



Graduate School of Development Studies

**Democratizing Poverty Discourse:
The Case of the SWS Self-Rated Surveys
on Poverty and Hunger**

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Maria Victoria R. Raquiza

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Members of the examining committee:

Prof. Ashwani Saith (supervisor)

Prof. Marc Wuyts (2nd reader)

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Inquiries:

Postal address: Institute of Social Studies
 P.O. Box 29776
 2502 LT The Hague
 The Netherlands

Location: Kortenaerkade 12
 2518 AX The Hague
 The Netherlands

Telephone: +31 70 426 0460

Fax: +31 70 426 0799

Table of Contents

List of Tables and Figures	v
List of Acronyms	vii
List of Acronyms	vii
Acknowledgements	viii
Abstract	x
Chapter 1 Introduction	1
1.2. Statement of the Problem	1
1.3. Significance of the Study	3
1.4. Research Objectives and Questions	3
1.5. Methodology and Data	4
1.6. Scope and Limitations of the Study	4
Chapter 2 The Context of Poverty and Inequality	5
Chapter 3 The Monetary Approach and Official Poverty Estimation Methodology: A Critique	7
3.1. On the monetary approach	7
3.2. The monetary approach in the Philippines: Official poverty estimation methodology	8
Producers of official poverty estimates	8
Official poverty estimation methodology	8
Some issues related to the FIES	10
The meaninglessness of the poverty line	14
Some Conceptual and Policy Suggestions	16
Chapter 4 The Participatory Approach and the SWS Self-Rated Poverty and Hunger Surveys	18
4.1. The participatory approach	18
4.2. A participatory approach in the Philippines: the Social Weather Stations' self-rated survey on poverty and hunger	19
SWS Background	19
SWS self-rated poverty and hunger surveys: its methodology and time series	20
On self-rated poverty threshold	20
"Self-rated hunger is objective"	22
What it is not for	22
	iii

A communication strategy	22
SWS approach: comments and feedback	23
Chapter 5 Comparing Official Poverty with SWS Self-Rated Poverty and Hunger	25
5.1. ‘The two methodologies measure different things’	25
5.2. Comparing Self- Rated Food Poverty, Official Food Poverty and Self-Rated Hunger: Less of a Loss in Meaning	30
On Self-Rated Poverty Threshold	31
Chapter 6 Poverty Data as Source of Contestation in the Public Domain	33
References	39
Appendix 1: Figures, Graphs and Tables	42
Appendix 2: Questionnaires	46
Questionnaire for Government Personnel (National Statistics Coordination Board, National Statistics Office):	46
Questionnaire for Social Weather Stations Personnel:	46
Questionnaire for Users of Poverty Data:	47
Questionnaire for Urban and Rural Poor (translated into Filipino):	48
Appendix 3: List of Interviewees	49
From Government	49
From Social Weather Stations	49
From Civil Society	49
From Urban and Rural Poor	49
From Academe/ Policy Analysts	49
Endnotes	51

List of Tables and Figures

Graph 1. Income distribution of Filipino families (1985)	14
Graph 2. Income distribution of Filipino families (2000)	15
Table 1: Sensitivity Analysis of Poverty Threshold	15
Figure 1. Showcards for the question item on self-rated poverty	21
Table 2: Self-Rated and Official Poverty	25
Graph 3 : Self-rated poverty and official poverty trends from 1983 to March 2008	27
Table 3: Average of Self-Rated Poverty and Official Poverty Trends from 1985 to 2006	27
Table 4. Average Income, Expenditure and Savings of Families (at 2000 Prices, in thousand pesos) by Income Decile: 2000, 2003, and 2006. Notes: CPI for 2003 and 2006 are 113.8 and 137.9 respectively with 2000 as base. (Source: NSO)	29
Table 5: The average of self-rated food poverty, official food poverty, self-rated hunger, self-rated poverty and official food poverty	31
Graph 4: SWS self-rated poverty incidence from 1983—2008 (Source: SWS)	42
Graph 5: Incidence of involuntary hunger from July 1998 to June 2008. (Source: SWS)	42
Graph 6: Incidence of self-rated poverty, self-rated hunger and official poverty from 2000-2006 (Source: SWS)	43
Graph 7: Incidence of self-rated poverty, self-rated hunger and official poverty from 2000-2003 (Source: SWS)	43
Graph 8: Incidence of self-rated poverty, self-rated hunger and official poverty from 2003-2006 (Source: SWS)	44
Table 6: Average annual income, average annual expenditure and average savings of families (at current prices, in thousand pesos) by income decile: 2000 and 2003. (Source: 2003 FIES final results, NSO)	44

Table 7: Average income, expenditure and savings of families (at current prices, in thousand pesos) by income decile: 2003 and 2006. (Source: 2003 and 2006 FIES final results, NSO)

45

List of Acronyms

ADB	Asian Development Bank
AHMP	Accelerated Hunger Mitigation Plan
APIS	Annual Poverty Information System
BAS	Bureau of Agricultural Statistics
CBMS	Community-Based Monitoring System
CPI	Consumer Price Index
DAP	Development Academy of the Philippines
FE	food expenditures
FPL	food poverty line
FIES	Family Income and Expenditure Survey
FNRI	Food and Nutrition Research Institute
GCAP	Global Call to Action Against Poverty
GDP	Gross Domestic Product
GMA	Gloria Macapagal Arroyo (Philippine President)
GNP	Gross National Product
NEDA	National Economic and Development Authority
NAPC	National Anti-Poverty Commission
NNC	National Nutrition Council
NSCB	National Statistics Coordination Board
NSO	National Statistics Office
PA	participatory approach
QOL	quality of life
RDA	recommended dietary allowance
SONA	State of the Nation Address
SWP	Social Watch-Philippines
SWS	Social Weather Stations
TBE	total basic expenditures
TCPS	Technical Committee on Poverty Statistics
UNDP	United Nations Development Program
VAT	value-added tax
WB	World Bank

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Abstract

There is a need to challenge official poverty discourse. For one, official poverty estimation in the Philippines is based on arbitrary assumptions that keep the poverty threshold low, thereby reducing poverty incidence. In a country of high inequality and where incomes of a large swathe of the population remain generally near each other, the placement of a poverty line underscores its arbitrary nature. There are two alternatives to this: replace the poverty line with a poverty zone to make the notion of poor more inclusive, or do away with the poverty line altogether.

By providing ‘alternative statistics’, the Social Weather Stations self-rated poverty and hunger surveys challenge and help democratize the poverty discourse in the country. However, self-rated hunger seems to be the more reliable measure of poverty.

Finally, poverty data, as it enters the public domain, becomes a setting for contestation as both government and SWS poverty and hunger data are used and woven into the hegemonic and counter-hegemonic discourse.

Chapter 1

Introduction

1.2. Statement of the Problem

It is said that poverty has become that which can be measured. What are the reasons why so much effort and resources have been devoted to measuring poverty?

Coudouel et al cite some of the reasons: to be aware of the situation (cognitive), to be able to analyze reasons that determine such a situation (analytical), to be able to design interventions to improve the situation (policymaking) and to be able to gauge effectiveness of existing policies aimed at changing the situation (Mamadaliyev 2004: 8). Furthermore, poverty performance indicators, are used to galvanize public support for poverty-reduction goals.

How poverty is defined flows from epistemological assumptions which cannot be taken for granted. As well-argued in the literature, these assumptions and definitions of poverty have serious implications in how poverty is measured, who is targeted, and what policies are eventually formulated (Laderchi et al 2003, Glewwe and Der Gaag 1990, Greely 1994, et al).

Various poverty approaches have been advanced, but this paper will focus on 1) the monetary approach-- the dominant and official paradigm used in the Philippines; and 2) the participatory approach, represented by the self-rated survey on poverty and hunger conducted by the Social Weather Stations, a reputable and independent survey organization.

Identifying poverty incidence in the Philippines is contentious as many social actors have their respective versions. On one hand, there is government's official poverty incidence,¹ and on the other, self-rated poverty and hunger levels, that oftentimes speak a different reality. There are also poverty levels generated by independent poverty analysts and multi-lateral institutions like the World Bank.

Let us take the case of government's findings, which reported that poverty incidence went down by 3% from 2000 to 2003, a finding released only to the public in June 2006 (NSO, 2006). The 3% reduction was consistent with the government's narrative of a historic decline in poverty incidence. Historically, official Philippine poverty incidence shows that it is on a steady, downward path. What further bolstered the official interpretation of declining poverty incidence was that the Philippine growth rate, which stayed at a relatively decent 5% in recent years, hit 7.3% in 2007, the highest in the last three decades. From this perspective, it would seem that the Philippine economy was doing quite well and that the gains of economic growth were trickling down.

Yet, the official narrative ran counter to anecdotal stories and commentaries in media, and what anti-poverty campaigners and the political opposition were claiming: that is, that poverty had in fact worsened. Various indicators were randomly cited, such as increasing costs of living while wages

generally remained stagnant. There were stories of dramatic deprivations that caught media attention, like the 2007 suicide of a child, depressed over her family's inability to buy basic school supplies. Another incident that drew attention to poverty was a 2006 stampede which killed dozens and injured thousands of poor people who were queuing for slots in a TV game show that offered large amounts of prize money. All these seemed to underscore the growing economic desperation of many Filipinos.

The Social Weather Stations (SWS), an independent survey outfit which has been periodically conducting self-rated surveys on poverty and hunger since the early 80s, validated these anecdotal observations as it showed self-rated poverty and hunger at high levels from 2001-2003, in contrast to government's assertion of a 3% reduction in official poverty from 2000-2003. Furthermore, while the SWS survey showed a decline in poverty from 2003-2006, self-rated hunger dramatically rose, drawing the attention of media, policy makers, and anti-poverty campaigners.

All these revealed two disparate portraits of Philippine poverty: one version touted by government and the other version by those critical of it: the political opposition, civil society and the popular media. The varying perceptions on poverty became so marked that media commentators spoke about the need to explain the seeming disconnect between the official and unofficial views on poverty.

Then in 2007, the disparate realities converged: the preliminary results of government data on poverty showed what many suspected all along: that the poverty incidence had indeed worsened. Released to the public in October 2007, preliminary government statistics showed a 2.5% increase in the headcount ratio (or 16% increase in terms of the poor population) from 2003 to 2006. The silence of the National Statistics Coordination Board (NSCB) -- the official body that computes poverty lines -- prompted SWS President Mahar Mangahas to ask in an October 2007 newspaper column, "does the NSCB have the guts to ever report that poverty got worse?", underscoring the political impact of such announcements in Philippine society. Five months later, the NSCB officially announced that poverty incidence had indeed worsened. Jessamyn Encarnacion, Chief of NSCB's Social Sectors Division that oversees official poverty statistics, explained that as a matter of procedure, they needed to validate the preliminary data through a second field visit before any public announcement is made (interview, 23 July 2008).

This vignette underscores the interaction and dynamic of two versions of poverty trends generated by different methodologies with profoundly varied philosophical and methodological underpinnings, and political implications.

This research paper analyzes and compares the poverty measurements employed by the Philippine government and the SWS. The Philippine development landscape shall be discussed in Chapter 2. In Chapter 3, I will provide an overview of official poverty estimation, and add to the body of literature that critically assesses it, by highlighting some of its weaknesses. In Chapter 4, I will discuss the background of the SWS self-rated surveys. Comparison of the two approaches, as well as explanations of divergence, will be given in Chapter 5. In Chapter 6, I will show how poverty data, once it

enters the public domain, becomes a source of political contestation. Finally, I will make my conclusions in Chapter 7 and offer some policy suggestions.

1.3. Significance of the Study

The main poverty measurement used in the Philippines is the monetary approach. There is a wide body of literature that identifies weaknesses in, and proposes improvements to official poverty estimation.

The SWS self-rated poverty and hunger surveys, while using conventional survey methods which are also interpreted by researchers, provide a channel for ‘ordinary voices’ to come through and influence the national discourse on poverty. In this sense, I categorize it under the participatory approach.

This paper seeks to contribute to the growing literature on official poverty estimation in the Philippines by focusing on the SWS participatory approach. The SWS approach is profoundly different from other (poverty) approaches in that it comes from the basic assumption that *people’s perceptions matter* (Ashwani Saith, oral comment, Research Proposal Seminar, 2008). Through such an approach, the dynamics of change and inequality are brought into the picture and become part of the norm by which human well-being is judged (ibid). In this sense, I argue that the participatory approach in general and the SWS survey in particular democratizes the poverty discourse. Indeed, a study of the SWS self-rated survey may provide a richer understanding of Philippine poverty, with clear policy implications.

Furthermore, it is also significant to see how poverty data, as it enters the public domain, becomes an area of political contestation (Marc Wuyts, oral comment, Research Proposal Seminar, 2008). The discourse on poverty is oftentimes linked to broader political agendas.

