

PEP-Talk

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WORDS FROM THE CO-DIRECTORS

Welcome to this latest, action-packed, issue of PEP-Talk, bringing you information on the research, training and policy activities of our community of over 7000 registered members and nearly 500 funded researchers! Indeed, through our web site (www.pep-net.org), PEP is becoming an essential source of information on research (and researchers!) working on poverty issues. To this end, we encourage all members to update their profiles on the PEP web site in order to share your biography, CV, contact information and even your photo with the wider community, as outlined under “PEP web site” below.

PEP recently conducted its 8th general meeting with the warm and efficient hospitality of our PEP-Africa team in Dakar, which has led to a bumper crop of 25 new research projects led by teams of researchers from throughout Africa, Asia and Latin America.

At the same time, PEP is quickly developing its PEP Schools with several editions held or planned for 2010 in both techniques for measuring and analysis poverty and tools for simulating the poverty impacts of macroeconomic shocks and policies.

Finally, we are striving to go beyond traditional training and capacity building activities to make PEP an instrument to support and promote the participation of developing country researchers in national and international policy analyses concerning their countries. In this vein, PEP's nearly completed study on the impacts of the global crisis in 20 developing countries in Africa, Asia and Latin America was featured in two days of policy conferences, attended by over 200 researchers, policy makers, donor representatives and other stakeholders, during our 8th general meeting.

We look forward to your reactions and contributions!



Celia M. Reyes

Celia M. Reyes
PEP Co-director
Philippines



John Cockburn
PEP Co-director
Canada

8th PEP GENERAL MEETING IN DAKAR

The 8th PEP General Meeting was held in Dakar, Senegal, from June 12th to 18th 2010. The event, hosted and organized by PEP Africa, was a big success. More than 200 researchers and guests from around the world gathered to benefit from advanced training workshops, present their research proposals and/or final reports for evaluation and work with invited international experts and resource persons. The meeting was, once again, a great opportunity for PEP researchers to share views, make contacts and learn from each others' experience.

PEP researchers present their unique local perspective on the impacts of the global crisis

The event featured a one-day international policy conference, held on June 15th, to present and debate the results of recent PEP research initiatives on the impacts of the global financial crisis in developing countries.



The first session was devoted to the CBMS initiative **“Monitoring and Mitigating the Impacts on Poverty of the Global Financial and Economic Crisis”**. Three CBMS research team leaders presented the results of the surveys they had conducted in selected communities of Kenya, Tanzania and the Philippines, to monitor the evolution of poverty indicators at the local and household levels. These presentations gave an overview of the general outcomes of this global monitoring exercise, to which 15 countries from 3 different continents have participated.

The other main session featured presentations on the outcomes of the two other PEP multi-country initiatives led by PEP research teams to **“Analyze the Impacts of the Global Financial Crisis and Appropriate Policy Responses for Recovery”** through micro-macro simulations. The first project included 3 Asian countries (the Philippines, Bangladesh and Pakistan), 4 Latin American countries (Bolivia, Colombia, Ecuador and Uruguay) and 2 African countries (Senegal and South Africa). Funding for this project was provided by the Australian Agency for International Development (AusAID) and the International Food Policy Research Institute (IFPRI). The second project was a UNICEF-commissioned study on the **“Impacts of the Global Economic Crisis on Children in West and Central Africa”** covering Burkina Faso, Cameroon and Ghana.



In all cases, the presentations highlighted crucial policy recommendations to mitigate the negative impacts of the crisis on the poor and most vulnerable populations. Representatives from several of the world's leading international development organizations – such as the World Bank, the African Development Bank (ADB), the African Capacity Building Foundation (ACBF), the United Nations Development Program (UNDP), UNICEF, the international development agencies of France (AFD), Ireland (IrishAid) and Germany (GTZ), to name a few - attended the conference.

These international experts came to seek the unique local perspective of PEP researchers regarding the challenges faced by the poor in such critical times. The results and recommendations were discussed in a closing session.

SOME RESEARCH FINDINGS

Note: Research findings are generally based on recently published PEP policy briefs and/or working papers. To find the complete list of our recently published documents, go to www.pep-net.org/no_cache/publications/policy-briefs/ for the policy briefs, and to www.pep-net.org/publications/working-papers/ for the working papers.

Labor Markets and Poverty

Teaching Entrepreneurship: Impact of Business Training for Microfinance Clients and Institutions (Peru)

by *Verónica Frisncho, Dean Karlan and Martin Valdivia*



A study on the impact of a business training program offered by microfinance institutions (MFIs) in Peru reveal definite improvement of the clients' business practices, client retention and repayment rates. The results suggest that innovations, such as offering non-financial services along with credit and savings products to poor microfinance clients, may improve the effectiveness of micro-lending in helping micro-entrepreneurs escape poverty.

PEP project PMMA-10422 - [Policy brief 67](#) - [Working paper 2008-11](#)

Dynamics of Poverty, Labor Market and Public Policies in Latin America - by Luis Beccaria, Ana Laura Fernández, Roxana Maurizio, Paula Monsalvo and Mariana Álvarez

An evaluation of the relative impact of several determinants of the evolution of poverty in five countries of Latin America – Argentina, Brazil, Costa Rica, Ecuador and Peru – reveals that poverty dynamics in the region are strongly linked to the mobility of labor incomes. Public policies and programs, such as cash transfers, seem to have almost no relevance in explaining poverty entry and exit rates. The study points to the scarcity of public policies that can effectively mitigate the negative impact and/or strengthen the potential positive effect of macroeconomic and labor market cycles on the welfare of poor households.

PEP project PMMA-11308 - [Policy brief 68](#)



Trade Liberalization and Poverty

Trade Liberalization and Income Distribution in Côte d'Ivoire: A Simulation with a Dynamic General Equilibrium Model

by *Souleymane Sadio Diallo, Kone Seydou and Monan Kamagate*

The object of this research was to assess the potential effect of the WTO agreements on income distribution and welfare in Côte d'Ivoire. Through simulations based on a computable general equilibrium (CGE) model, the researchers analyzed the impacts of three scenarios, ranging from partial and complete unilateral trade liberalization to multilateral application of tariff cuts. As a result, they found that partial to complete unilateral liberalization would induce a decrease in GDP, household income and welfare. Conversely, multilateral trade liberalization was found to positively affect economic growth, income, consumption and well-being, for almost all categories of households.

