

ACC SUB-COMMITTEE ON STATISTICAL ACTIVITIES
Twenty-third session
Geneva, 19-23 June 1989
Item 15 of the provisional agenda

SA/1989/16
22 May 1989

LIVING STANDARDS MEASUREMENT STUDY
AND THE SOCIAL DIMENSIONS OF ADJUSTMENT

World Bank Initiatives In The Field of Integrated Household Survey

Report prepared by the World Bank

Introduction

1. It will be recalled that the Bank reported to the Sub-Committee and also to the Statistical Commission at its 25th session outlining the approach the Bank has taken in the design and implementation of the Social Dimensions of Adjustment Program and Living Standards Measurement Study. This note updates the further progress made by the two programs.

Social Dimensions of Adjustment

2. Launched in 1987 as a joint venture between the UNDP Regional Programme for Africa, the African Development Bank, and the World Bank with support from several bilateral donors, the SDA Project has as its principal objective the delivery of assistance to participating Governments to integrate social dimensions in the design of their structural adjustment programs and development plans. To date, 26 countries of Sub-Saharan Africa have requested to participate in the project, for which the World Bank is the executing agency.

3. At the regional level, the project Unit at the World Bank is supporting the development of a conceptual, empirical, and policy framework to strengthen the foundations of structural adjustment operations aimed at growth with equity. The project Unit also supports the development of a regional training programme in the areas of policy analysis of the social dimensions of adjustment and development of statistical data bases on living conditions of households. It also supports, jointly with the European Community, a Regional Statistical Task Force to serve as a think tank for the development of the statistical component of the project. An umbrella arrangement is also being negotiated between the Government of Canada and the Bank for the use of the services of Statistics Canada for the project.

4. The statistical information needed to measure the social effects of macro economic policies and to better understand the linkages between macro

policies and micro effects requires, in many cases, reinforcing national statistical capabilities on several fronts - national economic statistics, social and demographic surveys, price and production statistics and so on. The building up of a complete national information system is a long term program in which the SDA is only one of the players. It will require a cohesive and coordinated program and partnership between national governments and the various bilateral and multilateral agencies concerned with the collection and analysis of data.

① 5. Within this overall framework, the SDA has just completed drafting a prototype integrated household survey questionnaire which is intended to serve as one of the tools for gathering data that countries need to gain a better understanding of the social effects of macro economic policies.

6. The starting point for this survey has been the LSMS model, but it is recognized, that a more flexible instrument is required which can take into account national interests, resources and capabilities. The SDA questionnaire will not be a rigid instrument and will be modified to local circumstances. At one extreme there is what has been called the "intensive" form and at the other the "extensive." In order to fully explore empirically the relationships between macro policy and effects at the household level, a country needs to carry out the survey in its intensive form, using a full and detailed questionnaire applied on a sample of fairly limited size. In its extensive form, a relatively light questionnaire is administered to a larger sample of households. The main objective in the latter case is to identify and describe household groups of interest, the vulnerable groups. The two versions are different but complementary tools. The latter may be used to provide a rapid indication of "what" is occurring, but it will need to be supplemented by the former in order to explain "why". The content of the survey can thus vary quite considerably from country to country and from year to year, yet it always retains the form of an integrated multi-subject survey.

7. The household survey and the support of national statistical services comprise only one element of the SDA program. At the country level, the SDA program can, typically be expected to include three basic components:

- i) An Institutional Development Component, including the development of statistical databases as described above, and the strengthening of institutions responsible for socio-economic policy analysis and policy formulation.
- ii) A Programs and Projects Component, including in particular: design and follow-up of specific interventions aimed at protecting vulnerable groups in the course of adjustment and the design of specific programs and projects to foster the participation of the poor in socio-economic activities, and
- iii) A Policy Component, including in particular: design and follow-up of macro-economic strategies aimed at growth with poverty

reduction; design and follow-up of core programs of public expenditure to benefit the poorer segments of the population.