1.4. Research Objectives and Questions

The objectives of this research are:

- i.* To give an overview of how official poverty statistics are formulated and to discuss some of the limitations of the current method;
- ii.* To discuss the SWS self-rated poverty and hunger surveys in terms of historical background, its philosophy and methodology;
- iii.* To compare the SWS self-rated survey results with official poverty statistics and to show areas of convergence and divergence on poverty ratings from 1983 to March 2008;
- iv.* To show how poverty measurements are a source of contestation in the public domain through an analysis of how the government and those from civil society have used poverty measurements in the context of their broader battle for political hegemony.

Main Question:

Does the Social Weather Station’s self-rated survey on poverty and hunger add to the understanding of poverty in the Philippines? If so, how?

1.5. Methodology and Data

I:

1. conducted a literature review on the two poverty approaches, that is, the monetary and participatory approaches and focused on how these two approaches were operationalized in the Philippines: the official poverty estimation methodology used by the Philippine government for the monetary approach, and the SWS self-rated poverty and hunger survey for the participatory approach;
2. interviewed poverty data producers – those in the National Statistics Office (NSO), National Statistics and Coordination Board (NSCB), as well as those from the Social Weather Stations.
3. interviewed poverty data users from government, in particular, the National Anti-Poverty Commission (NAPC) and the National Economic Development Authority (NEDA), and from civil society, particularly those from the Global Call to Action Against Poverty (GCAP)-Philippines, and Social Watch-Philippines. I also interviewed some representatives of the poor as well as some academics and policy analysts.

The purpose of the literature review and interviews was to generate information that would:

- a. locate the focus of inquiry within the broader literature and debate on the monetary and participatory approaches to poverty measurements;
- b. provide an overview on official poverty statistics, and identify some important conceptual, methodological and ethical issues;
- c. discuss at greater length the SWS self-rated survey on poverty and hunger. The SWS shall be assessed in terms of its history, philosophy, methodology, results/findings;
- d. describe and compare the FIES and SWS survey results and identify areas of convergence and divergence in terms of poverty ratings from 1983 to March 2008;
- e. Describe how poverty measurements, once these enter the public domain, become an area of contestation, and oftentimes, are woven into the fabric of hegemonic and counter-hegemonic social and political discourse.

1.6. Scope and Limitations of the Study

I will not undertake a comprehensive review of existing assessments of official poverty estimation methodology but will add to it.

Furthermore, I will raise questions and makes preliminary observations about the SWS self-rated poverty and hunger survey results. I will do so through general observations from 1983 until March 2008, but focus on only two periods: from 1985 to the early 1990s, and from 2000 to 2006.

Chapter 2

The Context of Poverty and Inequality

Poverty eradication in the Philippines is the overriding developmental objective of every post-Marcos administration.² This goal has proven to be elusive since Philippine poverty is not only higher compared to its Southeast Asian neighbors, but reducing it occurs at a very slow pace (especially compared to Indonesia, Thailand, Vietnam and China). Thus, the Philippines is now considered the basket case in the region (Balisacan 2008: 1).

Poverty is largely a rural phenomenon, in spite rapid urbanization. Two of every three Filipinos are engaged in agricultural employment (ibid). A majority (51%) of those in the Philippine labor force are earning poverty level wages composed of 12.1 million farmers and fisherfolk, and about ten million laborers and unskilled workers combined (GCAP-Philippines 2007:4). This excludes those in the informal sector, such as street vendors, tricycle³ drivers and domestic helpers (ibid).

It is widely known that economic growth is a necessary but not sufficient condition for poverty reduction. Unfortunately, the country's economic growth has generally been below par, barely exceeding the population growth rate of 2.3% (Balisacan 2008: 3). From the period 2004-2007, the average per capita GDP growth of 4% is still below growth rates of the Philippines' more progressive neighbors (ibid).

Balisacan (2008:4) identifies a number of obstacles to poverty reduction. One is 'high inequality in incomes and productive assets, including agricultural lands'; second, an 'inability to create productive employment opportunities for its fast-growing labor force.' This includes the fact that those who are able to find productive employment opportunities are the rich, who oftentimes are the educated and skilled, compared to the poor, with low skills (ibid).

This underscores the significance of developing human capabilities. As Balisacan notes, economic growth has mostly benefited the educated and highly skilled (ibid), which partly explains why from 2003 to 2006, the Philippines experienced the paradoxical situation of a respectable growth rate of 5.4%, with the simultaneous rise in official poverty incidence by 3%.

The third reason is anaemic social spending: the budget for basic health, education, and other social services, as a percentage of the national budget, has reached its lowest levels in recent years. Furthermore, the uncompetitiveness of the Philippines as a site for doing business and trade, both nationally and internationally, is brought about by a 'failure of domestic governance to secure policy and institutional reforms needed to enhance the efficiency of domestic markets, and ensure more inclusive access to technology, infrastructure and human development' (Balisacan 2008: 5).

Inequality is a stark developmental feature. The country's Gini coefficient of 0.45, makes it the 3rd highest in Asia, next only to Nepal and the People's Republic of China (ADB 2007: 31). Its iniquitous income and asset structure has generally remained unaltered since 1985, which means development, in the main, has not been pro-poor.

This situation serves as the backdrop to continuing and palpable social and political unrest in Philippine society, marked by the presence of a broad swathe of oppositional forces across the political spectrum. Socially excluded populations like indigenous peoples and Muslims are among the poorest. A number of Muslim organizations in the southern Philippines, in particular, have been waging armed rebellion against the government. There is also a communist movement at war with the Philippine government for the last forty years. It is in this context that peace negotiations with the different armed rebel groups have taken place, but with little success so far.

The 1986 People Power Revolution, which precipitated the fall of the Marcos dictatorship, paved the return of 'formal democracy'. The second People Power uprising in 2001 (referred to as Edsa 2), which led to the ouster of Joseph Estrada on plunder charges and the installation of Gloria Macapagal-Arroyo (GMA) as Philippine President, is marked with constitutional ambiguities (La Liga 2001:6), and has polarized Philippine society, largely between those who were for or against Edsa 2. It is interesting to note that there is a class dimension to this: the elite, and the middle classes were mostly for Edsa 2, while the urban and rural poor, who voted for Estrada and gave him the biggest constitutional mandate enjoyed by any Philippine President to date, were against. Seven years after Edsa 2, many protagonists for and against Edsa 2, have united to form a broad alliance against the President whom they charge with rigging her election in 2004, unprecedented corruption and serious human rights violations, underscored by almost a thousand extrajudicial executions of activists, religious and journalists since 2001. Thus, many have observed that politics and weak governance are the main economic problems today (ADB 2005: 100), and constitute the major stumbling block to poverty reduction.

Chapter 3

The Monetary Approach and Official Poverty Estimation Methodology

3.1. On the monetary approach

Undoubtedly the dominant poverty measurement paradigm is the monetary approach. This approach employs a notion of poverty associated with a shortfall in income/or consumption from a poverty line (Laderchi et al 2003: 243). According to Groshe and Glewwe (2000), the value assigned to the different items under income or consumption is based on market prices depending on the market identified and by imputing monetary costs to those items not valued in a market such as subsistence production (Laderchi et al 2003: 247). The monetary approach assumes that a uniform monetary value can be applied across all individuals and their contexts in all its heterogeneity (Laderchi et al 2003: 248).

The monetary approach is consistent with the economists' assumption of utility-maximizing behaviour which underlies micro-economics, that is, that consumers want to maximize utility and that 'expenditures reflect the marginal value or utility people place on commodities' (ibid). Total consumption therefore serves as an indicator of welfare, wherein income or consumption data serve as proxy indicators, and poverty is the shortfall set against an arbitrarily defined minimum level of resources which epitomizes the poverty line (ibid).

Epistemologically speaking, the monetary approach flows from positivist assumptions. For one, it stems from a belief that the conduct of a poverty assessment is an objective one, that is, 'that an objective condition termed poverty exists' and is measurable (Laderchi et al 2003: 249). Secondly, the assessment is external, conducted by economists and social scientists and not by the poor themselves (ibid).

The popularity of the use of the monetary approach is oftentimes justified on the grounds that monetary resources are a relatively adequate proxy for welfare and other facets of poverty. Proponents of this perspective argue that 'while lack of resources does not exhaust the definition of poverty, monetary data represent a convenient short-cut method, based on data that are widely available, to identify those who are poor in many fundamental dimensions, not only lack of resources, but also nutrition, health, etc.' (Laderchi et al 2003: 248). Challenging this view constitutes much of the debate on poverty measurements.

The debate for and against the monetary approach is wide-ranging (Laderchi et al 2003; Greely, 1994; Glewwe and Der Gaag, 1990, Reddy and Pogge, 2003, Ravallion, 1992; et al). Ashwani Saith, in his paper *Poverty Lines versus the Poor: Method versus Meaning* (2005) and *Downsizing and Distortion of Poverty in India: The Perverse Power of Official Definitions* (2007) argues that poverty lines do not meaningfully measure vulnerability and socio-economic insecurity. In these writings, Saith (2007:254) outlines a number of methodological and ethical infirmities of the poverty line: the inadequate recognition of energy and dietary

needs, the severe suppression of the non-food items of basic needs, of overlooking intra-household inequalities and the importance of the asset profile of the household, of ignoring social exclusion dimensions of poverty, the inadequate handling of public provisioning of basic needs, and the low valuation of the self-perception of the poor.

Saith also identifies important conceptual weaknesses of the poverty line approach which will be discussed towards the latter part of this chapter.

3.2. The monetary approach in the Philippines: Official poverty estimation methodology

Producers of official poverty estimates

The poverty measurement debate among statisticians, policy makers, researchers and those from social movements and civil society is alive and well in the Philippines. Key players from government in the poverty debate are the producers of official poverty estimates-- the National Statistics Office (NSO), and the National Statistics and Coordination Board (NSCB). Among the many tasks of the NSO is the conduct of the Family Income and Expenditure Survey (FIES), a national household survey undertaken every three years.⁴

The FIES is the main source of data on family income and expenditure, which include among others, levels of consumption by item of expenditure as well as sources of income in cash and in kind. The results of FIES provide information on the levels of living and disparities in income of Filipino families, as well as their spending patterns.⁵ These data are important in the computation of official poverty levels. The FIES was last conducted in 2006, with 51,000 households spread out the entire country.

The National Statistics Coordination Board (NSCB) generates official poverty estimates based on an approved methodology. Within the NSCB, a Technical Committee on Poverty Statistics (TCPS), created in October 2003, studies and recommends methodological improvements in poverty estimation.

Official poverty estimation methodology

According to Marquez and Virola (1995) the current methodology used in computing for official poverty figures was approved as recently as January 2003 and is outlined through the following steps (David and Maligalig 2001: 1-2):

1. For each region, a rural and urban one-day menu is constructed, which serve as basis to compute the monthly per capita food threshold for an average-sized Filipino family. Local food consumption patterns inform the one-day menus, designed to satisfy 100% of the recommended dietary allowances (RDA) for energy and protein, including 80% of the RDAs for other nutrients and vitamins. The Food Nutrition and Research Institute (FNRI) formulate the menus and RDAs.

2. The RDAs for energy and protein are on the average 2000 kilocalories and 50 grams per person, although may vary based on age, sex and body weight. The cost of the one-day menus is derived from the price surveys of the NSO and the Bureau of Agriculture Statistics (BAS). In order to get the food threshold (also known as the food poverty line (fpl) or the subsistence threshold), the per capita per day food cost (based on the FNRI menus) is multiplied by 30.4 (the approximate number of days per month) to get the monthly food threshold or by 365 days to get the annual food threshold.
3. The subsistence incidence is measured based on the number of families with per capita annual income below the food threshold. Then, the per capita annual income of the sample households in the FIES is compared to the food threshold.
4. The poverty threshold or poverty line is based on the costs of minimum food and non-food⁶ components. In order to derive the poverty threshold, 'the food threshold is divided by the proportion of the food expenditures (FE) to total basic expenditures (TBE) which is taken from the latest FIES using the FE/TBE of families within the +/- 10 percentile of the food threshold.' (Erica 2003: 2). Thus, the poverty line may be viewed as the minimum income required to buy the basic food and non-food needs. Philippine poverty incidence is derived by getting the proportion of families (or population) below the poverty threshold at the national level across regions (urban and rural) compared to the total number of families (or population).

There are advantages associated with official poverty statistics. Sotera de Guzman, officer-in-charge of the Incomes and Employment Division of the National Statistics Office (NSO) said that she likes the huge sample size and 'representativeness' of all the provinces and that it generates substantial data on both the income and expenditure patterns of Filipino households (interview, 29 July 2008). Erlinda Capones, Director of the Social Development Staff of the National Economic Development Authority (NEDA), adds that these national poverty statistics are useful for development planners because they can be disaggregated at regional and provincial levels (interview, 25 July 2008).

Tomas Africa, former Administrator of the NSO, also adds that the data is generally reliable. He explains, "if you have a systematic method that you practice over the years, even the lies become systematic, and the changes in growth become correct. For example, in the respondents' minds, they think whether they will increase or decrease their answers, their responses don't usually vary outside a range of, say, 10%." Africa further shares that the rigorous editing procedures in FIES allows the NSO to 'catch the inconsistencies.' Africa argues that, "as data sets, it is consistent and you can get so much information from a consistent set" (interview, 11 July 2008).