PEP project MPIA-10032 - [Working paper 2010-05](#)

Agricultural Trade Liberalization, Productivity Growth and Poverty Alleviation: A Dynamic General Equilibrium Analysis (Tunisia)

by Nadia Belhaj hassine, Abederrazak el Meddeb, Hanene Ouertani and Zied Ben Salem

Through simulations of the impact of alternative trade liberalization scenarios on welfare, poverty and equity in Tunisia, this study investigates the influence of trade on agricultural technological change, productivity growth and product varieties. The estimated productivity gains induced from higher levels of trade are combined with a general equilibrium analysis of trade liberalization to evaluate the direct welfare benefits of poor farmers, as well as the indirect effects on prices and income.

PEP Project MPIA-11043 - [Working paper 2010-09](#)

Poverty Impacts of Preferential and Multilateral Trade Liberalization on the Philippines: A Computable General Equilibrium Analysis

by Angelo Taningco and Rachel Reyes

The Philippines has been participating in various trading arrangements, based on preferential and multilateral trade liberalization, that since the 1990s. Using a CGE model, researchers study their poverty effects. They find that reducing both Most-Favored-Nation (MFN) tariff rate and ASEAN Free Trade Area's Common Effective Preferential Tariff (CEPT) rate, combined with enhancing direct income taxes to offset the loss in tariff revenue, are instrumental in reducing poverty in the country. The results also show that the relatively poor and less-skilled household groups - like agricultural and industrial workers - as well as the poorest of the poor, gain from these trading arrangements because of their ability to substantially lower consumer prices. Thus, the paper suggests that the Philippine government further promotes preferential and multilateral trade liberalization in order to help eradicate poverty.

PEP Project MPIA-10470 - [Policy brief 62](#) - [Working paper 2010-06](#)

Fiscal Reform and Poverty

Taxation Reforms: A CGE-Microsimulation Analysis for Pakistan – *by Vaqar Ahmed, Ahsan Abbas and Saira Ahmed*



Different taxation reforms are currently being considered in Pakistan in order to widen the tax base and rationalize the rate structure of different taxes. This paper provides an ex-ante assessment of their welfare and poverty impacts. After studying both the general equilibrium effects of existing taxes and the micro-macro impacts of different policy scenarios, the researchers found that the two main reform proposals - that were generally perceived as the most attractive - may have distortive and deteriorating effects on investment, consumption and wage inequality.

PEP project MPIA-11062 - [Working paper 2010-12](#)

Fiscal Policy, Regional Disparity and Poverty in China; A General Equilibrium Approach – by Wang Li, Guangbao Zhou, Wenbo Wang and Xuesong Li

This paper focuses on the vast income gap that characterizes regional disparity between Eastern and Central-Western China, and the possible relation with government transfers and tax policies. The research team developed a model of the Chinese economy to simulate the impacts of such interventions on regional income disparity and poverty reduction. Existing preferential tax policies for Eastern regions were found to play an important role in explaining disparities in income distribution. Results suggest that if the same fiscal treatment, i.e. cash transfers and preferential taxes, were to be extended to the Central and Western regions, the impact on poverty alleviation would be even greater.

PEP project MPIA-10556

- [Policy Brief 73](#)

- [Working paper 2010-11](#)



Poverty and Inequality

Is Nonfarm Diversification a Way Out of Poverty for Rural Households? Evidence from Vietnam in 1993-2006

by Pham Thai Hung, Bui Anh Tuan and Dao Le Thanh

Research findings from Vietnam show that its rural labour force has been increasingly diversifying toward nonfarm activities between 1993 and 2006. This may have become a path to exit poverty for rural households as the study demonstrates that such diversification has a positive effect on household welfare. However, the poor are reported to benefit less than the non-poor from nonfarm activities. Hence comes a recommendation to promote better access to nonfarm opportunities for the poor, as the sector has become crucial for rural development and poverty reduction.

PEP project PMMA-11006

- [Working paper 2010-17](#)

National Development for and from the Regions: A Philippine Regional CGE for Impact Analysis – by Roehlano Briones, Cielito F. Habito, Ella Antonio, Grace Borja, Kristine Villarino

As poverty varies widely by region in the Philippines, and as regions differ greatly in economic structure, a regional perspective is essential to the formulation of a national development policy. This study, based on policy simulations using a regional model of the Philippine economy, analyzes the welfare impact of various scenarios related to important regional development issues, in order to inform such policy.

PEP project MPIA-10470

- [Policy Brief 63](#)

New PEP research grants

Following our last call for proposals, several new promising research projects have been selected to receive from PEP financial and scientific support:

| Project's title | Leader | Country |
|--|-------------------|----------------|
| PIERI The Impact of Tuition Relief Programs in Senior High School on Poor Students in Rural China | XinXin Chen | China |
| Impact Evaluation of the Brazilian Pension Program Benefício de Prestação Continuada (BPC) on Family Welfare | Ana Lucia Kassouf | Brazil |