8. To date, the project has been appraised in 11 countries. Among these, funding has been arranged and activities have started in the field in Madagascar, Senegal and the Gambia in addition to Ghana and Cote d'Ivoire. Funding arrangements have been finalized and activities will start shortly in the field in Guinea, Guinea-Bissau and Chad. Although funding is in place, start up await Governments approval in Zambia. Further project funding is being discussed in Cote d'Ivoire, Ghana, Mauritania and Mozambique. In FY89, further appraisal include Somalia (May 89) and Zaire (July '89). In FY90, appraisal missions are planned in Cameroon (July 89), Tanzania (September 89), Burundi (September 89), and Malawi (November 89). Other appraisals in FY90 are scheduled to include Togo, the Central African Republic, and Uganda.

9. Extensive consultations have been held with other agencies in the U.N. system and bilateral donor governments on the draft Concept Framework Paper through both a seminar in Paris early this year, and through bilateral consultations. Two seminars at Arusha and Dakar, were held to hold consultations with representatives of African governments and agencies including the ECA. These seminars provided the Bank with many useful comments which are now being incorporated into the revised document. A final version of the paper will be available in the second half of 1989.

10. Bank staff have continued the dialogue with representatives of the U.N. agencies, including UNSO and ECA, to evolve arrangements for coordination of SDA activities at the country level. The Bank has proposed that NHSCP and SDA work closely in a test country, Ghana, to refine the modalities for effective coordination.

Living Standards Measurement Study

11. The Bank and participating governments have found LSMS household data extremely useful in analytic and research work on issues pertaining to household response to policy change and the cause and consequences of poverty. Survey data have been used to empirically investigate the measurement of poverty, distribution of welfare, malnutrition, food subsidy programs, targetting, health care financing, the linkages between growth and poverty alleviation, household savings, intra-household allocation of goods, gender differentiation in household time allocation, determinants of wages, and response of household labor supply/firms to change in policy.

12. The Living Standards Measurement Study project has continued to expand its activities in a number of countries outside Africa. The present status of country activities is described below:

13. Guyana - A recent World Bank mission working on the proposed Social Impact Amelioration Programme (SIMAP) has recommended to the government that a LSMS survey be launched both for monitoring SIMAP and as part of UNDP

funded technical assistance to the government. Discussions are currently underway.

14. Egypt - Assistance has been sought by the Government for the design and implementation of the Egyptian Living Standards Survey. Funding is being sought from bilateral sources.

15. Nepal - A Bank mission that visited Nepal to review a proposed UNDP funded project for developing databases at the village and district level has recommended LSMS to the government. Further discussions are currently underway to implement a LSMS type survey.

16. Pakistan - An LSMS survey is in an advanced planning stage. Both NHSCP and UNDP may become involved. A recommendation was made in a recent NHSCP Tripartite Review meeting that CIDA provide \$50,000 for the Pakistan survey which would be administered jointly with NHSCP. In addition, financing is also being sought directly from UNDP's country program in Pakistan.

17. Bolivia - An LSMS survey is at an advanced planning stage. It is being funded as a component in the Bank's Economic Management Strengthening Operation for which UNDP is the executing agency in Bolivia.

18. Colombia - An LSMS-type survey was recommended to evaluate an anti-poverty program in Colombia. A proposed work program was developed in discussions with DANE, the central statistical agency.

19. Jamaica - In July of this year, the Bank will jointly organize with NHSCP a survey program for Jamaica. UNICEF has contributed anthropometric equipment for measuring heights and weights.

20. Morocco - An LSMS survey is underway. UNDP is the major source for funding for the project. The survey data are being used in the UNRISD project on indicative patterns of consumption

21. As will be noted LSMS is in close contact with several agencies, including NHSCP and UNICEF, in coordinating survey activities at the country level.

22. The Sub-Committee might wish to note that the theme for the 1990 World Development Report will be poverty alleviation. The analysis will draw upon survey data available from country sources. Inputs from other agencies will also be sought to supplement information that the Bank has in its data files.

23. UNDP has also sought the Bank's assistance in work connected with the preparation of a major report on the human state due for completion in early 1990. The Bank has assured UNDP that it will assist by sharing its data, and relevant research findings.