Africa argues that the money-metric approach is not necessarily one-dimensional. He states that based on incomes, one can also see how households cope, where their earnings come from, etc. Furthermore, he believes that with the expenditure data, 'the whole of welfare economics' is touched on, as it captures 'elasticity,' and provides information of marketing

patterns, and about households' composition of spending, among other things (ibid).

Anti-poverty campaigners have a different take on the strength of official poverty statistics. Prof. Leonor Briones, Lead Convenor of Social Watch-Philippines, a civil society network monitoring government's performance in fulfilling its international commitments to reduce poverty and promote social development, observes that it sets 'benchmarks' (interview, 17 July 2008) or as Isagani Serrano also of Social Watch adds, "it provides reference numbers which deals with characteristics of a huge population size" (interview, 15 July 2008). Based on my interviews conducted from July to August 2008, anti-poverty campaigners generally see these official figures as good as starting points for policy engagement and debate.

Some issues related to the FIES

There are numerous studies that have critically engaged official poverty estimation in the Philippines (ADB 2005, Balisacan 1999, David and Maligalig 2001, Intal and Bantillan 1994, NSCB 2006, et al). Furthermore, part of the national debate on poverty in the country today has focused on the credibility of data in light of a highly polarized political landscape which will be discussed in Chapter 6. This paper will add to the debate by raising critical concerns on official poverty estimation, particularly in its suppression of basic needs, and the meaningfulness of a poverty line-- issues highlighted by Saith (2005, 2007)- - as well as other issues that emerged during the research. Let us examine these concerns.

a. The underestimation of the poverty incidence

There is a power dimension in the use of social indicators: the decision regarding what indicators are to be used is oftentimes based on arbitrary assumptions. This is underscored by the definition of the poverty threshold by the NSCB. Their logic runs thus: the poor are perfectly rationale consumers who have the capacity to avail of nutritious, low-cost meals. As such, the food threshold is based on imaginary menus of what the poor should be eating, rather than on what they are eating in reality. The use of imaginary menus contains within it an implicit message to the poor: 'You have no excuse to be eating incorrectly since these food items are supposed be locally available (depending on the region) and affordable.'

To begin with, the poverty threshold is too low for several reasons. For one, the nutritious (and even mouth-watering) menus of the NSCB may be theoretically low-cost, but in real life, for many of the poor, eating is oftentimes not a low-cost affair. As Caplovitz observed, poverty in general might be underestimated because the NSCB does not take into account the fact that oftentimes the poor pay more (ADB 2005: 130). The prices used in computing the food threshold are based on prevailing market prices per kilogram.

The reality though is that the poor do not buy in bulk, especially as most households have neither resources to buy as much nor the refrigerators to hold perishable stock. Rather, the poor buy food and non-food items in amounts smaller than what manufacturers produce. In the Philippines, these

purchases are commonly referred to as *tingi* (refers to selling/buying by the piece, e.g., selling of individual cigarettes) and *takal* (means selling by a smaller volume, e.g., a cup of vinegar). Oftentimes, the poor are able to buy items by *tingi* and *takal* from sari-sari stores, which are small retail outlets, which normally sell wares at rates higher than at markets and groceries⁷ According to a national newspaper article in The Manila Times (2004), sari-sari stores are preferred by the poor because apart from their being allowed to buy at smaller than usual amounts, these are normally located at walking distances from where they live, and oftentimes, they can purchase using credit (ADB 2005: 131). Obviously, the NSCB does not take these realities into account.

Furthermore, a study conducted by Pedro, et al, showed that the food expenses of Filipino families are indeed higher compared with the costs of food baskets artificially constructed by the NSCB (Templo 2003: 35).

Indeed, the poverty line is made lower because it does not include 'non-basic' items such as alcoholic beverage, cigarettes, recreation, or even durable goods. Once again, the message here is, if you consume these things, then you cannot be 'poor.' These underscore the elitist attitudes of statisticians and economists: to paraphrase Saith, the poor are not to have dietary preferences, allowed to engage in 'recreation', or avail of certain vices the upper classes are engaged in. As Saith (2005:10-12) argues, this raises serious ethical assumptions about how the poor are to live.

The manner by which the non-food component is derived, as discussed by Saith (2005: 12-16), is a blatant suppression of basic needs. As earlier mentioned, 'the food threshold is divided by the proportion of the food expenditures (FE) to total basic expenditures (TBE) which is taken from the latest FIES using the FE/TBE' of families within the +/- 10 percentile of the food threshold.' (Erica 2003: 2). This means that the non-food threshold is plus or minus 10% of the food threshold, which is then compared with those households whose incomes jive within that range. Whether these non-food expenditures are sufficient to afford basic education or adequate healthcare, to name a few of the basic needs is not taken into consideration.

This is what Saith describes as a common practice used by statistical agencies around the world in measuring poverty: "While dietary requirements are calculated on a 'scientific' basis according to bodily needs, the non-food component of the poverty line is not calculated on a needs basis...a shortcoming that could have the effect of suppressing the visibility of such crucial basic needs as health, education, housing, transport and communications, fuel, information, social and political participation. What such benchmark poor households actually spend on non-food items is assumed to substantively meet the non-food basic needs; but there is no verification to confirm this in any manner—it remains an assumption, and for one which there are overwhelming prima facie grounds for rejection" (Saith 2005: 14). As such, when the government use these extremely restrictive social conventions in measuring poverty, it has the effect of asking the public to accept certain wretched conditions as 'normal'. In other words, these poverty measurements are directly tied to the 'normalization of poverty' as a basic assumption of life.

Civil society groups like Social Watch-Philippines and the Global Call to Action Against Poverty-Philippines (GCAP) have debated with the NSCB over the internet, television and the print media, on these issues. GCAP is an alliance of citizens' groups that mounts political action to put pressure on government to fulfil its social development goals. For example, in 2006 GCAP organized an experiment where nine people— three from the urban poor, four journalists, a middle class college student, and an NGO worker—were asked on live on PhP36⁸ for one day, the official national daily poverty threshold at that time. The meagreness of PhP36 to cover basic needs- even of urban poor members-- became obvious: the experiences of those who participated were documented and printed in a national daily where one of the journalists worked for. This generated media interest on this issue; a TV documentary program soon filmed a similar visualization exercise with the same results. The documentary was aired on national television.

One other reason that poverty is underestimated is because the 'ambulant poor' (those without official and permanent residence) are generally not included in the FIES. This refers to those who live in squatter communities, under bridges, and along sidewalks. But this weakness is inherent in a household survey like the FIES; it will miss out on those who are homeless (Ravallion 1992:11).

Africa and de Guzman⁹ qualified that the exclusion of the ambulant poor cannot be generalized because some households and individuals who live in squatter communities, and even under bridges are sometimes included, if there is 'some characteristic of permanence' to their location (e.g., they are covered for eight successive quarters in the quarterly survey of households and the FIES).¹⁰

b. Difficulty in comparing poverty data trend

The methodological changes in poverty measurements have occurred twice since the official poverty line was first constructed. The first methodological change was introduced in 1992 and the other set of changes took place in 2002. It must be noted that in both instances, the poverty lines were lowered, and which resulted in reduced poverty incidence. For more on this, read *Poverty in the Philippines: Income, Assets and Access*, ADB, 2005.

c. Lack of timeliness

A common concern among poverty data users interviewed, whether from government or non-government, is the lack of timeliness in the release of official poverty incidence. Executive Order 352 stipulates that FIES (which is conducted triennially) results should be released 18 months after the reference period. During instances of delays, the processing period could extend. It is precisely this slowness in the release of data that created an ironic situation: government announced that for 2003, poverty had gone down by 3%. However, they announced this in 2006, the year poverty rose by 3%, but which would only be known and made public by late 2007.

Capones of NEDA underscores this problem when she says that "as planners we need data that are as current as possible. This will also help us to have a better sense of the people's pulse" (interview, 25 July 2008). Capones also shares the current difficulty of relying on official poverty estimates that are two years old. Indeed, there is wide acknowledgement that poverty has

worsened since 2006, due to the economic global crisis, among other things, but official poverty incidence remains pegged at 2006 levels since the next round of FIES will only be conducted in 2009, the data of which will be released in 2011.

But there was a sense of understanding expressed by many interviewees on why the FIES is conducted triennially and for its turtle-paced processing of data. They point to the expensive nature of the project, which costs about PhP50M to cover 51,000 respondents at PhP500 per respondent. Furthermore, the labor force required to mount this is huge and the work involved laborious and tedious.

But the formidable financial, logistical and humanpower requirements are not the only reasons to explain why the FIES is conducted every three years. In response to an expressed need from poverty data users for more frequent release of data, the NSCB countered by saying that, 'the poverty situation in a poor country like the Philippines does not change fast enough to necessitate an annual monitoring specially in the light of limited resources' (Virola 2002: 5).

This view was echoed by some government interviewees, including Celia Reyes, the head of the TCPS, who affirmed (interview, 19 August 2008) that there was no need to conduct the FIES more frequently based on the following reasons. One, there are resource constraints; and two, as a basis to guide national development planning and agenda setting, changes in policy formulation at the national level should be more stable and refined only about once every three years. Reyes further argues that she is against providing increased public investment for the FIES to be conducted more regularly. Rather, she would prefer such investments to be channelled to other types of poverty monitoring such as the Community-Based Monitoring System (CBMS)¹¹ which she thinks will be more useful for local planners. Such views are challenged by Mahar Mangahas, President of the Social Weather Stations.

According to Mangahas, there is no empirical evidence that show poverty levels are not volatile in the Philippines. In fact, he says SWS data shows that poverty levels tend to fluctuate more rapidly than that monitored by the FIES.

Indeed, the growing informalization of labor in the Philippines tends to make incomes more unstable and fluctuate much more (Saith 2005: 18).

Furthermore, even if the poverty incidence does not change, empirical data shows that many of the poor in one year may not be the same as the poor in the next, a finding borne out by the Report of the Chronic Poverty Research Center for 2004-2005 (Saith 2005: 19). As such, there is also the need to look into the quick-changing composition of the poor, from one year to the next.

Nevertheless, there is an acknowledgement among government interviewees for the need to expedite the processing and release of FIES data. To this end, an on-going government project, in partnership with the United Nations Development Program (UNDP), entitled 'Model-Based Estimate of Annual and Expenditure Based on the First Survey Round of the FIES Project' aims to cut the time required to process and release the latest results of the FIES, while maintaining its conduct on a triennial basis.

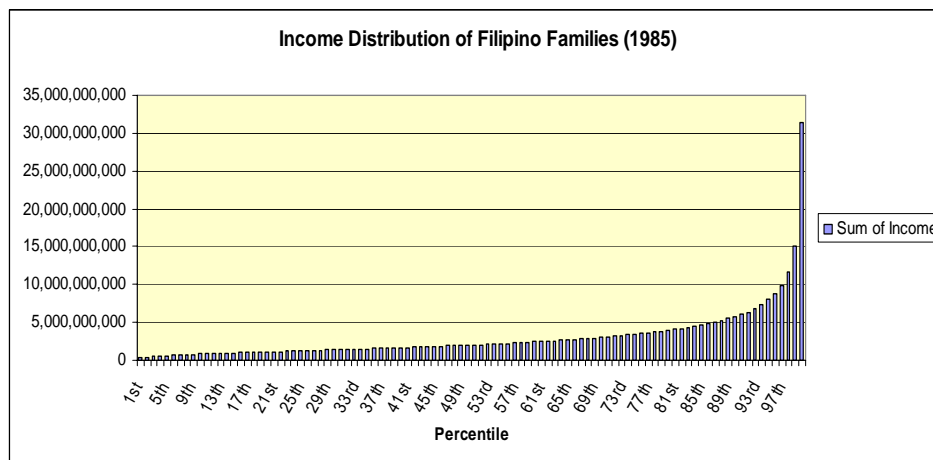
The meaninglessness of the poverty line

Beyond methodological issues however, is a more basic conceptual concern: What need is fulfilled by the use of a poverty line? If it is to enhance one's ability to identify the poor, and levels of poverty based on 'private consumption expenditure per adult equivalent within each household', then, as Saith (2005:25) argues, all one needs is to get the distribution of expenditure data of households in a given population. A poverty line only enters the picture, according to Saith, if one wants to define a cut-off point in reaching out to the poor. Here, Saith (2007: 251) points out that the aim of the poverty line 'as an absolute sustenance threshold' is to divide the 'poor' from the 'non-poor' for targeted programs of pro-poor interventions. This comes from a conceptual framework where the state is saddled with resource constraints and therefore, limited public resources are prioritized for the 'deserving poor' who must be properly 'targeted,' while invoking norms of social justice (Saith 2007: 253). In the meantime, the enormous wealth of a few, and the wide disparity in the income distribution of a given population, are left out of the poverty line discourse, and 'given an untouchable, protected status' (ibid). In other words, the notion of a 'poverty line' is really a bureaucratic classification, rather than one that resonates socially or even politically.

Given the serious conceptual and methodological weaknesses identified in the poverty line approach in general, the trenchant observation that many are excluded from the ranks of the 'deserving poor,' is further magnified in the case of the Philippines.