| | | |
|--|-----------------------------|-------------|
| The Rural Household Income and Poverty Reduction effects of Priority Forestry Programs in China | Can Liu | China |
| The Impacts of "Land of Love, Water Cellar for Mothers" | Liguo Lin | China |
| PMMA | | |
| Production Efficiency in the Non-Agricultural Informal Sector and Poverty Reduction in Cameroon | Justin Bem | Cameroon |
| Equivalence Scales, Monetary vs. Non-Monetary Poverty and the Determinant of Poverty | Jean-Claude Nsabimana | Burundi |
| Wage and Income Inequalities among Chinese Rural-Urban Migrants from 2002 to 2007 | Zhong Zhao | China |
| Tax reforms in Sri Lanka – will a tax on public servants improve progressivity? | Nisha Arunitalake | Sri Lanka |
| Assessing Local Poverty Alleviation Strategy and Pro-poor Budget | Chitra Septyandrica | Indonesia |
| Looking for Evidence on Inequality Traps in LAC. Persistent lack of Opportunities and Social Immobility | Guillermo Cruces | Argentina |
| MPIA | | |
| Resource Boom, Growth and Poverty in Laos | Phouphet Kyophilavong | Lao PDR |
| Alternative Policy Strategy to ADLI for Ethiopia: A Dynamic CGE Framework Analysis | Lulit Mitik | Ethiopia |
| Several projects have been selected in the context of the UNDP-PEP joint initiative on Policy and Social Impact Analysis (PSIA) | | |
| Social Policies: Implementation of the « Microcredit for the Poorest » Program and Female Empowerment in Benin | Dieudonné Bléossi M. DAHOUN | Bénin |
| The Impact of Electricity Tariff Increases on Poverty in Lesotho | Alka Bhatia | Lesotho |
| Analysis of the Impacts of Government Policy Responses to Recent Global Crises | Aristide Kielem | Togo |
| Poverty and Social Impact Analysis (PSIA) of Increase of Natural Gas Prices and Selected Social Guarantees - the Minimum Wage, the Minimum Pension, and Maintenance Allowance for Children | Katerina Rybalchenko | Ukraine |
| Universal Primary Education in Uganda: Optimizing Equitable Participation and Public Investment Returns | Sebastian Levine | Uganda |
| Impact Monitoring Study for the first phase of the integrated Development Government of Egypt 1000- Poorest Village Program | Dalia Bayoumi | Egypt |
| An Analysis of the Impact of Income Tax Reforms on Poverty and Inequality in Namibia | Jan Swartz | Namibia |
| Trade Liberalization between EU and Armenia: A Poverty and Social Impact Analysis | Armen Grigorian | Armenia |
| The Sanitary Development Plan : A Poverty and Social Impact Analysis in Niger | Boubakar Djibo Boukar | Niger |
| Policy and Social Impact Analysis (PSIA): The Future Impact of the Value-Added Tax (VAT) in Saint Lucia | Augustus Cadette | Saint Lucia |

NEWS



UNDP-PEP

Strengthening Capacities for Poverty and Social Impact Analysis (PSIA) in Developing Countries

The United Nations Development Program (UNDP) is collaborating with PEP to support an initiative for strengthening capacities for poverty and social impact analysis (PSIA) in developing countries. The initiative builds on the ongoing work of the PEP research network.

This collaboration follows from the experience in strengthening capacities for poverty analysis that took place in 2008 in Namibia and that was supported by Namibia's Central Bureau of Statistics, UNDP and Université Laval.

The current initiative contributes to strengthened capacities for poverty and social impact analysis and strives for high-quality ex-ante and ex-post assessments of the impacts of public policies and reforms on poverty, income distribution and welfare. This is achieved through a series of training programs and mentoring services, offered in classroom and online, and customized to individual country analysis needs. It is envisaged that the capacity strengthening programs could evolve into a more permanent resource for countries to draw on in designated research and training facilities.



FFC- PEP SCHOOL: “Modeling the Micro Impacts of Macroeconomic Policies and Shocks”.

The "Financial and Fiscal Commission" (FFC) in Midrand, South Africa, successfully led the first English edition of the PEP school this summer - offering training on techniques and tools for the analysis of poverty and economic policy for researchers in southern Africa. The 2010 PEP school edition is, in fact, the third one and this time focused on the theme “**Modeling the Micro Impacts of Macroeconomic Policies and Shocks**”.

The workshop that took place from August 9 to 20 in Midrand brought together 20 participants and several resource persons from the PEP network and FFC at the FFC offices in Midrand. In this workshop, theoretical foundations on computable general equilibrium (CGE) modelling, social accounting matrices (SAM) as well as hands-on exercises on GAMS allowed participants to gain knowledge and expertise required to build their own CGE model at the end of the training.

The FFC, which took the lead in organizing this PEP school in southern Africa – in collaboration with other partner institutions – is an independent and unbiased constitutional advisory institution, whose research and recommendation program aims at enhancing the development impact of public resources through the financial and fiscal system in South Africa.

PEP Develops a Series of Standard CGE Models for the Analysis of the Impacts of Macro-economic Policies and Shocks

Over the last two years, a team of PEP resource persons has launched a major project to develop a series of standard CGE models for the analysis of the impacts of macro-economic policies and shocks. With this project we seek to crystallize our experience and share the results with the PEP Network and with the modeling community at large.

TWO STANDARD PEP CGE MODELS

PEP-1-1 SINGLE-COUNTRY, STATIC VERSION

In this first model, we propose a static CGE model designed for country-level studies and intended to be a fully operational tool for PEP Network researchers and other users.

With PEP 1-1, researchers will be easily able to develop and adapt to their country of interest a relatively standard CGE model, whatever the particular structure of their social accounting matrix (SAM).

PEP-1-1 (one country, one period) is to be the basis from which to further deepen our understanding of CGE analysis and develop modeling techniques that will tackle new problems in the future.

PEP-1-T SINGLE-COUNTRY, RECURSIVE DYNAMIC VERSION

The PEP-1-t model (one country, multiple (t) periods) builds on the PEP-1-1 single-country, single-period model.

It is a recursive dynamic model, which means that the underlying behavioral assumptions do not involve any intertemporal optimization by economic agents.

So, in PEP-1-t, each period is solved as a static equilibrium, subject to the variables inherited from the preceding period. The dynamic equations define how the variables that link each period to the next evolve between periods.

All the documentation, as well as the GAMS code, are available free of charge on the PEP website at: <http://www.pep-net.org/programs/mpia/pep-standard-cge-models/>



A New Administrator for PEP Africa

Hérame Celine Ndene has joined the PEP African Office last April, to turn the famous Diop team (Aissatou and Awa) into a forceful trio! Celine has a degree in “Languages and Economics” from the Université of Franche Comté, in France, and had previously worked as a customer service assistant for the British Council in Dakar.

