

Activities of the Poverty Monitoring System

Special points of interest:

- The PMS is an integral component of the Poverty Alleviation Programme of the government of Malawi.
- The PMS employs a dynamic approach to understanding poverty, using both quantitative and qualitative methods.
- The Complementary Panel Survey will extend our understanding of poverty beyond that provided by the results of the IHS presented here - particularly in enhancing our understanding of the *dynamics* of poverty.

PMS

Poverty
Monitoring
System

The Poverty Monitoring system is an activity under the Poverty Alleviation Programme of the Government of Malawi. The core research activities of the PMS involve four institutions:

- National Economic Council,
- National Statistical Office,
- Centre for Social Research of the University of Malawi,
- International Food Policy Research Institute.

The poverty monitoring research program has been designed to gain a comprehensive understanding of poverty in Malawi. The findings presented here are part of a series of briefs designed to inform policy makers about the current state of poverty and the methodologies used to measure poverty.

The PMS is funded by a grant from the Danish government which is administered by the World Bank.

The institutional context - the Poverty Alleviation Programme

In 1994, with the first democratically elected government, Malawi embarked on a new development initiative which has *poverty alleviation* as the central national policy objective. The Policy Framework for the Poverty Alleviation Programme (PAP) was released in October 1995 to spell out the strategies needed to achieve the mission of reducing poverty in Malawi.

The PAP Framework lays out four specific objectives:

- To raise the productivity of the poor.
- To promote sustainable poverty reduction.
- To enhance participation of the poor in the socio-economic development process, so as to raise and uphold individual and community self-esteem.
- To increase income and employment opportunities for the poor.

To achieve these goals and to improve the effectiveness of the system, the PAP Framework put in place a dedicated system of poverty monitoring and evaluation. This

component is to inform policy formulation and program planning for poverty alleviation efforts. The Poverty Monitoring System was created to fulfill these roles.

"Poverty alleviation is the operative development philosophy of the country. It is both a policy and strategy that will guide the development activities in the short, medium, and long-term perspectives. As such, no public projects or programmes whose impact on poverty has not been justified will be implemented."

Policy Framework for Poverty Alleviation Programme, p. 9.

The aims and methods of the Poverty Monitoring System

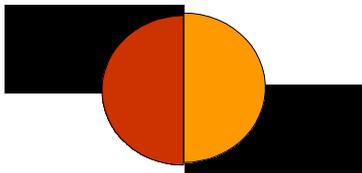
Poverty alleviation activities need to be undertaken with *a clear understanding of the characteristics of the poor, causes of their poverty, and where they are located*. The government launched the PMS in 1996 as an instrument under PAP to provide just this understanding. The PMS is also responsible for monitoring the progress of poverty-oriented policies, programmes, and projects in terms of their impact, effectiveness, and efficiency. The PMS collects, analyzes, and disseminates poverty-related data to policy makers.

The vision of the Poverty Monitoring System is *dynamic*, in that it seeks to capture how the poor and vulnerable groups are faring during times of rapid social and economic change - identifying groups that

are moving out of poverty and into poverty with changing economic conditions.

Moreover, from the outset, it was explicitly recognized that the PMS must integrate both *quantitative and qualitative methodologies* to develop a sound understanding of the multi-dimensional nature of poverty in Malawi. The IHS poverty analysis is clearly an activity which employs primarily quantitative methods, while the QUIM surveys draw upon on qualitative insights.

Finally, the monitoring of poverty is to be *decentralized*, insofar as possible. While its current activities are centralized, the PMS aims to develop information on poverty which will be of value to district-level development planners.



Other research on poverty

The Poverty Monitoring System has produced several additional studies and documents on poverty in Malawi.

- **Qualitative Impact Monitoring (QUIM) surveys** – first undertaken in 1997, the second QUIM was just completed in October of this year. QUIM surveys assess the impact of poverty alleviation programs on the poor by soliciting their qualitative perceptions of various poverty alleviations initiatives.
- **Malawi Social Indicators Survey (1995)** – collected information on the general well-being of Malawian children.
- **Indicators of Poverty and Living Conditions (1990-95)** – a compilation of various indicators of poverty and living conditions over the period 1990-95.
- **PMS Newsletter** – a bi-annual newsletter with articles on current poverty issues in the country.
- **Small Policy Studies** - PMS undertakes small policy studies on different topical issues as a way of generating and providing information essential for policy recommendations on issues of poverty.
- **Statistical Booklet on Poverty** - released in January 2000, the booklet is a compilation of core statistical indicators on the economy, health, education, environment, population, and nutrition. New editions will be released every year.

All of these studies and documents are available from the secretariat of the PMS at the National Economic Council.

The core institutions of the PMS

The key body for poverty monitoring in the country is the Technical Working Committee (TWC) of the PMS. The TWC draws its membership from government institutions, non-governmental organizations, the donor community, the private sector, and research institutions.

The activities of the PMS, however, are undertaken through three core institutions. The TWC provides an oversight and guidance function for these three institutions. The three institutions are:

- **National Economic Council (NEC)**
- **National Statistical Office (NSO)**
- **Centre for Social Research (CSR)** of the University of Malawi.

NEC provides the secretariat for the PMS within its Monitoring and Evaluation Division. The Council also undertakes specific data collection and analysis activities within the PMS framework. Much of the poverty analysis of the IHS was carried out at NEC. The QUIM surveys have been coordinated by NEC, as have the small policy studies.

NSO, as the central statistical institution of Malawi, provides key data collection activities. The IHS is a product of their efforts for the PMS. NSO also carries out the preliminary analysis of their poverty-related surveys.

CSR is primarily involved with the implementation of the Complementary Panel Survey, a follow-up activity to the IHS poverty analysis (*see below*).

The **International Food Policy Research Institute (IFPRI)** provides technical assistance to the PMS. The Institute has wide international experience in poverty analysis and in poverty policy formulation, with many years of experience in Malawi. IFPRI has a resident advisor based within NEC to assist the three core PMS institutions in their data collection and analysis activities.

Funding for the PMS is graciously provided by a grant from the Government of Denmark. This grant is administered by the World Bank.

The Complementary Panel Survey

These briefs concentrate on the results of the poverty analysis of the IHS. The IHS was seen as foundational to the activities of the PMS. However, at the same time, it was recognized that a one-off survey such as the IHS, while important, would provide us with only a limited understanding of how households cope with poverty through time.

In order to examine the *dynamics* of poverty, the CSR was given the task of conducting a Complementary Panel Survey (CPS). This survey is complementary to the IHS, in that approximately 800 of the households originally surveyed under the IHS have been selected for a series of follow-up studies. These households are interviewed every six-months to reassess their welfare.

Households are not static in their level

of well-being. **The CPS will provide insight into the determinants of why households both move into and move out of poverty.** By understanding these factors better, appropriate policies and programmes can be put into place to create an environment in which more households are able to move out of poverty.

The first round of the CPS was conducted during the 2000 rainy season. The second round of the CPS is currently in the field. The third round of interviews is scheduled for late in the rainy season of 2001.

A new panel of survey households will be created following the second IHS in two or three years. It is planned that both the IHS and the CPS will become institutionalized mechanisms for poverty monitoring in Malawi

Other policy briefs

- *The state of Malawi's poor: The incidence, depth, and severity of poverty*
- *The state of Malawi's poor: Who they are*

- *The state of Malawi's poor: Their education*
- *The state of Malawi's poor: Their health*
- *The state of Malawi's poor: Their economic characteristics*
- *The state of Malawi's poor: Agriculture and making a living from the land*