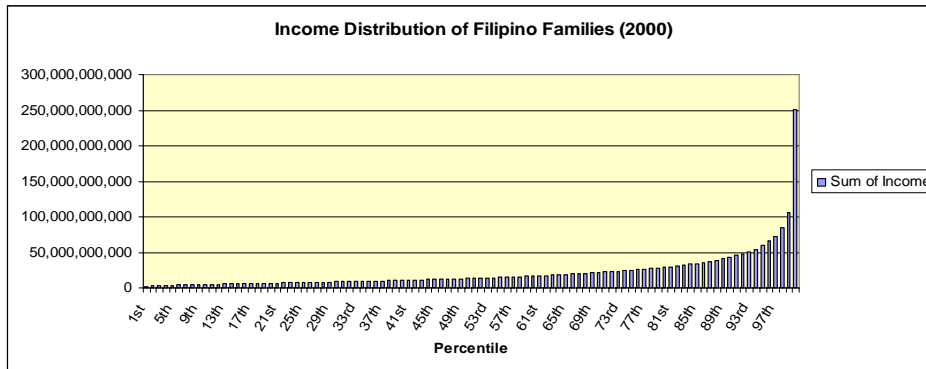
As mentioned earlier, the highly iniquitous income distribution of the Philippines from 1985 to the present has generally remained unaltered, marked by a relatively flat line that slowly rises to the right to form a very steep, high wall (Graphs 1 and 2).

Graph 1.
Income distribution of Filipino families (1985)



Source: (Data from Tomas Africa, Former Administrator, National Statistics Office)

Graph 2.
Income distribution of Filipino families (2000)



Source: (Data from Tomas Africa, Former Administrator, National Statistics Office)

Many of the income groups seem so tightly clustered and homogenous, raising questions about how significant are the differences across many of these income groups (Africa interview, 11 July 2008). Yet, a poverty line is constructed, based on the notions of statisticians and economists in government, to drive a wedge between the different income groups that seem quite homogenous. It is a wedge that supposedly divides the ‘poor’ and ‘non-poor.’

A sensitivity analysis was done to look at the effect of movement of the poverty line on poverty incidence levels. With the NSCB-determined poverty line (based on the household poverty threshold of PhP64,745) as baseline, the line was moved up and down (up to 50% more and 50% less, at increments of 5%) and for each hypothetical location of the poverty line, the corresponding poverty incidence was computed. Table 1 shows the computations.

Table 1:
Sensitivity Analysis of Poverty Threshold

(data from FIES 2006)

percentage change of threshold	Moved threshold	Poverty incidence	Absolute change of incidence
-50.00%	32237.50	4.73%	-22.17%
-45.00%	35461.25	6.26%	-20.64%
-40.00%	38685.00	8.00%	-18.90%
-35.00%	41908.75	9.97%	-16.93%
-30.00%	45132.50	12.24%	-14.66%
-25.00%	48356.25	14.58%	-12.32%
-20.00%	51580.00	16.98%	-9.92%
-15.00%	54803.75	19.41%	-7.49%
-10.00%	58027.50	21.91%	-4.99%
-5.00%	61251.25	24.43%	-2.47%
0.00%	64475.00	26.90%	0.00%
5.00%	67698.75	29.13%	2.23%
10.00%	70922.50	31.50%	4.60%
15.00%	74146.25	33.90%	7.00%
20.00%	77370.00	36.06%	9.16%

25.00%	80593.75	38.13%	11.23%
30.00%	83817.50	40.06%	13.16%
35.00%	87041.25	41.93%	15.03%
40.00%	90265.00	43.79%	16.89%
45.00%	93488.75	45.41%	18.51%
50.00%	96712.50	47.12%	20.22%

The sensitivity of poverty incidence to the location of the poverty line shows that the slightest movement of the poverty line has the effect of excluding, or including a large percentage of households from being classified as 'poor.' Currently, the poverty threshold at PhP64,475 translates to a poverty incidence 26.9 percent of households. If the poverty threshold is decreased by 10%, the new threshold would be PhP70,922.50. This brings poverty incidence down to 31.50 percent. Although more statistical and comparative tests may be required to determine 'sensitivity' of poverty incidence, the table raises questions about the poverty line as a valid and useful tool for effectively determining who is poor and who is not. Indeed, in a situation where income differences across large swathes of the population is very small, it is likely that those above the poverty line are not much different from those below it; in other words, they are still poor (ibid).

Ernesto Ofracio, a veteran urban poor leader, puts it succinctly: "*ang kabirapan ay isang malaking karagatan at labat doon sa karagatan ay mahihirap; hindi na dapat pumili riyan kung sino ang mahirap at hindi?*" (poverty is a huge ocean and everyone in this ocean is poor; one should not choose who in that ocean is poor and not poor) (interview, 13 August 2008).

Some Conceptual and Policy Suggestions

There are numerous papers addressing the deficiencies in official poverty estimation. I only added to what is in the literature, and wish to make suggestions to address some issues highlighted in this paper, which are by no means exhaustive. There are two ways of dealing with the notion of the poverty line, which has been shown to be problematic.

One is dispense with the notion of the poverty line and replace it with the notion of a poverty zone to widen the coverage of those considered poor to include also those whose incomes are 'near' the poverty threshold, as well as those at risk of sliding into poverty.

Furthermore, *explore linking the concept of a poverty zone to the notion of 'minimum basic needs.'* In line with this, there is value to supporting an earlier study by Devesa which proposes alternative procedures to estimate poverty using, among others, resources of families with deficit spending (based on the FIES) as welfare indicators (Templo 2003: 16-17). According to Devesa, poverty is defined as the lack of resources to meet basic needs, and the poverty threshold 'is equated to the weighted average of the per capita resources of families (from the FIES 2000) whose net resources are less than or equal to their basic expenditures' (ibid). Here, resources refer to income and other monetary support (in cash or in-kind) and the notion of basic expenditures is broader than NSCB's: it covers food, fuel, light and water, transportation,

communication, household operations, personal care, clothing, education, medical care, non-durable furnishing, house rent/rent value and minor house repairs (ibid).

In keeping with the participatory approach, *involve the poor in defining the poverty zone and poverty threshold*. Tap urban and rural poor organizations (e.g., indigenous people's organizations, women's associations, Muslim organizations), as well as other groups like GCAP and SWP. In effect, the abovementioned activities aim to make more inclusive the notion of a poverty zone.

However, the abovementioned steps do not address the more fundamental flaw related to the poverty line, that is, its lack of meaning especially in a country where there seems to be generalized poverty. This means doing away with the notion of poverty line or zone altogether.

This paper supports the view that the Philippines may be in a better position to significantly reduce poverty through 'socially driven emancipatory and transformative' strategies that are 'inclusive, universalistic in their imagination, ideology and design' as has been the case in places like China, Cuba, Sri Lanka and Kerala (Saith 2007: 272-273). For more on this strategy, read Saith's *Downsizing and Distortion of Poverty in India: The Perverse Power of Official Definitions* (2007).

In real terms, this means radically reversing the decline in social spending, instituting asset reform, quality job creation, and progressive taxation, among others. Fleshing out the details of a 'socially driven emancipatory and transformative strategy' can be the subject of another paper.

Chapter 4

The Participatory Approach and the SWS Self-Rated Poverty and Hunger Surveys

4.1. The participatory approach

A participatory approach to development, inspired by the ‘emancipatory, structural and critical’ writings of Paolo Freire in the early 70s, and later on, re-articulated in more ‘developmental’ fashion by Robert Chambers (Saith 2005:3) in the early 90s, challenges the view of seeing people not simply as objects for study, but as subjects-- active agents who are in a position to speak about and make decisions on their own poverty conditions.

Freire’s ideas on education’s role- as a tool for oppression as well as for liberation- can be applied to the broader world of development. His basic assumption is that the ontological vocation of human beings, especially the oppressed, is as Subjects who, in ‘naming the world, transform it... and must not be a situation where some name on behalf of others’ (1970:70). This is because ‘human existence cannot be silent... to exist, humanly, is to name the world, to change it. Once named, the world in its turn reappears to the namers as a problem and requires of them a new meaning. Human beings are not built in silence, but in words, in work, in action-reflection’ (Freire 1970:69).

For Freire, participation of the oppressed in development processes is paramount because no reality transforms itself without the critical intervention of the people through praxis (1970:35-36). According to Freire, ‘attempting to liberate the oppressed without their reflective participation in the act of liberation is to treat them as objects which must be saved from a burning building; it is to lead them into the populist pitfall and transform them into masses which can be manipulated’ (1970:47).

Freire, in this sense, argues for the participation of the poor and socially excluded, because it is they who are best positioned to fight for the humanization of both oppressor and oppressed. According to him, ‘at all stages of their liberation, the oppressed must see themselves as women and men engaged in the ontological and historical vocation of becoming more fully human. Reflection and action become imperative...’ (1970:48) and that ‘in this way, the presence of the oppressed in the struggle for their liberation will be what it should be: not pseudo-participation, but committed involvement’ (1970:51).

In its 90s re-incarnation, the participatory approach re-emerged in the form of participatory rural appraisal, pioneered by Robert Chambers and termed as participatory poverty assessments (PPA) which is defined as ‘a growing family of approaches and methods to enable local people to share, enhance and analyze their knowledge of life and conditions, to plan and to act’ (Laderchi et al 2003: 260). Chambers argues that it is the basic human right of poor people to conduct their own analysis (1995: 201), and ‘putting first the reality of the poor and making it count’ (1995:175). The problem in development practice is that the reality of professionals particularly in industrial countries, and their conception of poverty pre-dominates over the

poor in southern countries (Chambers 1995: 184). There is empirical evidence to show that definitions of deprivation and ill-being, is oftentimes different from a dominant narrow conception that reduces poverty to that of income, from those of the poor, who have a more multi-dimensional understanding, which included aspects like self-respect, good health, and less dependence on others (Chambers 1995: 185- 191).

According to Cornwall, the PA has three distinct types (Laderchi et al 2003:260): those associated with self-determination and empowerment; those associated with increasing the efficiency of programs; and those emphasizing mutual learnings.

The first type mentioned is most closely related to the Freire model of participation. The World Bank (WB), which has widely used the participatory approach in many of its country assessments, has been criticized for its instrumental approach, usually geared ‘so that the poor would co-operate with the programs rather than to change the nature of the programs’ (ibid). It is a PA of the second type (ibid). Another WB project, the Voices of the Poor publication, is an extensive 23-country study on the needs and insights of the poor. It ‘emphasizes type 3’ as there is little of self-determination and empowerment in the participatory poverty assessments (PPAs) conducted by the WB (ibid).

Some of the weaknesses inherent to the participatory approach are: one, while in theory the poor conduct the PPA, in practice, outsiders usually facilitate the process and interpret results (Laderchi et al 2003: 261). This can oftentimes undermine the extent and quality of participation of local people, and can affect PPA outcomes. Second, communities are not homogeneous entities (Laderchi et al 2001: 262). Indeed, one asks, ‘whose voices are being heard?’ It has been argued that some people such as widows and the very poor are structurally excluded from certain communities, such that the participatory approach can be seen to simply reflect existing power relations in a community. Finally, Amartya Sen’s critique of the utilitarian approach¹² is worth noting. ‘People’s own assessment of their own condition can overlook their objective condition and can be biased as a result of limited information and social conditioning’ (ibid).

4.2. A participatory approach in the Philippines: the Social Weather Stations’ self-rated survey on poverty and hunger

SWS Background

Established in 1985 as a non-stock, non-profit private scientific institute, SWS has been gathering survey-based statistics in the Philippines, focusing on the quality of life (QOL) and public opinions (Mangahas 2008: 3). For more on its history, read Mangahas and Guerrero’s *Two Decades of Social Weather Reporting in the Philippines* (2006) and Mangahas’ *SWS Monitoring of Self-Rated Deprivation* (2008).

Normatively, the purpose of the SWS self-rated surveys the generation of accurate and relevant social, economic and political data in order to ‘first,

stimulate the eye into learning the extent of social problems; second, to influence the heart or the conscience into resolving to work harder in order to solve the problems, and third, to guide the mind into finding effective solutions for the problems.’ (Mangahas 2008: 3). Mangahas believes there is a need to move from a technocratic model to the enlightenment model (Land) by focusing on quality-of-life issues for public debate through the use of mass media and thereby strengthening the democratic processes in society (ibid). Mangahas emphasizes that SWS is a social advocate in its generation and use of statistics (Mangahas 2008: 4).

Over the years, the SWS has been exceptionally prolific. From 1986 to 2006 it produced over 300 surveys. In the 1980s alone, it published 13 of these surveys. By the 1990s, the production of SWS surveys rapidly increased, so that by the end of the decade, 159 documents were published (Mangahas and Guerrero 2006: 5).