PEP Recruits Jane Kabubo-Mariara as Deputy Director

Dr. Kabubo-Mariara will report to PEP's two codirectors and also provide support to PEP's African director. She has a long association with the PEP network as the leader of two PEP-supported projects, resource person, member of the PEP-Africa ad hoc strategic committee and co-editor of the book “Child Welfare in Developing Countries” (See “New Books” below). A full profile is provided in the September 2009 issue of PEP-Talk.



EVENTS

National policy conferences organized by PEP researchers

March, 2010 – Cotonou, Benin

A Policy Workshop on the Dynamics of National Poverty in Benin

A national conference was held in Cotonou, on March 31st, by a PEP research team led by Assogba Hodonou, in collaboration with the National Institute of Statistics and Economics Analysis (INSAE) of Benin, to disseminate the results of a study on the dynamics of poverty in the country.



The conference was attended by more than 50 participants from the government administration and technical or financial partner institutions. It was also given much attention from the press at the national level.





March, 2010 – Beijing, China

China's Poverty and Policy Response

The first policy seminar sponsored by PEP in China!

The event, held at the Howard Johnson Paragon Hotel in Beijing, was organized by the Institute of Quantitative and Technical Economics of the Chinese Academy of Social Sciences on 24th, March, 2010. Its main purpose was to allow the presentation of three PEP-funded studies conducted in China. Pr. Fenglian Du presented the study she led on “women’s unemployment durations and the effects of education on earnings inequality in urban China” and Dr. Li Xiaohua followed with a presentation of the study “Effects of Education on Earnings Inequality in Urban China: 1988-2003”. Then Li Wang concluded with the results of a CGE model-based simulation of the effects of fiscal and transfer policies on regional disparity and poverty in China.

The results of each project were discussed with policy makers and scholars from the China’s Ministry of Finance, State Council, Ministry of Labor and Social Security, Chinese Academy of Social Sciences, Beijing Normal University, University of Inner Mongolia and Ninxia Academy of Social Science. Representatives from IDRC and the University of Western Ontario also participated.

As the first policy conference sponsored by PEP in China, the event reached its main target: bringing together researchers, scholars and policy makers to exchange on issues of common concern. Finally, both the conference and the role of PEP as an international sponsor of poverty research were also reported in important Chinese media, such as Xinhua News Agency.

Presentations by PEP researchers at international conferences

May 28 to 30, 2010

44th annual conference of the Canadian Economics Association (CEA)

Quebec city, Canada

Three PEP-funded researchers - Ana Laura Fernandez, Assogba Hodonou and Sekou Falli Doumbouya – presented their PEP research findings at the Canadian Development Economics Study Group sessions of the 44th Canadian Economic Association (CEA) Meetings, which were held in Quebec City this year. It was a very successful meeting with more than 10 development sessions and a policy panel. The director of PEP's PMMA program, Jean-Yves Duclos, and the administrator of PEP's North American office, Sonia Moreau, were the local organizers of these CEA meetings.



June 9 to 11, 2010

13th Annual Conference on Global Economic Analysis

"Sustainable and Inclusive Trade for Growth and Development"

Global Trade Analysis Project (GTAP)

United Nations Conference Centre in Bangkok, Thailand

The conference was co-organized by United Nations Economic and Social Commission for Asia and the Pacific (UN-ESCAP), the Asian Development Bank (ADB) and the Center for Global Trade Analysis (Department of Economics, Purdue University) – the coordinating body of the Global Trade Analysis Project (GTAP). Support was provided by PEP, the *Asia-Pacific Research and Training Network on Trade*, and the *South Asian Network on Economic Modeling*.

A special session of the conference, organized by Selim Raihan, was devoted to presentations of PEP studies on the impact of the global crisis in Pakistan (Vaqar Ahmed), the Philippines (Erwin Corong) and Bangladesh (Selim Raihan). A UNICEF-commissioned study on the impacts of the global crisis on children in South Africa was presented in a separate session by H el ene Maisonnave. The event was preceded by a two-day workshop, funded by AusAID, that brought together the Asian teams and PEP resource persons (V eronique Robichaud, H el ene Maisonnave and Andr e Lemelin) involved in PEP's global study on the impacts of the global crisis in developing countries.

Note : PEP continuously updates a list of events outside PEP that are judged to be of potential interest to PEP and other poverty researchers: www.pep-net.org/events/related-events/.

FORTHCOMING EVENTS



October 8-9, 2010

Fourth Meeting of the Impact Evaluation Network (IEN)

University of Miami, Florida (US)

The Impact Evaluation Network (IEN) of the Latin American and the Caribbean Economic Association (LACEA) is an initiative to promote knowledge and expertise in policy impact evaluation for Latin America and the Caribbean region. The Network aims to disseminate updated methodologies, increase capacity building, and bridge research and policy in the region.



October to December 2010

Third Edition of the French-language PEP School on “Modeling the Micro Impacts of Macroeconomic Policies and Shocks”

Dakar, Senegal

The "Consortium pour la Recherche Économique et Sociale" (CRES) will lead PEP school from October to December 2010 in Dakar, Senegal. Through distance learning (October-December) and an intensive training workshop (December 6-18, 2010), this 3-month program offers training on CGE modelling of impacts of macroeconomic policies and shocks.

NEW PUBLICATIONS

New Working Papers

Sixteen new working papers have been published since our last PEP-Talk!

