a master's degree from Laval University. He obtained the 1995 Excellence award for his MA thesis. He also has a PhD in Economics from the Faculty of Economics and Management of Tunis. He joined the teaching staff in this same Faculty as an Assistant. He was promoted to the position of Master-Assistant in 2001 and Master of Conferences in 2004. In 2001, he spent a semester at the Economics Department of Laval University as an invited professor.

He is a member of CIRPÉE and PMMA Deputy Leader for the PEP Network. In this role, he participates in PEP general meetings to evaluate proposals, reports and working papers submitted to the Network, as well as to train PEP researchers. His research field is welfare economics and inequality and poverty analysis. Many of his papers have been published as CIRPÉE and PEP working papers and in international journals.

Louis-Marie Asselin, Quebec, Canada

Louis-Marie Asselin was born in a town in the region of Quebec at the end of 1940. After his classical studies, he completed a first degree in Mathematics at Laval University. After graduate studies at la Sorbonne in Paris, where he was particularly interested by philosophy and the history of mathematics history, as well as statistics, he started his professional life as a professor of quantitative methods at the Business Faculty of Laval University in 1967. Among other subjects, he taught survey methods and, in particular, the theory of probabilistic sampling. On a temporary assignment, as a CIDA aid worker, he taught at the Rwandan National University from 1973 to 1976. His field research led to the publication of a book "Survey techniques with applications to Africa", thanks to financial support from the IDRC who awarded him the Associate Researcher Grant in 1976-1977. Over more than twenty years, he was the director of a research unit at the Centre canadien d'Étude et de Coopération Internationale (Centre for International Study and Cooperation). He worked as senior statistician at the World Bank in 1989-1990 within the Social Dimensions of Adjustment Unit. His reflections on development led to a PhD in Development Economics at Laval University, with a thesis entitled : "Le rôle de l'État dans la qualité de l'éducation et son impact sur l'efficacité économique" (The role of the State in the quality of education and its impact on economic efficiency). He is still an associate researcher for CIRPÉE. He founded, in 1991, the Institut de Mathématique Gauss.

Louis-Marie Asselin has been involved in IDRC's MIMAP and PEP programs for roughly ten years. In 1996, at an international MIMAP meeting in Manilla, he became involved in CBMS. He then carried out many missions in Nepal, in Vietnam and in Laos. All his efforts, since then, have been
deployed to support the development of CBMS methodology as a participative instrument for local
development and as a complementary system of information in overall national poverty monitoring
systems. The biggest challenges are those of the quality of information and its real usefulness at a
local level, while still allowing for comparability at the regional and national levels. Louis-Marie
Asselin is a member of the CBMS Network "steering committee" since its founding and also acts as
a resource person. He is strongly involved, particularly in Burkina Faso and Bénin CBMS.

Louis-Marie Asselin is also involved as a resource person in PEP’s PMMA Network, particularly in
the field of multidimensional poverty analysis. He has taken part in many training sessions in this
field in Asia as well as in Africa. He supports many research projects being done in the network and
is taking part in the writing of a book on multidimensional poverty. This book will be published by the
network in 2006.

Ramon Clarete, Manila, Philippines

Ramon L. Clarete has over fifteen years of experience as an applied policy economist in the Philippines. Since the late 1980s, he has been at the forefront of policy reform efforts in the country, specifically in the fields of trade policy, customs administration, tax policy and administration, agriculture and food policy. He is a Professor at the UP School of Economics in Diliman, Quezon City, Philippines since 1989. He teaches public sector economics, international economics, microeconomics, and economics of agriculture. He was Assistant Professor at the Economics Department, University of Western Ontario from 1985 to 1988. Mr. Clarete got his doctoral degree in Economics from the University of Hawaii in 1984.

Mr. Clarete is the Technical Director of the USAID-funded, three-year EMERGE technical assistance project since it started in the last quarter of 2004. The project provides assistance to government agencies towards attaining a sustainable fiscal position of the Philippine government, expanding trade and investment, promoting infrastructure development, and ensuring vibrant banking and capital markets. Mr. Clarete headed the USAID-funded, six-year AGILE technical assistance program to the Philippine government. He develops and directs technical assistance activities covering financial, commercial law, tax, expenditure, trade, intellectual property rights, agriculture and food, competition, and economic governance areas. These technical assistance activities are implemented in various units of the Philippine government including the Departments of Finance; Budget and Management; Trade and Industry; Transportation and Communication; Agriculture; and Social Work and Development; Securities and Exchange Commission; Bureau of Customs; Bureau of Internal Revenue; National Telecommunications Commission; Intellectual Property Office; National Food Authority, Tariff Commission, Philippine Judicial Academy; Office of the Ombudsman, and the Bangko Sentral ng Pilipinas.

Before the AGILE project, Mr. Clarete had served on two successive multi-year USAID technical assistance ASAP projects to the Philippine Department of Agriculture. He had also been an occasional consultant to the World Bank, Asian Development Bank (ADB), Food and Agricultural Office (FAO), International Food Policy Research Institute (IFPRI), and Australian Centre for International Agricultural Research (ACIAR) over a period from 1990 to the present. Mr. Clarete is an applied general equilibrium modeler. His current interest is in the incorporation of transaction costs into CGE models. Mr. Clarete is presently in the Steering Committee of the IDRC Poverty and Economic Policy (PEP) program of the Canadian Government.


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*For more news or to subscribe on line, visit: [http://www.pep-net.org](http://www.pep-net.org)*

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

*Please forward this newsletter to other interested colleagues!*

Reminder: 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”.