SWS self-rated poverty and hunger surveys: its methodology and time series

Self-rated poverty and hunger surveys are main staples in SWS surveys. They are designed for time series analysis, which means the questionnaire and the sampling methodology is ‘maintained’, as tracking is conducted on a quarterly basis to match the frequency of the National Income Accounts (Mangahas 2008: 4). For Mangahas, the challenge is to produce poverty and hunger data as frequently as the GNP, which ‘don’t tell you anything about poverty and inequality.’ Mangahas laments that while there is so much talk about poverty, there seems to be no real interest in generating fresh, primary data on poverty more frequently (interview, 1 August 2008).

The SWS survey methodology is as follows: national samples of 1,200 households are surveyed every quarter, 300 each in Metro Manila, Luzon, Visayas, and Mindanao and cover both urban and rural areas. The sample is taken from 240 locations across all regions and the sample locations and respondents are newly selected for each survey through a random process instead of a ‘fixed panel of locations and individuals’ (Mangahas 2008: 6). There is a plus minus 3% margin of error for national percentages and plus minus 6% for area level percentages (ibid). Interviewers are trained not to hint at any threat or reward that is attached to any answer.¹³

Mangahas believes that it is better to do frequent small-scale level surveying rather than occasional large-scale surveying. According to him, small scale surveying is less costly and allows it to be more sustainable, unlike large scale surveys which are expensive and therefore done less frequently. He adds that ‘the occasional large surveys also suit those who don’t want poverty measured all the time’ (interview, 1 August 2008).

On self-rated poverty threshold

Since its commencement in 1983 until March 2008, the self-rated poverty survey has generated 82 data points, 62 of which were conducted on a quarterly basis since 1992.

The SWS poverty indicator is the proportion of respondents who rate themselves as poor. Respondents are shown two cards—one with the word ‘poor’ and the other ‘not poor’ —and asked to point which card they would locate their families, ‘poor’, ‘not poor’ or the line in between. See Figure 1. Because respondents are required to answer this question on the spot, data on current poverty is generated.

Figure 1.
Showcards for the question item on self-rated poverty

Question: *Saan po ninyo ilalagay ang inyong pamilya sa kard na ito?* (Where would you place your family in this card (Source: SWS Survey on Self-Rated Poverty)

HINDI MAHIRAP (Not Poor)	MAHIRAP (Poor)
MAHIRAP (Poor)	HINDI MAHIRAP (Not Poor)

Languages	Poor	Not Poor
Tagalog	Mahirap	Hindi Mahirap
Cebuano	Pobre	Dili Pobre
Bicolano	Pobre	Bacong Pobre
Ilocano	Napanglaw	Saan nga Napanglaw
Ilonggo	Imol	Indi Imol
Pangasinense	Mairap	Aliwan Mairap
Waray	Pobre	Diri Pobre
Maguindanon	Miskinan	Dikena Miskinan

Those in SWS acknowledge that poverty is subjectively measured based on the viewpoint of the household head, and is not subjective based on the viewpoint of the research (Mangahas 2008:8). Mangahas argues that respondents’ views can be characterized as objective since these can be checked and validated by other surveys using the same approach ‘just as the subjective expression of voting intentions in one survey can be validated by other independent surveys’ (ibid).

The following is asked of respondents for data on poverty thresholds: If respondent self-classifies as poor, he/she is asked: In your opinion, how much money would your family need for home expenses each month in order not to be called poor anymore? If respondent self-classifies as not poor, he/she is asked: for a family as large as yours but poor, how much money do you think would it need to spend each month for home expenses in order not to be called poor anymore?

Here, the focus is what is termed the ‘Minimum Home Budget’ which does not include expenses incurred by the household to earn a living (e.g., expenses for commuting to and from work). The median poverty threshold is generated from respondents who self-classify as poor. Generally, the respondents who self-classified as not poor, tend to have higher poverty thresholds compared to those who self-classified as poor (Mangahas 2008: 17).

Interestingly, from this Mangahas concludes a trend of belt-tightening occurring among the poor based on the self-rated poverty threshold. SWS

respondents cite poverty thresholds which have not kept pace with the inflation rate. (The current poverty threshold of PhP10,000 cited since the year 2000, if indexed to the March 2008 Consumer Price Index of 149.8 (base year 2000) is now PhP14,980. If the poor still cite PhP10,000 as their food threshold, the difference of PhP4,980 measures by how much the poor have tightened their belts (Mangahas 2008: 18-19).

SWS poverty surveys also generate data on chronic and seasonal poverty, food poverty, poverty and food threshold by household size, and other facets of poverty. For more on this, read Mangahas' *SWS Monitoring of Self-Rated Deprivation* (2008).

“Self-rated hunger is objective”

SWS has conducted forty national consecutive hunger surveys from July 1998 to March 2008. The SWS hunger indicator is the proportion of household heads who state that their families have experienced hunger (e.g. without having anything to eat) at least once in the last 3 months.¹⁴ The frequency of experienced hunger in the past 3 months serves as the basis to classify moderate (if it happened ‘only once’ or ‘a few times’) or severe (if it happened ‘often’ or ‘always’) hunger (Mangahas 2008: 23). The SWS measurement of hunger is the only one of its kind in the Philippines (ADB 2005: 37).

While some government officials try to downgrade self-rated hunger surveys as being simply ‘subjective’, Mangahas forcefully argues that these are in fact, ‘as objective as the standard of statistical measures of unemployment and underemployment which rely on self-reporting by respondents and are in principle verifiable by observers such as their neighbours’ (Mangahas 2008: 23). To suggest that respondents merely ‘perceived’ rather than ‘felt’ hunger is downright cruel and insensitive, according to Mangahas (ibid.).

What it is not for

SWS is clear that their poverty-related data is not intended to be used as basis for identifying the poor at the individual household level who will be involved in anti-poverty programs. It therefore cannot be used by an agency wanting to target the poor as substitute for a means-test ‘anymore than it can serve as a guide to an exclusive country club which aims to keep the riff-raff out.’ (Mangahas 2008: 8-9).

A communication strategy

Faithful to its mission of not only generating but ‘publicizing alternative statistics’, SWS has assigned to Business World, a national daily, the right of first print of the results of its quarterly self-rated poverty and hunger survey in mid-2007 (Mangahas 2008: 6), which is usually picked up by other media outlets. The SWS survey results are also posted in the SWS website. Finally, Mangahas has a Sunday column in a major newspaper, where he talks about SWS survey results. All these media activities serve to keep the SWS in the public consciousness.

SWS approach: comments and feedback

There was broad consensus from all those interviewed that the SWS self-rated poverty and hunger surveys, successfully managed to deliver to policymakers the national sentiment on poverty (more on this in Chapter 6). Africa observed that self-rated survey provided a good time series on poverty which can be related to events (e.g., oil crisis) and provide trends (interview, 11 July 2008). As such, he states that it 'provides one a sense as to whether the poverty measurements of government are within its range.' Rene Raya, a Co-Convenor of Social Watch-Philippines (SWP), adds that the frequency of the self-rated poverty surveys 'allows for timely analysis and intervention' (interview, 24 July 2008). He further adds that its methodology is cost-effective.

Others however criticized SWS sample size (at 1,200 respondents) as too small and not representative of the Philippine population. One government interviewee recommended that the 'sample size should be proportionate to population relative to year and region' and 'should ensure representation per region.' Others mentioned that the questions on self-rated poverty are limited and that there is a need for additional questions to cross-validate its findings. One added that additional questions will help to provide more causal analysis.

On SWS's definition of poverty, it was interesting to see the differences in opinion between those interviewed from government and civil society. For those in government, the fact that SWS poverty surveys are perception-based- and therefore, 'subjective'- is seen as a weakness: a 'disadvantage', as its accuracy was in doubt. In this context, exhortations were made to use 'one standard to distinguish poor and non-poor' and that 'poverty should be based on absolute standards.'

All of those interviewed in civil society however considered the use of people's perception on poverty as a strength. Briones of SWP states that it is good that SWS 'bothers to ask ordinary people what poverty is' (interview, 17 July 2008). Serrano, also of SWP, adds that 'perception is part of reality which cannot be wished away. It allows people to make their own judgement about their own conditions. That's the beauty of it. If the economy is supposed to be improving but people say they are poor, it tells you that there is something wrong with the situation... ' (interview, 15 July 2008).

The role of perception in defining social reality needs to be re-visited. So often in modern social science methodology, the understanding of reality is all based on the ability to apply an objective measure. Indeed, the dominant perspective in social science inquiry leans on statistics and that which can be measured. The underlying logic, which goes something like 'If something is not reducible to a number, and that number can't be cross validated, then the phenomenon in question doesn't reliably exist' can be a profoundly modern and technocratic conceit. Ultimately, this means that people's descriptions of their lives-- lives they know better than anyone else -- are downgraded. In the realm of epistemology, this can be the equivalent of disenfranchisement.

Mangahas scoffs at the criticism that the SWS sample size is too small and unrepresentative of the Philippine population (interview, 1 August 2008). He cites the Eurobarometer, an EU-sponsored system of cross-country surveys that gauges people's sentiments on their self-rated standard of living

relative to others in the population. Standard Eurobarometer surveys only 1000 respondents per country with few exceptions. Arsenio Balisacan, a leading poverty analyst, believes that increasing the sample size will not significantly alter SWS results (interview, 30 July 2008). Besides, he adds, for as long as SWS talks about a clear margin of error, that is enough.

According to Mangahas, to insist on giving primacy to ‘objective’ indicators to measure poverty using a top-down approach is essentially ‘elitist’ (2008: 7). He argues that, ‘on one extreme, we are saying that it is the people who have that prerogative (to define poverty). .. the other view is that only they can define poverty, the statisticians, economists, etc. But the bottomline is, it is still a norm’ (interview, 1 August 2008).

Nevertheless, Mangahas agrees that there are ways to improve the SWS self-rated surveys on poverty and hunger like by asking more questions to capture causal or correlational relationships among various factors related to poverty and hunger (ibid). The National Anti-Poverty Commission (NAPC) and the National Nutrition Council (NNC) have utilized the quarterly SWS surveys by including additional questions which were used side by side with SWS core indicators.

Chapter 5

Comparing Official Poverty with SWS Self-Rated Poverty and Hunger

5.1. ‘The two methodologies measure different things’

In this chapter, we compare the two poverty measurements: official poverty and the SWS self-rated poverty and hunger incidence. We ask: are the two really measuring the same thing, or are they measuring different things but bearing the same name?

Official poverty estimation clearly measures poverty based on income. On the other hand, the self-rated approach to poverty and hunger is not based on any fixed aspect of poverty as it relies on people’s perception of *their individual* poverty and hunger levels. As one interviewee asks of the SWS self-rated approach, “What is the basis when people say they are poor or not? What is the mental framework of respondents? I’m sure the SWS is measuring something... but I’m not sure what.”

Mangahas compares the official poverty line with that of the SWS. Because the SWS poverty survey was conducted earlier (1983) and more frequently (on a quarterly basis starting 1992) the SWS poverty trend is longer and shows greater fluctuations across the years. The SWS poverty trend reveals ‘seven interesting episodes’ which are ‘not readily explained’ by movements in the GNP and needs further investigation (Mangahas 2008: 10). The official poverty incidence, on the other hand, has only one turning point in its 20 year life span, that is, when poverty increased in 2006 (ibid).

Let us now look at Table 2 and Graph 3. The graph shows that the upward and downward movement of the self-rated poverty trends follows that of official poverty but is more nuanced. For example, Mangahas observes that from 2003 to 2006, ‘the low point was in 2004 rather than in 2003. A triennial survey series like the FIES is inherently incapable of timing the turning points in poverty as accurately as a quarterly series’ (ibid).