[Taxation Reforms: A CGE-Microsimulation Analysis for Pakistan](#)
by Vaqar Ahmed, Ahsan Abbas and Saira Ahmed (WP 2010-12)

[Fiscal Policy, Regional Disparity and Poverty in China: A General Equilibrium Approach](#)
by Wang Li, Guangbao Zhou, Wenbo Wang, Xuesong Li (WP 2010-11)

[Agricultural Trade Liberalization, Productivity Growth and Poverty Alleviation: A Dynamic General Equilibrium Analysis \(WP 2010-09\)](#)
by Nadia Belhaj hassine, Abederrazak el Meddeb, Hanene Ouertani, Zied Ben Salem

[Free Primary Education in Kenya; An Impact Evaluation Using Propensity Score Methods](#)
by John Olwande, Esther Mwanzia and Stella Wambugu (WP 2010-08)

[Family Allowances and Child School Attendance: An ex-ante Evaluation of Alternative Schemes in Uruguay](#)
by Andrea Vigorito, Arim Rodrigo, Gioia De Mela and Veronica Amarante (WP 2010-07)

[Poverty Impacts of Preferential and Multilateral Trade Liberalization on the Philippines: A Computable General Equilibrium Analysis](#)
by Angelo Taningco and Rachel Reyes (WP 2010-06)

[Trade Liberalization and Income Distribution in Côte d'Ivoire: A Simulation with a Dynamic General Equilibrium Model](#)
by Souleymane Sadio Diallo, Kone Seydou and Monan Kamagate (WP 2010-05)

[Inequality, Polarization and Poverty in Nigeria](#)
by Taiwo Timothy Awoyemi, Isaac Oluwatayo and Oluwakemi Adewusi (WP 2010-04)

[The Dynamic Change of Wage Gap between Urban Residents and Rural Migrants in Chinese Cities](#)
by Dandan Zhang, Dewen Wang and Wei Sun (WP 2010-03)

[Analysis of the Impact of Changes in the Prices of Rice and Fuel on Poverty in the Philippines](#)
by Celia Reyes, Allelie Sobrevinas, Jeremy De Jesus and Joel Bancolita (WP 2010-03)

Impact of Hiked Prices of Food and Basic Commodities on Poverty in Cambodia: Empirical Evidence from Five CBMS Villages

by Try Sothearith and Sovannarith So (WP 2010-02)

Effects of Rising Food and Oil Prices in Rural Households in Ghana: A Case Study of Selected Communities in the Dangme West District Using the CBMS Approach

by Felix Ankomah Asante and Cynthia Addoquaye Tagoe (WP 2010-01)

Four of our most recent working papers are based on research conducted in the UNICEF-commissioned study on the “Impacts of the Global Economic Crisis on Children of West and Central Africa”.

Simulating the Impact of the Global Economic Crisis and Policy Responses on Children in West and Central Africa

by John Cockburn, Ismaël Fofana, Luca Tiberti (WP 2010-10)

The Case of Ghana

by Theodore Antwi Asare (WP 2010-16)

The Case of Cameroon

by Christian Arnault Emini, Paul Ningaye and Sami Bibi (WP 2010-15)

The Case of Burkina Faso

by Samuel Kabore Tambi and Lacina Balma (WP 2010-14)

PEP working papers are available at: www.pep-net.org/publications/working-papers/

New Policy Briefs

PEP Policy Briefs are one-page summaries that emphasize the key policy lessons, implications and/or recommendations derived from the findings of PEP-funded research. They are primarily intended to inform policymakers and other stakeholders in order to assist in and facilitate evidence-based policymaking or program design.

Eight new policy briefs have been published since our last PEP-Talk

Policy brief 64

Agricultural Strategies and Poverty in Togo

By Akoété Ega Agbodji, Ablamba Ahoéfavi Johnson, Kodjo Abalo, Komlan Dodzi Agbodji, Yovo Koffi

Policy brief 65

Motives and Giving Norms Behind Remittances: The Case of Filipino Overseas Workers and their Recipient Households

By Jessaine Soraya Sugui, Arnelyn May Abdon and Michael Alba

Policy brief 66

Poverty and Vulnerability in Burkina Faso: A Composite Indicator of Hardcore Poverty

By Alaya Ouarme, Idrissa Ouili and Awa Maty Basse

Policy brief 67

Teaching Entrepreneurship: Impact of Business Training for Microfinance Clients and Institutions

By Verónica Frisancho, Dean Karlan and Martin Valdivia

Policy brief 68

Dynamics of Poverty, Public Policies and Labor Markets in Latin America

By Luis Beccaria, Ana Laura Fernández, Roxana Maurizio, Paula Monsalvo and Mariana Álvarez

Policy brief 69

Impacts of the 2008-9 World Economic Crisis and Policy Response Options on Child Poverty in Cameroon

By Christian Arnault Emini, Paul Ningaye, John Cockburn, Ismaël Fofana and Luca Tiberti

Policy brief 70

The Global Economic Crisis and Children: Effects and Policy Options in Ghana

By Theodore Antwi-Asare, John Cockburn, Ismaël Fofana and Luca Tiberti

Policy brief 71

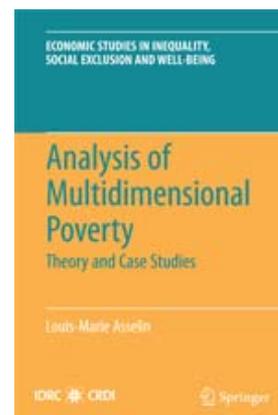
Simulations of the Effects of the Economic Crisis and Policy Responses on Children in West and Central Africa : The Case of Burkina Faso

By Lacina Balma, Samuel Kabore Tambi, Ismaël Fofana, John Cockburn and Luca Tiberti

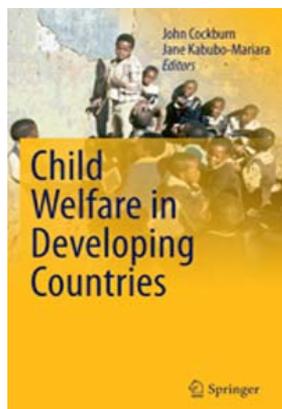
PEP Policy Briefs are available at: www.pep-net.org/no_cache/publications/policy-briefs/**New Books****ANALYSIS OF MULTIDIMENSIONAL POVERTY****Theory and Case Studies**

Louis-Marie Asselin

This book, copublished by PEP, the IDRC and Springer, presents a new method for analysing multidimensional poverty. The author critically reviews various statistical approaches, and proposes a new way of applying a factorial technique, Multiple Correspondence Analysis, to poverty analysis. The core of this new approach rests on the identification of *poverty types* and on the construction of a *Composite Indicator of Poverty*, which objectively weights the multiple categories of poverty. Built as a two-step approach, Multiple Correspondence Analysis allows for the integration of unidimensional money-metric techniques.

