

WORLD BANK INITIATIVES ON INTEGRATED HOUSEHOLD
SURVEYS: LIVING STANDARDS MEASUREMENT STUDIES AND
THE SOCIAL DIMENSIONS OF ADJUSTMENT

Prepared by the World Bank

I. Introduction

1. The ACC Sub-Committees on Statistical Activities will recall that the World Bank has over the past decade taken two major initiatives directed at assisting its member countries in developing permanent capacities for conducting integrated household surveys. The Sub-Committee has at previous sessions been informed of the nature and progress achieved by the Living Standards Measurement Study (LSMS) and the Social Dimensions of Adjustment program (SDA). This report up-dates the current activities of the two programs, the coordination of activities with other international agencies, and briefly refers to the work program for the twelve months ahead.

II. Living Standards Measurement Study

2. Current Activities: In the past 12 months 17 new papers have been issued in the LSMS working paper series, and joint research continues apace on the data from Cote d'Ivoire, Peru, Ghana, Mauretania, Jamaica and Bolivia. The Bank's Population and Human Resources Department continues to work closely with other divisions to improve program evaluation and design methodologies. New computer software is now being used in both preparation and analysis of LSMS surveys, and more emphasis is now going on in capability building within the countries, particularly Jamaica and Bolivia. As usual, requests for LSMS surveys in Bank countries exceeds the capacity to meet this demand.

3. One of the most important new areas of emphasis is providing greater assistance in capability building and institutional strengthening to Statistical and Planning Offices. In Jamaica, a training program has been put in place in survey analysis for government officials from the Planning Institute, the Statistical Institute, the Ministry of Health, the Ministry of Education, and the University of the West Indies. As an indicator of the success of the program, the Institute for Social and Economic research at the University of the West Indies already has produced five papers using the Jamaican data, including one paper which sets a new official poverty line and another which compared the relative benefits of food stamps and food subsidies. In Bolivia hands-on demonstrations of new computer software has been given to officials from the Ministry of Planning, Ministry of Health, and the National Statistical Institute. The Bolivian government now plans to use the data to undertake their own studies without direct assistance from the Bank. Similar efforts are being planned for Morocco and Pakistan.

4. Coordination with Other Agencies: LSMS activities are closely coordinated with other statistical support activities (i.e. UNHSCP, programs

supported by ESCAP and bilaterals) where such programs are in place or are planned. For example, a joint mission was undertaken to Jamaica with a UNHSCP representative in March, 1990, to assist the Statistical Institute of Jamaica in planning future rounds of the Survey of Living Conditions, and more generally to map out a long-run household survey program. An ESCAP representative joined a Bank mission to Laos in January, 1990, to plan a Living Standards Survey as well as a more general program to upgrade the capabilities of Laos' State Statistical Centre and plan for other types of surveys. In Bolivia, several consultations/joint missions have been undertaken with the UNHSCP representative to coordinate work with that of the UNHSCP, and the most recent mission was joined by a representative from the U.S. Bureau of the Census under a USAID initiative. USAID is likewise an active participant in the LSMS survey being prepared for Pakistan, as is the UNHSCP Chief Technical Advisor.

5. Progress on Conceptual and Methodological Work: LSMS is actively involved in making improvements to LSS survey instruments and field activities in order to better respond to specific operational, policy, and research needs. Specifically, efforts are underway to improve the household questionnaire in order to better capture gender aspects of household decision-making, rural off-farm employment, general non-farm enterprise activities in the informal sector, schooling decisions, and the impact of food subsidies on household budgets and nutrition outcomes. At a community level, the coverage of the community questionnaire has been expanded to include measures of the quality of health and education facilities, and use of various social programs designed to improve the welfare of the poor. There are a number of specific examples of these developments. For example, statistical methods were developed to look at a choice-based sample from Bolivia in order to undertake a study of the impact of Bolivia's Emergency Social Fund (ESF) on wages of Bolivians. Literacy tests were added to the Living Standards Survey to undertake a study on the quality of schooling; further work along these lines is envisioned in Jamaica and Morocco. In Morocco the LSMS survey is being combined with a consumer expenditure survey in order to collect data to better analyze health and food subsidy issues. The Pakistan LSMS questionnaire includes specific sections designed to better capture the economic contribution of women and their impact on household well-being. Previous Government surveys in Pakistan appear to have grossly underestimated women's contribution to the economy.

6. Plans for next 12 months: The work program will continue along the lines outlined above. Efforts will be expanded in training and institutional strengthening, continue specific country-specific work on program design and evaluation for the social sectors, and maintain an ongoing focus on poverty alleviation and relevant policy analysis. Three new surveys are expected to begin field work: Morocco (June, 1990), Pakistan (October, 1990) and Laos (January, 1991). Discussions with other countries include 4 from Latin America and the Caribbean (Brazil, Costa Rica, Guatemala, Venezuela), 2 from sub-Saharan Africa (Burkina Faso, Kenya), 2 from the Middle East (Algeria, Jordan) and 1 from Asia (Indonesia). In addition, interest in Eastern Europe has picked up, particularly in Poland and Hungary (a mission to Poland will be undertaken in May, 1990).