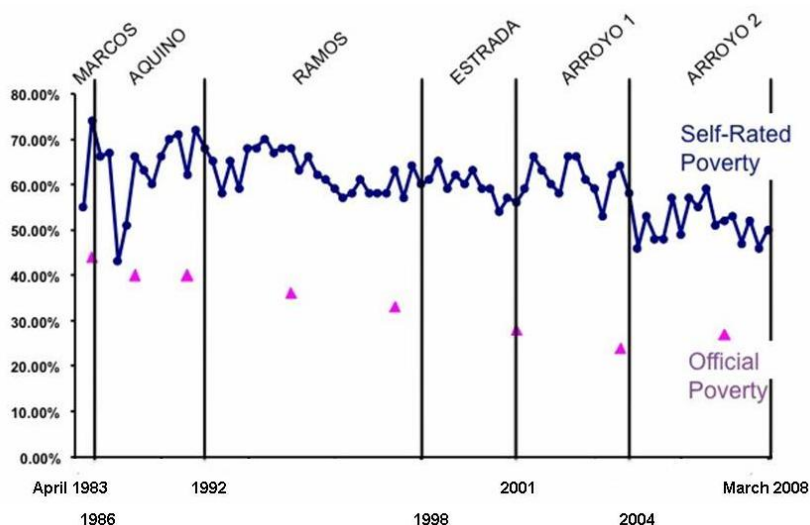
Table 2:
Self-Rated and Official Poverty

	Self-Rated Poverty	Official Poverty			Self-Rated Poverty	Official Poverty
Marcos				Estrada		
April 83	55%			July 98	61%	
July 85	74			September 98	65	
1985		44%		November 98	59	
Aquino				March 99	62	
May 86	66			June 99	60	
October 86	67			October 99	63	
March 87	43			December 99	59	
October 87	51			March 2000	59	

September 88	66			July 00	54	
1988		40		September 00	57	
February 89	63			December 00	56	
September 89	60			2000		28%
April 90	66			Arroyo		
November 90	70			March 01	59	
July 91	71			July 01	66	
November 91	62			September 01	63	
1991		40		November 01	60	
February 92	72			March 02	58	
April 92	68			May 02	66	
Ramos				September 02	66	
September 92	65			November 02	61	
December 92	58			March 03	59	
April 93	65			June 03	53	
July 93	59			September 03	62	
September 93	68			November 03	64	
December 93	68			2003		24
April 94	70			March 04	58	
August 94	67			June 04	46	
November 94	68			August 04	53	
December 94	68			December 04	48	
1994		36		March 05	48	
March 95	63			May 05	57	
June 95	66			August 05	49	
October 95	62			December 05	57	
December 95	61			March 06	55	
April 96	59			June 06	59	
June 96	57			September 06	51	
September 96	58			November 06	52	
December 96	61			2006		27
April 97	58			February 07	53	
June 97	58			June 07	47	
September 97	58			September 07	52	
December 97	63			December 07	46	
1997		33		March 08	50	
February 98	57					
March 98	64					
April 98	60					

Source: Mahar Mangahas, SWS Monitoring of Self-Rated Deprivation (2008)

**Graph 3 :
Self-rated poverty and official poverty trends from 1983 to March 2008**



But let us also compare actual levels of poverty trends from 1985 to 2006. I computed the average of self-rated poverty incidence during this period and juxtaposed this with the official poverty incidence. See Table 3.

**Table 3:
Average of Self-Rated Poverty and Official Poverty Trends from 1985 to 2006**

Years	Self-Rated Poverty	Official Poverty	Status from previous trend
1985	74%	44%	converge
1986- 1988	(ave.) 58.6	40	converge
1989-1991	(ave.) 65.33	40	diverge
1992-1994	(ave.) 66.33	36	diverge
1995-1997	(ave.) 60.33	33	converge
1998- 2000	(ave.) 59.73	28	converge
2001-2003	(ave.) 61.41	24	diverge
2004-2006	(ave.) 51.91	27	diverge

Based on this chart, we observe the following: Despite wide levels of fluctuations, self-rated poverty shows a downward trend covering a span of three decades, with levels dramatically falling from 1985 to 1986-88. Subsequently, self-rated poverty remains high, fluctuating within the range of 66 % to 51 %. High poverty levels is consistent with data that show that income and asset distribution in the country remains extremely skewed in favor of the rich, and has not significantly altered from 1985 to early 2000s.

Official poverty incidence is similar but with a twist: it also shows that official poverty has been on a downward trend, but it is declining quite dramatically during the 30 year span, as poverty incidence was almost halved from 40% to 24% during this period.

The disparity between self-rated poverty and official poverty levels starts to widen in 1992, and reaches its peak in the period of 2001 to 2003. It is interesting to note that methodological changes in official poverty estimation occurred in 1992 and 2002. Could this help explain the widening disparities between the two trends?

Without going into an extensive discussion of Philippine history and the socio-economic and political terrain obtaining in the country, let us focus on the first and last periods, from the mid to late 80s, and the last six years and see what was going on at that time. Let us do this in order to contextualize these periods and to validate or invalidate these poverty trends.

How to explain the fall in both types of poverty from 1985 to 1988, which was particularly dramatic in terms of self-rated poverty, but then which rose again in the late 80s to early 90s?

It must be remembered that 1985 was the year just before the downfall of the Marcos dictatorship, wherein the Philippines was in the throes of an economic crisis, precipitated by 'a deep recession in the world economy, a sharp fall in the world prices of the country's traditional exports, internal political turmoil punctuated by the assassination of Benigno Aquino' (Balisacan 2003: 313). The period from 1986 to the early 90s was President Corazon Aquino's term, installed into power through a revolutionary uprising, and which marks the return of formal democracy into the country. This can explain the dramatic fall in poverty levels from 1985 to 1988 for both poverty trends as the economic and political situation 'normalized' during this period.

The Aquino administration's centerpiece program was the Comprehensive Agrarian Reform Program (CARP). Despite its positive features, according to Balisacan, Debuque and Fuwa it was plagued by serious budgetary constraints, and because the program 'severely limited land transferability, the attractiveness of land as collateral was greatly diminished... also discouraging credit flows to agriculture and the rural economy' (Balisacan, 2003: 314). Furthermore, the Aquino administration attempt at poverty alleviation through rural development failed because it did not address the dismal state of rural infrastructure by enhancing transport, electricity and irrigation (ibid). This can explain why self-rated poverty increased, and official poverty, at the very least, remained unchanged from 1988 to 1991.

How do we explain the period from 2000 to 2003? According to the Philippine government, poverty levels dropped from 27.5% ¹⁵ in 2000 to 24.4% in 2003. This is puzzling given that data of the budget conditions of the poor from 2000 to 2003 show a different reality. Table 4 gives the average income, expenditure and savings for the years 2000, 2003, and 2006 per income decile where values are given in thousand pesos at 2000 prices. It is noted that the average income across the years decreased, which is also the case for the average expenditure. This implies that even if there was a nominal increase of the income of families, the real worth of this income was less than that of 2000 prices. Because of this, the families tended to adjust their expenditure consequently.

Table 4 clearly shows that from 2000 to 2003, dissavings increased for the poorest income group, but remained unchanged for the second, third, and fourth poorest income groups. There is a reduction in savings from the fifth to

the tenth income groups which progressively becomes substantial. This underscores two things: that the economic situation for the poorest groups remained largely unchanged, except for the poorest income group showing an increase in the amount of dissavings. In this sense, the SWS self-rated poverty trend better captured this situation with its flat line compared to the official poverty trends.

Table 4.
Average Income, Expenditure and Savings of Families (at 2000 Prices, in thousand pesos) by Income Decile: 2000, 2003, and 2006. Notes: CPI for 2003 and 2006 are 113.8 and 137.9 respectively with 2000 as base. (Source: NSO)

Decile	2000			2003			2006		
	Ave. Income	Ave. Expenditure	Ave. Savings	Ave. Income	Ave. Expenditure	Ave. Savings	Ave. Income	Ave. Expenditure	Ave. Savings
Philippines	145	119	26	130	109	21	125	107	19
1st Decile	25	26	-1	24	25	-2	23	25	-2
2nd Decile	40	41	-1	38	39	-1	37	38	-1
3rd Decile	51	51	0	49	49	0	47	48	-1
4th Decile	64	62	2	61	59	2	59	57	1
5th Decile	80	74	6	76	71	4	73	69	4
6th Decile	101	91	10	94	87	7	90	84	6
7th Decile	128	113	15	119	106	12	113	104	9
8th Decile	169	142	27	155	134	21	149	131	17
9th Decile	237	189	48	215	179	36	212	177	35
10th Decile	556	400	156	472	338	134	451	334	117

Secondly, it cannot be argued that economic growth which averaged at about 4-4.5% during this period was pro-poor, as some officials from government have asserted, because there was no improvement in the savings of the poorest income groups. Finally, because the most substantial declines in savings hit the richest income groups, it can be said that the regression in incomes is pro-poor.

From 2003 to 2006, official poverty incidence increased from 24.4% to 26.9%, a first for government to admit such a case since official poverty was first recorded.¹⁶ Yet, the average self-rated poverty incidence substantially dropped. What really happened?

To be sure, the same methodology to measure official poverty in 2003 was used in 2006. This means that an unrealistically low poverty threshold was once again employed. Yet, despite this, official poverty incidence increased by 3%. As Africa noted, “the official poverty line is a conservative estimate; if poverty goes up, then the situation must really be bad on the ground” (interview, 11 July 2008). NEDA Secretary Augusto Santos explained in a March 5, 2008 statement that poverty incidence went up because of price increases and insufficient rise in personal incomes due to: 1) government’s expansion of the value added tax (VAT) coverage in November 2005 and imposed higher tax rate in February 2006; 2) higher oil prices, and 3) population growth grew faster than personal incomes.¹⁷

Once again, let us return to Table 4 to see what happened to Filipino household budgets from 2003 to 2006. We observe that the level of (dis)savings of the first, second, and fifth income groups remained unchanged. The third income group fell into a state of dissavings (from zero in 2003), while the fourth income group saw a fifty percent reduction of their savings. There has been a progressive reduction in savings from the sixth to the tenth income groups, with the richest groups experiencing the most substantial reduction in savings.

We can thus surmise that the hardest hit by the deteriorating economic conditions was the lower middle class—here represented by the third and fourth income groups. The first and second income groups probably have resources too meager for any significant cutbacks to occur. On the other hand, the richest income groups, especially the top two, even with the most substantial declines in savings, continue to have a huge amount of savings to fall back on.

In this sense, from 2003 to 2006, self-rated poverty was not a reliable measure and official poverty estimates proved more accurate. Here, Sen's caution on the subjective approach comes into play, where people 'can overlook their objective condition and can be biased as a result of limited information and social conditioning' (Laderchi, 2003: 262).

In gist, examining the behavior of both self-rated and official poverty trends in a span of three decades raises questions about the capacity of these measurements to generate accurate data on poverty levels a sustained basis.

Indeed, many poverty analysts are not 'bothered' by similarities or dissimilarities in poverty trends. Celia Reyes of the Technical Committee on Poverty Statistics (TCPS) explains possible divergences in outcomes as a function of the difference in measurements used. She explains that there are a number of factors that can affect self-rated poverty, unlike official poverty statistics which are derived from household incomes which are standardized. While this is the case, it must be remembered that household surveys also rely on people's subjective estimate of their incomes and/or expenditures. Whether through household or self-rated surveys, information is ultimately derived from the same source.

5.2. Comparing Self- Rated Food Poverty, Official Food Poverty and Self-Rated Hunger: Less of a Loss in Meaning

One difficulty in comparing self-rated poverty and official poverty levels is that one is not sure if the two are measuring the same thing. This possible loss in meaning is arguably less pronounced when comparing self-rated food poverty, self-rated hunger and official food poverty since there is less ambiguity in meanings given that they all refer to the lack of food and its consequent biological expression, hunger. Table 5 provides the average in terms of self-rated food poverty, official food poverty, self-rated hunger, self-rated poverty and official food poverty in the post-Marcos era.

**Table 5:
The average of self-rated food poverty, official food poverty, self-rated hunger, self-rated poverty and official food poverty**

Administration	Self-rated Food poverty (average)	Official Food poverty	Self-Rated Hunger (average)	Self-Rated Poverty (average)	Official Poverty
Aquino	52.5 %	20.3% 20.4		63.46%	40% (1988) 40 (1991)
Ramos	55.3	18.1 16.2		60.12	36 (1994) 33 (1997)
Estrada	44.6	16.8	9.7 %	54.3	28 (2000)
Arroyo (term 1)	50.90	10.2	10.05	61.41	24 (2003)
Arroyo (term 2)	40.53	11	14.77	51.82	27 (2006)

Self-rated food poverty, while marked by dramatic fluctuations, is on a downward trend, operating within a high range of 55% to 40%. Official food poverty likewise is on a downward trend (with a very slight increase in the last part), but registers at a much lower range, from a relative high of 20% to a low of 10.2%. Paradoxically, self-rated hunger, on the other hand, which started to be monitored only in 1998, is on a steady upward trend and dramatically increasing during the second term of Arroyo.

Table 4 shows that poverty increased from 2000 to 2003 for the poorest income group and remained unchanged from the second, third and fourth poorest income groups, and a reduction in savings from the fifth to the tenth income groups. That self-rated hunger slightly increased during this period better captures this reality rather than the official poverty incidence which showed a 3% decline.

Table 4 also showed that poverty significantly worsened from 2003 to 2006, especially for the lower middle class. Yet, self-rated food poverty, and self-rated poverty trends show otherwise. It was only self-rated hunger and official poverty trends, including official food poverty, which seemed to capture this reality. The dramatic increase in self-rated hunger, in particular, underscores the gravity of the problem. In this sense, I argue that self-rated hunger is a more reliable measure compared to self-rated poverty in gauging poverty levels.

On Self-Rated Poverty Threshold

As mentioned in chapter 4, it was concluded that there was belt-tightening among the poor as manifested by them not accounting for increasing inflation rates in their determination of self-rated poverty thresholds. However, it is puzzling that as self-rated hunger increases, and self-rated poverty levels are much higher than that of government, self-rated poverty thresholds remain stunted across the years, and are even lower compared to government's.

Apart from the theory of belt-tightening, there are other possible explanations: one is that people adjust their mindsets in order for them to better psychologically come to terms with the disparity between what they are

actually earning, and what they should be getting if they are to live ‘decently,’ a phenomenon described by Sen.¹⁸

Another explanation is that self-rated poverty thresholds do not translate quantitatively. The minimum home budget survey pre-supposes a logical framework, and it is possible that most people, especially the poor who are too busy eking out a living, may not have the time, the energy or the inclination, to calculate how much it would take for them not to be poor. Indeed, it could be an aggregation problem; that is, what is considered is only a subset of their total needs.