**CHILD WELFARE IN DEVELOPING COUNTRIES**

Edited by John Cockburn and Jane Kabubo-Mariara



In developing countries, there has been relatively little empirical work on the measurement and analysis of child poverty, let alone embracing its multiple dimensions. Based on original research conducted by PEP researchers in Africa and South America, this book identifies the existence of inequalities in child welfare, analyzes their sources and evaluates the impacts of policy responses to those inequalities. Topics considered include monetary poverty, asset poverty, nutrition, mortality, access to education and school attendance, child labour, and access to health services.

TRADE LIBERALIZATION AND POVERTY IN AFRICA (LIBÉRALISATION COMMERCIALE ET PAUVRETÉ EN AFRIQUE)

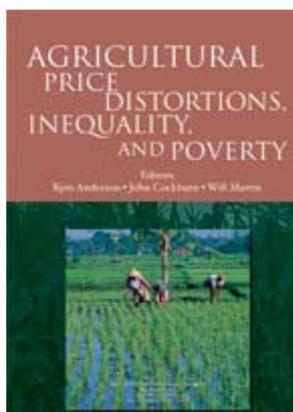
Edited by John Cockburn, Bernard Decaluwé et Ismaël Fofana

In this book, PEP researchers from throughout Africa and beyond collaborate in implementing recent research techniques to analyze the distributional impacts of trade liberalization while taking into account the diversity and specificity of African economies. The studies presented in this book adopt a common micro-macro framework of analysis in order to capture both the overall structure of the economies studied and the household-specific distributional impacts. PEP, the IDRC and the Presses de l'Université Laval copublished the book

These methods make it possible to understand the role of economic structure and national specificities in determining whether trade liberalization increases or reduces poverty within specific populations. In particular, all studies use integrated computable general equilibrium (CGE) microsimulation models that explicitly and individually incorporate all households from nationally representative household surveys.



RELATED BOOKS



This book contains contributions from several PEP researchers, resource persons and colleagues

AGRICULTURAL PRICE DISTORTIONS, INEQUALITY AND POVERTY

Edited by Kym Anderson, John Cockburn and Will Martin

As the vast majority of the world's poor households largely depend on farming for their incomes and food represent a large component of their consumption, the prices of farm products are crucial determinants of the extent of poverty and inequality in the world. For generations, food prices have been heavily distorted by government policies, both in favor of farmers in high-income countries and at the expense of those in developing countries.

In the context of the the WTO's struggle to conclude the Doha Round, the question is: "What would be the poverty and inequality consequences of the removal of the remaining distortions to agricultural incentives? This book analyses the effects of agricultural and trade policies around the world on national and regional economic welfare, on income inequality among and within countries, and on the level and incidence of poverty in developing countries.

For a complete list of PEP books: www.pep-net.org/publications/pep-books/

PORTRAITS & NEWS OF PEP MEMBERS

Abdoulaye Diagne, Senegal (Director of PEP Africa and PEP Researcher)

Economic and Social Development as a Credo

His name and face may be familiar to many PEP members. Indeed, since 2007, Pr. Abdoulaye Diagne is the Director of the PEP African Office based in Dakar. He is also professor at the Faculty of Economics and Management of the Cheikh Anta Diop University of Dakar (UCAD) and Director of the Consortium for Social and Economic Research (CRES) in Dakar. Finally, he is consultant for the Commission of the Economic Community of West African States (ECOWAS) on Economic Partnership Agreements (EPA) and the Community Development Program.



Abdoulaye Diagne obtained his Master's degree in economics at UCAD and his PhD at the University of Orleans in France where he began his career as a teacher and researcher. From 1992 to 1994, he was Head of the Department of Economics at UCAD and Director of the Center for Applied Economic Research (CREA) from 1994 to 2004.

His work focuses on development policies with particular interests for those relating to economic reforms, education, poverty, regional integration and new information technologies and communication. He is especially known for his work on education and economic growth. He has published numerous books, articles and other documents. Some of them are available at www.cres-sn.org.

Yélé Batana, Canada (PEP Resource person)

An Eminent Addition to the PEP team



Yélé Maweki Batana holds a PhD in Economics from Université Laval since June 2008, a DEA-PTCI from Université de Ouagadougou (1997) and a Master's degree from Université de Montréal (2004). He is currently a research fellow at PEP, Université Laval, after completing a postdoctoral fellow at Université de Montréal, where he worked on social health inequalities.

He has also been a visiting fellow at OPHI (Oxford Poverty & Human Development Initiative), Oxford University, during the summer of 2008. Previously, he spent five years (1997-2002) teaching at Université de Lomé (Togo) and three years (1999-2002) as a researcher on the project "*Human Resources Development*", for the SADAOC Foundation (Sécurité Alimentaire Durable en Afrique de l'Ouest Centrale).

Yélé's main areas of research include public economics, welfare economics, econometrics and development economics. His work focuses mainly on multidimensional poverty measurement and robust welfare comparisons with emphasis on African countries and the statistical challenges associated to working with non-parametric techniques for the measurement and the monitoring of welfare. A member of the African Economic Research Consortium (AERC), he is currently associated with a collaborative research on social and health inequalities among children in Togo. He was also data analyst for the project "*UNDP 2010 MPI Project*". Several of his papers have appeared or are forthcoming in international journals and edited books. He is an important PEP resource person.

Nisha Arunatilake, Sri Lanka (PEP Researcher)

An Extensive Experience in Development Research

Nisha heads the Labor, Employment and Human Resource Development unit at the Institute of Policy Studies of Sri Lanka (IPS). She has extensive experience in development research in the areas of education, health, social protection, and the labour market. She has been the leading researcher of several study projects and has worked as a consultant for the World Bank, the Asian Development Bank Institute (ADBI), the International Labour Organization (ILO), Save the Children, and the German Technical Cooperation (GTZ).