III. Social Dimensions of Adjustment

7. Background: The SDA Project was launched in 1987 as a joint venture between the UNDP Regional Programme for Africa, the African Development Bank, and the World Bank. Its central objective is to help governments in Sub-Saharan Africa to integrate social dimensions in their structural adjustment programs and development plans. To this end, the Project provides support to participating governments to: (i) strengthen their capacity to design, implement and follow-up, as an integral part of their structural adjustment programs, comprehensive social policies and programs aimed at reducing poverty by encouraging participatory growth and protecting vulnerable groups; (ii) strengthen their analytical capacity to carry out socio-economic policy studies that assess the evolution of socio-economic conditions of different population groups and provide the basis for designing specific poverty reduction programs and projects; (iii) strengthen their capacity to develop and maintain adequate information systems to provide the basis for assessing the evolution of living conditions of households through the process of adjustment and development. Thirty governments in Sub-Saharan Africa have requested to participate in the Project, for which the World Bank is the Executing Agency.

8. At the regional level, the SDA Project Unit at the World Bank supports the development of a conceptual, empirical and policy framework to strengthen the foundations of structural adjustment operations aimed at growth with equity. This framework has been widely discussed among participating governments, UN agencies, and donors, with the objective of generating a broad consensus around an Overall Policy Agenda for the Project that will assist countries to fully integrate poverty reduction policies and programs into their structural adjustment programs and development plans. In support of this Policy Agenda, the SDA Project Unit is carrying out a technical work program in four key areas: Socio-economic and Policy Analysis, Social Policy and Programs Formulation, Surveys and Statistics, and Training.

9. The present document reviews the developments that have taken place under the SDA program in the field of surveys and statistics.

10. Conceptual and Methodological Work at the Regional Level: In FY90, the Conceptual framework for the SDA program was finalized and published as a World Bank document.¹ Following the completion of this document, the SDA project has proceeded with the development of a series of technical and analytical instruments. Among the most important of these are a set of analysis plans. These analysis plans describe eight areas of analysis that national planners and analysts are likely to wish to undertake using the SDA survey data. The topics covered are: Poverty, employment and earnings, education, health, small holders, food security and nutrition, women in development, and energy. Further analysis plans including one on population issues are also under preparation. The analysis plans are to be published as a complete set in mid-August.

¹Structural Adjustment and Poverty: A Conceptual, Empirical and Policy Framework, Washington, D.C., World Bank.

11. The past 12 months have also seen important advances in the development of appropriate methodologies to monitor and measure the social effects of structural adjustment. The methodological development has concentrated on the development of the following three prototype surveys:

Priority Survey (PS): The PS is a short survey which is quick to administer and relatively simple to process and analyze. The PS is likely to be one of the earliest SDA surveys to be conducted by a country participating in the SDA program. Its initial objective is to provide a quick means of identifying population groups that are close to the poverty line and may be potentially vulnerable to the effects of adjustment. The questionnaire is short (taking approximately half an hour to administer) and the sample size relatively large (to allow for a high level of disaggregation). It is intended that the PS should be repeated annually (except in years when the Integrated Survey is conducted) and that it should be used to monitor changes in key socio-economic indicators for the various socio-economic groups. The survey methodology was piloted in Ghana and on the basis of this test a fully documented prototype PS questionnaire and analysis plan is to be published in August 1990.

Integrated Survey (IS): The IS is a more complex multi-subject survey with a strong household income and expenditure component which is to be used to measure the living standards of different household groups and to explain behavior patterns of these groups in the context of adjustment policies. The IS is a complimentary survey to the PS and the questionnaire (with supporting data processing systems design and field manual) is to be published in conjunction with document on the PS in mid-August.

Community Survey (CS): The CS is the third survey in the SDA survey portfolio. The survey is administered at community level and is intended to record basic information about the socio-economic infrastructure and services available to the different household groups. The survey would, for instance, collect information on the availability and quality of such services as education, health, extension and transport, as well as information on the physical infrastructure. Such information is considered essential since it is at this (meso) level that the effects of macro-economic policy are first felt, and these effects must be closely monitored if linkages are to be established between household behavior and economic policy.

12. In developing the prototype surveys, the SDA has constantly underlined the fact that they should not be treated as fixed instruments but are merely intended to serve as models for countries to study and modify as necessary to meet their own specific needs. It is also important to recognize that they are intended to fit in with and support a country's on-going survey program, not to compete with it.