It is also worth noting that the survey question deals with income rather than expenditure. It is established in the literature that income data is usually lower than expenditure data generated. Also, gender and relative earning positions within the households may affect the answer to this question. All these possible explanations and considerations underscore the weakness of this survey question in its ability to accurately capture self-rated poverty threshold.

Chapter 6

Poverty Data as Source of Contestation in the Public Domain

Many descriptions of the social world—poverty, economic growth, unemployment—serve as bases to justify or denounce a social order, or as bases for political action (Desrosieres 1998:1). These descriptions, employing statistical methods and conventions, enjoy an aura of scientific objectivity, which lends legitimacy and credibility to the ‘truths’ espoused. Yet, how indisputable are these ‘social facts’? (ibid).

Deciding which development indicators are used to measure a certain reality sets the agenda and circumscribes the terms of the debate: it is in effect, an act of power and reputations of the success or failure of certain programs, even of institutions like the government rests in how credibly such indicators will be received.

The term statistics first emerged in the 1700s and is closely associated with the ‘construction of the state, its unification and administration’ (Desrosieres 1998: 8). The creation of ‘general forms, categories of equivalence, terminologies and formulation of norms and standards which govern censuses, surveys conducted by means of sampling, indexes and national accounting are basically tools used by the state to generate knowledge for its own decision-making’ (ibid). As such, historically, statistics are tools used by governments to enhance its governance and control functions over its territories (Desrosieres 1998: 8-9). In this sense, deep issues of power underlie the nature and substance of statistics. Part of the power is that statistics provides a lens to view the proportions of the social whole, rather than collection of individuals. In this sense, a government that uses statistics to describe things is really creating a new reality for people to contemplate.

Ideology oftentimes determines which indicators are employed to highlight certain aspects. As Morse (2004: 31-32) shares, ‘neo-liberal economic indicators will stress level of imports, exports, government expenditure as a proportion of GDP, while neo-populist indicators could include extent of participation and more local achievements’. Indeed, ‘creative accounting’ is oftentimes employed by wielders of power in order to score political points, and in no area is this more felt than in the area of poverty reduction. A powerful but extremely simple way to reduce poverty is by tampering with the notion of a poverty line; that is, to lower it so that the number of poor is reduced (Morse 2004: 61)

Many in the Philippines have expressed doubts about official poverty figures. Civil society organizations like SWP and GCAP-Philippines have pointed out that official poverty incidence is under-estimated because of a ‘ridiculously low’ poverty threshold. Furthermore, methodological changes in the measurement of poverty introduced in 2002 by the NSCB -- resulting in the lowering of poverty incidence-- was met with cynicism by many, putting into question the integrity and independence of the Philippine statistical system. As one civil society leader puts it, ‘why else do they change the formula (of measuring poverty)?’

The NSCB however, has consistently maintained that the methodological changes are about refinements in estimation procedures to improve the accuracy and reliability of official poverty data.

To what extent the NSCB's explanation is believed by the public is a matter of opinion, although most people will not even inquire into the methodology of these figures except for a few in the academe and civil society. Indeed, the inaccessibility of statistical measurements can cut either way—either lending those who use it great authority, or making people suspicious that statistics are used to lie about reality.

In the Philippines, at a time when the President's popularity ratings have dramatically plummeted, earning her the sobriquet of the most unpopular President in the post-Marcos era¹⁹, there is a lot of disbelief and cynicism about government's performance, especially in relation to its anti-poverty programs. The negative perception towards government was acknowledged by Dolores de Quiros-Castillo, Assistant Secretary of the National Anti-Poverty Commission (NAPC), who could only shake her head because of all the negative feedback, admitting during an interview (24 July 2008) that 'government is doing something but it is obviously not enough.' As such, whether the methodological changes in poverty measurement are valid or not is sometimes no longer the issue. Because of high levels of dissatisfaction with the President's performance, many outside government are not willing to give NSCB the benefit of the doubt. That 'they are hiding something' was a common comment from those interviewed.

No less than the President acknowledged her unpopularity in opinion polls during the traditional Presidential State of the Nation Address (SONA) held last 28 July 2008, on the occasion of the re-opening of Congress for the incoming fiscal year. As she explained the measures she installed to supposedly protect the Filipino people from economic adversities especially posed by the food and oil crisis (which included the retention of the politically unpopular value added tax (VAT)), she said the result has been, on the one hand, '*ito ang nakasalba sa bayan* (this is what saved our country)' and on the other, more 'unpopularity for myself in the opinion polls.' And then she mentioned for the first time, the issue of poverty but only in relation to the SWS survey. She added, 'yet, even unfriendly polls show self-rated poverty went down to its 20-year low in 2007.'

What is notable though is that the President did not mention the rise in official poverty during the period 2003-2006. In one fell sweep, all official poverty statistics were ignored and she singled out a favourable rating generated eight months earlier by an independent entity measuring self-rated poverty, while calling it 'unfriendly.'

Two days later, the SWS released its quarterly findings, stating that '59% of Filipino families, or about 10.6 million, rate themselves as Poor, 24% put themselves on the Borderline, and 17% rate themselves as Not Poor... The new Self-Rated Poverty rate is 9 points higher than the 50% (estimated 9.0 million) in the First Quarter, and 13 points above the previous low of 46% (est. 8.1 million) in December 2007, thus wiping out the decline in Self-Rated Poverty "to its 20-year low in 2007" mentioned in President Gloria Macapagal-Arroyo's State of the Nation Address last July 28.'

This vignette illustrates the power of SWS in shaping public opinion, a matter which even the President cannot ignore. Its frequency of monitoring self-rated poverty and hunger allows SWS to report with astonishing timeliness. In this case, the release of the 2nd quarter survey results seemed to have been timed right after the SONA allowing it go on tit for tat with the President.

SWS's influence on policymakers was confirmed from interviews with some government personnel who said that a government program on hunger was triggered by an SWS survey finding which showed dramatically high hunger levels in 2006. The SWS hunger findings were played up in media at that time. This led the President to act quickly and jumpstart a program on hunger—the Accelerated Hunger Mitigation Plan (AHMP). To quote a section in the official document of the AHMP: 'Recently, the President directed agencies concerned to reduce by half the number of severe hungry families from 800,000 families in 2006 based on the 3rd quarter SWS Survey to 400,000 families by 2007 at the minimum. The President has also directed the National Economic and Development Authority (NEDA) to coordinate the formulation of an Accelerated Hunger Mitigation Plan (AHMP).'

I was informed by government personnel that when anti-poverty plans are crafted, they rely--albeit unofficially-- on SWS surveys. As one personnel from government remarked, "we talk about its findings, but we do not cite it in our official plans or documents."

This was not true however in the case of the AHMP. Some government personnel informed me that the President was affected by the SWS findings that were played up in the media so that she took a direct interest in jumpstarting a hunger mitigation plan. The AHMP is now going on its third year of operation.

This underscores a number of things. One, because government did not have a system to monitor hunger on a frequent basis, alternative surveys such as the SWS therefore emerge as a viable source of timely information on hunger. Second, the SWS survey, because of the frequency of its conduct, is able to capture the volatility of self-rated poverty and hunger levels, and when these are high, is able to transform these into public national issues. Third is the public credibility of the SWS especially since its quarterly findings regularly appear in media headlines. The fact that a SWS finding can trigger the enhancement of a government program (in this case, the AHMP) is testament to SWS's capacity to influence policy. Mangahas shares that it is not a rare event for him to provide briefings in cabinet meetings across the different Administrations on self-rated poverty and hunger (interview, 1 August 2008). Furthermore, challenged by the findings of the SWS self-rated surveys, government has launched its own hunger surveys that validated SWS hunger survey results.²⁰ As pointed out in chapter 5, there may be weak points to the SWS methodology but because of its public credibility, media picks up its poverty data. This means that apart from the methodological aspects of surveys, there is a rhetorical power to them which makes it interesting to media.

As Balisacan notes, "the Presidential Palace is very sensitive to the results of the SWS, especially since its findings usually make it to the front page

of national newspapers. In this sense, Mahar Mangahas is the most powerful man in the Philippines.” He adds that “SWS has a lot of impact because of its acquired credibility over time. It is perceived to be independent, uses scientific rigor and is transparent about its processes.”

In fact, a senior government personnel admitted that ‘every time SWS releases its data, *kabado kami* (we get nervous) because of possible differences in findings.’ This view highlights how the SWS survey has the ability to cast doubt on the veracity of government data, and influence public opinion.

Government personnel display varying attitudes towards SWS. Some tend to ‘look down’ at it for ‘simply’ being ‘perception-based’, while others take it more seriously. One important element about SWS findings is that it provides public officials a sense about what their constituents/electorate *feel* and *think* about their own poverty and hunger situation, serving as a proxy indicator for the level of satisfaction with government performance. This is important for politicians with an eye to (re)elections. Thus, one witnesses the peculiar situation where government technocrats, including statisticians, ignore the latest SWS ratings on self-rated poverty and hunger, while politicians react to these ratings before media, and even do something about it, as in the case of the AHMP.

Furthermore, there was some mild resentment expressed by some government personnel towards a scenario where the SWS, with its small-scale surveys, manages to capture national attention through media, while they, with more numerous respondents and far more laborious processes, do not get as much public attention. Still, there was consensus among government personnel that the SWS succeeded in providing policymakers and the public ‘the national pulse’, the ‘people’s sentiment’ and ‘national beat’ on poverty and hunger.

The SWS findings are also useful to anti-poverty advocates as these often provide a contrasting note to that of government. For example, for 2003-2006, the dramatic rise in self-rated hunger provided a useful handle for activists to present their case of deteriorating conditions for the poor²¹ at a time when government was still sticking to its earlier (2003) narrative of decreasing poverty levels. Yet, the effects of the oil prices increases and the value added tax imposed in 2005, had already kicked in, and inflation had started its ascent, thereby causing dramatic increases in self-rated hunger. The disparity in poverty analysis between government and anti-poverty campaigners and the ‘person on the street’ was wide enough to invite commentaries from media about this lacuna. In fact, the chasm was so wide it led one anti-poverty campaigner to quip “when I face government, I use official poverty data, but when I face the public at large, I use SWS.”

It was only in March 2008 that government finally admitted that official poverty increased in 2006. For the first time, there was a convergence in reading between government and anti-poverty activists.

This experience shows that, to paraphrase Desrosieres, at a time when ‘truth is still a wager, a subject of debate’ then ‘situating the question of truth ... becomes a form or relativism in which everything becomes a matter of opinion or balance of power...’ (1998:6). This is very well the case for poverty analysis in the Philippines during the period just described. The lack of belief in official poverty statistics was reinforced by widespread distrust in government.

As urban poor community leader Erning Ofracio remarked, “*Sino ba ang magtatakda ng sukatan ng kabirapan? NSO? DSWD(Department of Social Welfare and Development)? Pero ewan ko kung may maniniwala sa kanilang sukatan dahil walang tiwala sa kanyang pamamahala. Kailangan gamutin, ibalik ang tiwala*” (“Who will dictate what measure to use for poverty? The NSO? DSWD? I don’t know if anyone will believe their measurements because there is no trust in their governance. For this to be solved, they need to earn back the people’s trust.”)

In this sense, the credibility of government poverty statistics are significantly affected, not only by conceptual and methodological issues, but more importantly, by the groundswell of distrust and lack of confidence its people may have towards its government. And in the battle for political hegemony, poverty reduction is oftentimes a significant yardstick of whether a government is performing well or not.

Every administration in the post-Marcos era has made poverty eradication its prime duty given the magnitude of poverty in the country. Indeed, whether a government succeeds in this mission or not becomes the acid test in gauging performance. As such, the perception of whether government leaders are effectively reducing poverty is symbolic of larger stakes; that is, whether they have any business staying on in government. This link is not lost on anti-poverty campaigners. As Serrano puts it, “behind every crisis, whether it is economic or environmental, lies a problem of governance. There is a leadership problem because it is the state’s obligation to deliver and make services work for the poor and the public.” One leading anti-poverty campaigner candidly adds that, “we use (poverty) data to serve political objectives; that is to change society, and sometimes, even to change those in government ...”

To summarize, entry of poverty data in the public domain is contested by different social actors, each with its own political agenda. In a politically polarized setting like the Philippines where poverty reduction has been identified by various governments as the overriding developmental priority, success or failure in this area oftentimes defines the political careers of politicians.

There is no denying that a big part of the impact of SWS surveys on policy makers is its public credibility and media visibility. This implies that surveys need to be marketed politically. So, while on the one hand timeliness means that surveys are released in closer relationship to the poverty situation that is being monitored, the simple fact that there are more SWS surveys make it likely that these instruments will acquire political significance.