She has served in several national level committees, including: the “National Advisory Committee on Manpower Planning, Development and Labour Market Monitoring of the Ministry of Labour Relations and Manpower Planning” and the “National Working Group on Economic Reintegration of ex-combatants into Civilian Life coordinated by the Secretariat for Coordinating the Peace Process (SCOPP) and the Ministry of Foreign Employment Promotion and Welfare”. She led an initial PEP project entitled “Will school level decision making improve access to better education for the poor in Sri Lanka?” and is the team leader of a new PEP supported project on tax reforms in Sri Lanka.

Many of her studies have been published in peer reviewed journals and/or as book chapters. A non exhaustive selection of these is given below:

- ❖ Arunatilake, N. and P. Jayawardena, 2010, “Labour Market Trends and Outcomes in Sri Lanka” in “The Challenges of Youth Employment in Sri Lanka” (Eds.) Gunatilake, R., M. Mayer, and M. Vodopivec, The World Bank, Washington, D.C. and The International Labour Organization, Geneva.
- ❖ Arunatilake, N. and P. Jayawardena, (2010) Formula Funding and Decentralized Management of Schools Has it Improved Resource Allocation in Schools in Sri Lanka? *International Journal of Educational Development*, V30 n1 (2010) 44-53.
- ❖ Arunatilake, Nisha, (2006), “Education Participation in Sri Lanka – Why all are not in school”, *International Journal of Educational Research* 45 (2006) 137-152.
- ❖ Arunatilake, N., S. Jayasuriya and S. Kelegama (2001), “The Economic Costs of the Sri Lankan Civil War: The Case of Sri Lanka”, *World Development*, Vol. 29 No. 9, 1483 – 1500.

Rangya Muro, Tanzania (PEP Researcher)

An Eminent Town Planner and CBMS Researcher



Rangya Kyulu Muro holds a Master’s degree in Urban Management from IHS-University of Erasmus, Rotterdam, (2002) and a Postgraduate diploma in Urban Survey and Human Settlement Analysis from ITC University, Enschede (1995). He is currently a Principal Town Planner, heading the Department of Town Planning in Dodoma Municipal Council, Tanzania. He is responsible for overseeing spatial planning issues that focus on preparation of land use plans, monitoring of land development and assessment of socio-economic dynamics.

With a team of colleagues from the council and other institutions that deal with poverty issues, Rangya has completed a pilot project on the implementation of Community Based Poverty Monitoring System in Tanzania (2007), funded by PEP Network, in Dodoma municipality. As a team leader, in 2009, he organized another two-year project (also PEP-funded) entitled “Replication and Institutionalization of CBMS for Poverty Monitoring in Tanzania. The project seeks to replicate the CBMS process in the remaining areas of

Dodoma and other municipalities in Tanzania and to institutionalize the process in the local government framework so that poverty reduction initiatives can be monitored and the virtues of good governance can be promoted in Tanzania. The project also examines the impact of the global financial crisis on poverty, to provide recommendations on how to prioritize mitigation policies and programs, based on the results of the study.

Rangya is currently linked to Sokoine University of Agriculture, Land Planning Unit, in Morogoro, Tanzania, to develop a GIS-based Decision Support Tool for urban land use planning.

Veronique Robichaud, Canada (PEP Resource person)

A Core PEP Resource

Véronique Robichaud is a PEP resource person, a researcher and a lecturer at HEC Montreal (Canada). She also acts as an independent consultant for international institutions such as IFPRI, the UNDP and the EU.

Since she obtained her Master's degree in Economics at Université Laval in 1994, most of her work concerns regional and international trade agreements. She has developed a unique expertise – including her own methodologies – in macroeconomic modelling for policy analysis in developing countries.



She was also mandated to develop, in collaboration with departments of finance in Quebec and Canada, CGE models in order to provide government agencies with an analytical tool for policy purposes.

For PEP, Veronique has been an important collaborative resource in the achievement of its prime objective, i.e. research capacity building in southern countries. She has been involved in the preparation of training sessions on macroeconomic modeling for policy analysis using CGE modeling. She organizes training sessions on CGE modeling and provides ongoing technical assistance to PEP teams in Asia, Africa and South America.

Finally, she has contributed to several books and published a number of articles in peer reviewed journals. Some of these publications are listed below:

- ❖ Bahan, D., D. Bilodeau, A. Lemelin et V. Robichaud (2003), *Une matrice de comptabilité sociale birégionale pour le modèle d'équilibre général du ministère des Finances du Québec*, ministère des Finances du Québec, Travaux de recherche 2003-03.
- ❖ Cockburn, J., B. Decaluwé and V. Robichaud (2007), *Trade Liberalization and Poverty - Lessons from Africa and Asia*, in Trade and Investment Division (United Nations Economic Commission for Asia and the Pacific (UNESCAP)), Future Trade Research Areas That Matter To Developing Country Policymakers, Studies in Trade and Investment 61, UNESCAP.
- ❖ Decaluwé, B., Y. Dissou and V. Robichaud (2004), *Regionalism and labour market structure: A CGE analysis of UEMOA customs union*, Journal of African Economies, 13:2, pp. 302-332.
- ❖ Decaluwé, B., Y. Dissou and V. Robichaud (1999), *Regionalization and Labour Market Rigidities in Developing Countries: A CGE Analysis of UEMOA*, Cahier de recherche du CREFA #9917, Université Laval.

Hot PEPpers: News of PEP members

AWARD WINNERS

Epo Boniface Ngah and Francis Menjo Baye, respectively PhD student and Associate Professor at the University of Yaoundé II, Cameroon, have won the first **African Public Policy Award** for their PEP-supported research project “*Explaining Inter-Household Gender Inequality in Cameroon: An Oaxaca-Blinder Approach*” (or “PMMA-11321: Spatial and Inter-temporal sources of Poverty, Inequality and Gender Disparities in Cameroon: A regression-based decomposition Analysis”).

This award, which aims to encourage African research in the area of public policy and especially on the reform of public institutions, was given for the first time by the International Institute for Public Finance (IIFP) and the German Development Cooperation (GTZ) in connection with the IIFP 2009 Annual Congress.

GRADUATING



Ana Laura Fernandez has completed the courses of the Master in Political Science and Sociology (Facultad Latinoamericana de Ciencias Sociales) and, while working on her thesis, she has been accepted as Phd candidate in Economics at the Universidad de Buenos Aires.