13. Review of Country Level Progress: At the country level, the SDA Project supports, in close collaboration with the World Bank country teams, the development and implementation of a Country Operational Agenda. The starting point is the preparation of a country assessment paper containing an initial poverty profile of the population and identification of key policy issues, based on existing information. The objective of a national SDA Project is then to

promote macro-economic and sectoral policy planning and management in the country, the implementation of social action programs, and the strengthening of institutions responsible for social policy and program design and follow-up. While striving to promote these three components in each country, the SDA Project Unit takes a flexible and pragmatic approach based on the status of the dialogue between the government and the Bank on the scope of the country poverty reduction strategy. The three components can consist of various elements:

- (i) The policy planning and management component can include the design and follow-up of macro-economic and sectoral strategies aimed at growth with poverty reduction; the design and follow-up of core public expenditure programs to benefit the poorer segments of the population, and to be protected in the framework of public expenditure restructuring programs; the promotion of processes aimed at fostering the participation of community groups and NGOs in the design and follow-up of socio-economic policies and programs;
- (ii) The social action programs component can include the design and follow-up of specific priority interventions aimed at protecting vulnerable groups in the course of adjustment; the design and follow-up of specific programs and projects to foster the participation of the poor in socio-economic activity, in particular through the promotion of community-level initiatives in the areas of small-scale income-generating activities and small-scale social infrastructure;
- (iii) The institutional development component can include the strengthening of institutions responsible for socio-economic policy formulation, in particular for the integration of distributional and employment impacts in macro-economic models; the strengthening of government capacity in the areas of social policy planning and programming, policy analysis of social dimensions of adjustment, and development of statistical data bases for assessing the evolution of living conditions of different population groups during adjustment.

14. To date, projects have been appraised in 16 countries. Among these, funding has been secured and activities have started in the field in Cote D'Ivoire, The Gambia, Guinea, Guinea-Bissau, Madagascar, Senegal, and Somalia. Funding has been secured and activities will start shortly in the field in Chad, Ghana, Malawi, Mozambique, and Uganda. Funding has been secured but implementation awaits Government approval in Zambia. Project funding is being finalized for Cameroon. Funding is required for Mauritania and Zaire. In FY90, further appraisals include Burundi, CAR, Kenya, Sao Tome and Principe, Somalia (Phase II), Togo, Tanzania and Cote d'Ivoire (Phase II), for a total of 22 appraised projects by the end of FY90 (excluding Phase II projects in Somalia and Cote d'Ivoire). In FY91, appraisal missions are planned in Egypt, Benin, Burkina Faso, Congo, Gabon, Mali, Niger and Sudan.

15. Coordination with Other Statistical Programs The SDA has been particularly concerned over the past 12 months to improve coordination with other statistical initiatives at all levels. The primary level for coordination is at the country level. At the time of appraisal, every effort is made to ensure that a full review is made of all on-going statistical programs and that, in

designing the SDA program, current and potential future donors are fully involved so that technical and financial assistance is well coordinated. Joint appraisal and follow-up missions are also strongly promoted. An example of one such mission, was the mission to Malawi in March 1990 conducted jointly with the NHSCP. The mission worked with the National Statistical Office to help ensure coordinated donor support to a four year survey program which would be used to measure the social dimensions of adjustment as well as fulfil other essential national data requirements. In the last 12 months, joint missions, specifically to review national survey programs, have been made with the NHSCP, ECA, EEC, ODA, GTZ among others. Further joint missions are planned over the forthcoming 12 months.

16. Coordination is also essential at the regional level and to this end a Statistical Sub-committee of the SDA Steering Group has been formed. The subcommittee is made up of representatives from all the SDA donor agencies together with representatives from other agencies that are able to bring a specific technical contribution to the meetings. The members meet 2-3 times a year to review methodological issues and other issues of mutual interest. The subcommittee thus provides a useful forum for regular technical meetings between agencies. In November 1989, the SDA also organized a 3-day technical interagency meeting at which the full SDA data collection and analysis program was presented and reviewed. Throughout the past year, periodic meetings have also been held with all the major agencies promoting statistical development programs. Representatives of the SDA regional unit have also participated fully in meetings organized by the ECA, FAO, UNESCO, EEC, and the UN Statistical Office.

17. Plans for the Year Ahead Over the forthcoming 12 months, the main focus will be on assisting countries with the implementation of their respective survey programs. Particular attention is to be paid to the issues of systems design and data processing. Training in various aspects of survey design and implementation will also be an important element of the program. To this end, the SDA is discussing the development of relevant training modules with such institutions as the Munich Centre for Advanced Statistical Training, Statistics Canada, the Statistical Training Programme for Africa of the ECA, the ODA and the US Bureau of the Census.