Mariana Alvarez has completed the courses of the Master in Labor Sociology at the *Centro de Estudios e Investigaciones Laborales* (CEIL), the Labor Studies and Research Center of the National Council for Science and Technology of Argentina, and is working on her thesis. She has been accepted as Phd candidate in Social Science at the Universidad de Buenos Aires.

Alexis Tiomela Yemedjeu and Virginie Takoutio Feudjio have both successfully completed their Master's degree in Economics at the University of Dschang, Cameroon. Success to which their participation in the PEP project « Ciblage de la multi-pauvreté par les scores dimensionnels : application sur les données camerounaises » has largely contributed. Virginie has also been accepted as Phd candidate.

GOOD LUCK ISMAËL...



A very special thanks and best wishes for **Ismael Fofana** who leaves PEP after many years of priceless collaboration. He has been recruited by the International Food Policy Research Institute (IFPRI), for its office in Dakar, Senegal.

Ismael has been involved with PEP since the very beginning and has collaborated in a great number of its initiatives. He was appointed Director of PEP Africa in Dakar between 2005 and 2007, after which he returned to Canada to work more specifically as a PEP resource person.

PEP staff, management and researchers are grateful for his substantial and long-standing contribution to the building of the organization. We thank him warmly and wish him great success in his new responsibilities. “We will all miss your smile and your good mood. Good Luck Ismael!”

ABOUT PEP

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

PEP's Vision:

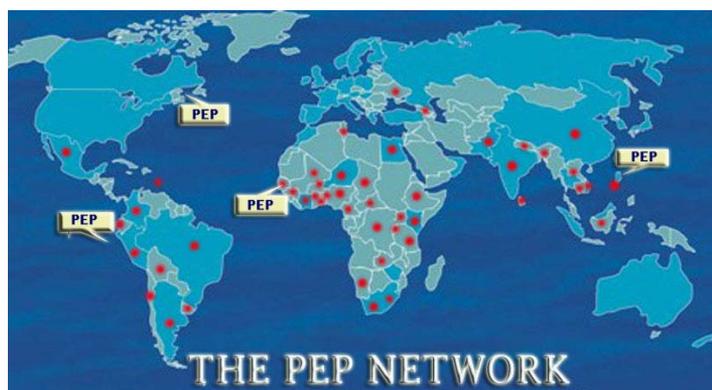
An international network of researchers in developing countries who have the expertise, resources and reputation to contribute to national and international debates on economic policies related to poverty

In pursuing this vision, the Poverty and Economic Policy (PEP) Research Network provides a sophisticated program of scientific and financial support that systematically removes obstacles to state-of-the-art research in developing countries, while bringing together a global community of experts working on poverty issues.

PEP is, thus, a permanent tool that enables researchers from the South to better participate and independently define the poverty research agenda and establish their scientific credibility both nationally and internationally.

As all projects are selected, in part, based on the policy relevance of the study, and researchers are subsequently assisted in the implementation of an efficient dissemination strategy, PEP is also an important resource for policymakers and other stakeholders interested in poverty reduction.

PEP is a network of global scope, now with projects in 49 developing countries:



The network is based on the collaborative management of four partner institutions:

- **African Office:** Consortium pour la Recherche Économique et Sociale (CRES), Université Cheikh Anta Diop, Dakar, Senegal
- **Asian Office:** Angelo King Institute for Economic and Business Studies (AKI), De La Salle University, Manila, Philippines
- **Latin American Office:** El Grupo de Análisis para el Desarrollo (GRADE), Lima, Peru
- **North American Office:** Centre Interuniversitaire sur le Risque, les Politiques Économiques et l'Emploi (CIRPÉE), Université Laval, Quebec, Canada

and is composed of four research programs:

- Community-Based Monitoring Systems (CBMS).
- Modeling and Policy Impact Analysis (MPIA);
- Policy Impact Evaluation Research Initiative (PIERI);
- Poverty Measurement, Monitoring and Analysis (PMMA);

In addition to intensive scientific and technical support provided by PEP, research teams - selected through an open and competitive call for proposals - receive a CAD 20,000\$ grant, and are eligible for additional financial support of up to 30,000\$ for various activities:

- participation in a PEP General meeting (to present their final report),
- participation in a four-week study visit to the institution of their choice,
- participation in an international conference,
- publication of a PEP working paper,
- publication of a journal article,
- organization of a national policy conference

This additional funding is provided on a competitive basis. Details are provided in the **PEP Grants Manuals**: www.pep-net.org/funding/guides/

PEP Web site

As a member of the PEP Network, you join the ranks of more than 7,000 policy makers, researchers, civil society representatives and other individuals interested in reducing poverty worldwide, who resort to the networking experience of the PEP website. Our website, which has registered over 250,000 visits to date, now features powerful search engines allowing users to seek information on all 7000 PEP members by country, field of specialization, name, etc.

In order to keep updated on PEP events and make sure to receive our newsletters and calls for proposals, we kindly ask that you keep your personal information updated on the website, choosing what elements of your profile (photo, bio, CV, contact details, fields of specialization, etc.) you wish to make accessible to the public. To do so, please follow these simple steps:

- Open a session (www.pep-net.org)
- Login with your username and password
If you have forgotten your user name and/or password, click on the "Forgot username or password?" link and follow the instructions.
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- Check the PUBLIC box :
 - Check if you want your CV, full contact details (address and phone number) and your short biography to be available on the PEP Web site
- You may also indicate 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 "I want to receive the PEP-TALK".

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 or wish to share news for us to publish in the next issue of the PEP Talk.

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For more information or to register, please visit: www.pep-net.org

THE PEP NETWORK WISHES TO THANK ITS MAIN DONOR PARTNERS:

- The International Development Research Centre (IDRC, www.idrc.ca)



- The Canadian International Development Agency (CIDA, www.acdi-cida.gc.ca)



- The Australian Agency for International Development (AusAID, www.ausaid.gov.au).



And continues to seek funding to expand its initiatives around the world

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