Whatever the case, it is undeniable that the SWS surveys have effectively managed to create an alternative discourse on poverty in Philippine society, a discourse that expresses the views and sentiments of ordinary Filipinos. In doing so, it sends the unmistakable signal to policymakers that peoples’ views matter. Furthermore, that SWS provides a rich source of

alternative poverty data which ordinary citizens and activists can use to challenge government, promotes an atmosphere of discussion and debate. For these reasons, the SWS self-rated surveys are significant because it democratizes the poverty discourse.

This paper has shown how poverty data can either strengthen or de-legitimize the reigning regime. Given the political dynamics obtaining in the country, the SWS data on poverty and hunger has become integrated into a broader narrative critical of government. In this sense, SWS data has been used to de-legitimize, even subvert government. This was certainly not the intention of SWS, but, as their data enters the public domain, their data has been used by various actors to shape a broader counter-hegemonic discourse.

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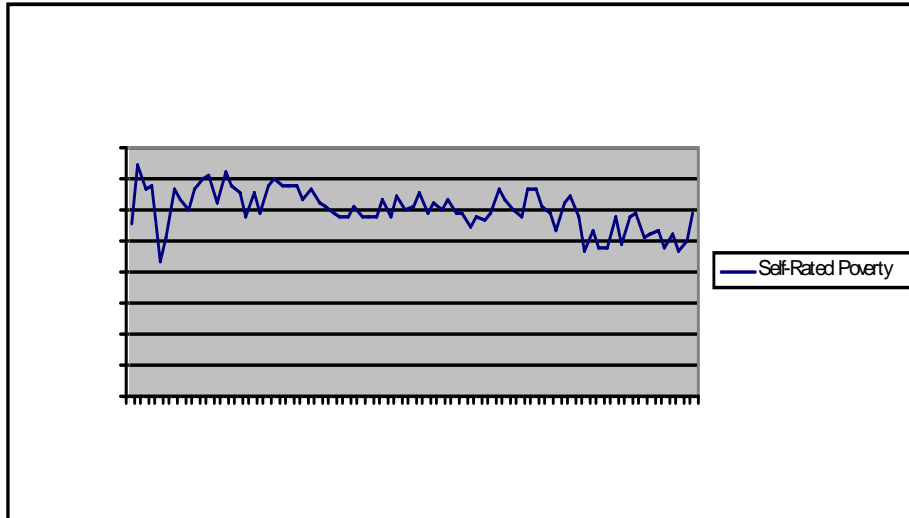
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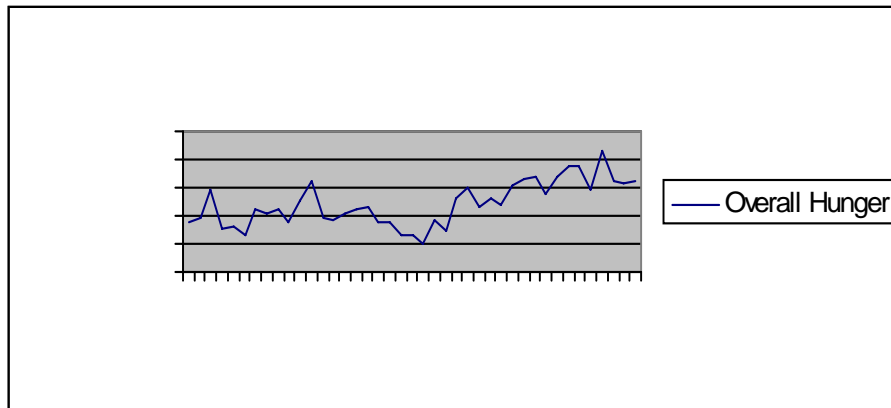
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Appendix 1: Figures, Graphs and Tables

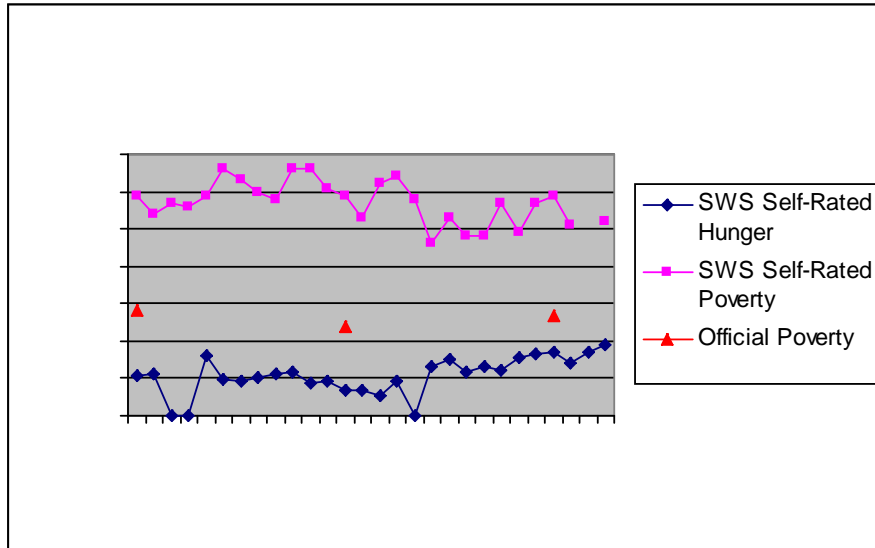
Graph 4:
SWS self-rated poverty incidence from 1983—2008 (Source: SWS)



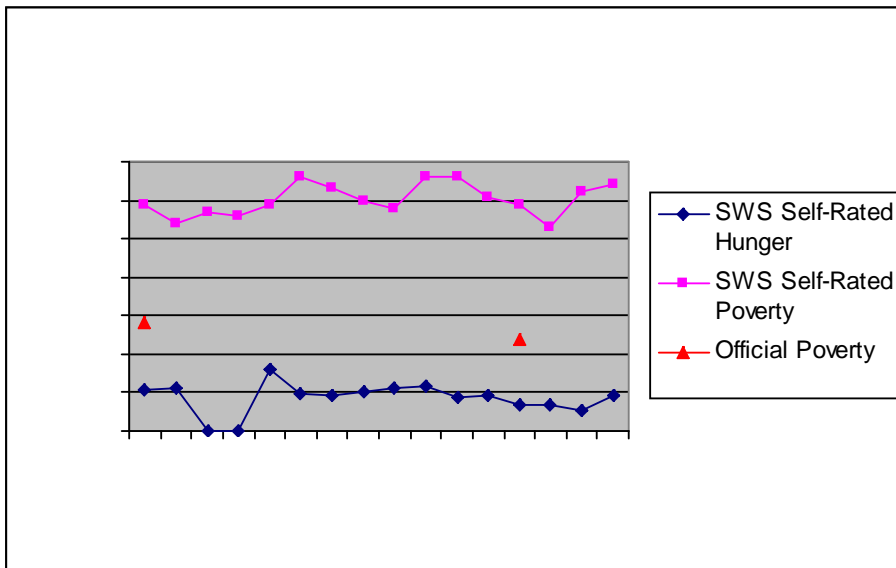
Graph 5:
Incidence of involuntary hunger from July 1998 to June 2008. (Source: SWS)



Graph 6:
Incidence of self-rated poverty, self-rated hunger and official poverty from 2000-2006
 (Source: SWS)



Graph 7:
Incidence of self-rated poverty, self-rated hunger and official poverty from 2000-2003
 (Source: SWS)



Graph 8:
Incidence of self-rated poverty, self-rated hunger and official poverty from 2003-2006
 (Source: SWS)

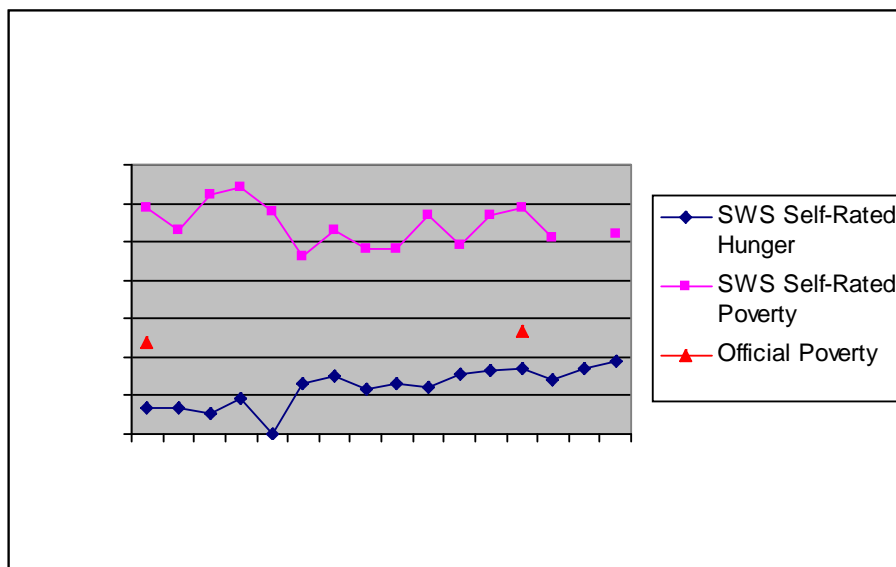


Table 6:
Average annual income, average annual expenditure and average savings of families
(at current prices, in thousand pesos) by income decile: 2000 and 2003. (Source:
2003 FIES final results, NSO)

Decile	2000			2003		
	Income	Expenditure	Savings	Income	Expenditure	Savings
Philippines	145	118	26	148	124	24
1 st decile	25	26	(2)	27	29	(2)
2 nd decile	40	41	(1)	43	44	(1)
3 rd decile	51	51	*	56	56	*
4 th decile	64	62	3	69	67	3
5 th decile	80	74	6	86	81	5
6 th decile	101	91	10	107	99	8
7 th decile	128	113	15	135	121	14
8 th decile	169	142	28	176	152	23
9 th decile	237	189	48	245	204	41
10 th decile	556	400	157	537	385	151

* less than PhP 500

Table 7:
Average income, expenditure and savings of families (at current prices, in thousand pesos) by income decile: 2003 and 2006. (Source: 2003 and 2006 FIES final results, NSO)

Income Decile/ Income Group	2006			2003		
	Income	Expenditure	Saving	Income	Expenditure	Saving
Philippines	173	147	25	148	124	24
1 st decile	32	35	(3)	27	29	(2)
2 nd decile	51	52	(2)	43	44	(1)
3 rd decile	65	66	*	56	56	*
4 th decile	81	79	2	69	67	3
5 th decile	100	95	5	86	81	5
6 th decile	124	116	7	107	99	8
7 th decile	156	143	13	135	121	14
8 th decile	205	181	23	176	152	23
9 th decile	292	244	46	245	204	41
10 th decile	622	460	156	537	385	151
Bottom 30%	49	51	(5)	42	43	(1)
Upper 70%	226	188	38	193	158	35

* less than PhP 500

Appendix 2: Questionnaires

Questionnaire for Government Personnel (National Statistics Coordination Board, National Statistics Office):

1. How do you explain the poverty trend in general and the poverty trend from 2005- March 2008 in particular?
2. What are the strengths of FIES/monetary approach?
3. What are the weaknesses of the FIES/monetary approach relative to others?
4. What are some recommendations to address weaknesses?
5. What do you think of the participatory/subjective approach to poverty measurement in general, and the SWS self-rated survey on poverty and hunger in particular? (its strengths, weaknesses)?
6. How do you compare SWS self-rated survey to government's FIES?
7. Is there political guidance/intervention that sometimes influence the choices made in poverty measurements or is the method so hard/fixed that it is hardly possible for such intervention?
8. Does FIES protect itself from bias? How?
9. Do you have other comments in relation to poverty measurements?

Questionnaire for Social Weather Stations Personnel:

Questions arising from SWS Occasional Paper entitled *Monitoring Philippine Poverty by Operational Social Indicators*:

1. What is it you want to measure when you ask 'how much would your family need for home expenses each month in order not to feel poor anymore?' Is it the poverty threshold as perceived by common people? Why is this important to measure/gauge?
2. You write that the practical distinction between income-defined poverty and self-rated poverty is not that one is objective and the other subjective, but that income is such a complex construct that surveying it is not, or at least not yet, affordable annually. Yet, poverty should be monitored quarterly for it to compete for public attention with the quarterly estimated Gross National Product.
If, for the sake of discussion, the FIES could be conducted quarterly, will you still see the need for a quarterly self-rated poverty survey? Why?
3. Why are you pitting poverty estimates viz. the GNP?
4. What is the difference between hunger and self-rated food poverty?
5. You wrote that 'monitoring by the self-rating approach, as done by SWS, results in greater knowledge of the nature of poverty.' Why do you say this?

Other questions:

1. With the self-rated survey on poverty and hunger, are you measuring absolute or relative poverty or both?
2. How do you explain SWS' self-rated poverty and hunger trends in general, and the poverty trend from 2003-March 2008 in particular?
3. How do you protect SWS from bias especially in choices that have to be made?
4. What are the strengths of SWS self-rated poverty and hunger survey?
5. Some people say that one weakness of the SWS self-rated survey on poverty and hunger is that there is no common notion of poverty among respondents. As such, it might be difficult to aggregate and benchmark poverty since what is being measured (in this case, poverty) may have different meanings for different people. What is your response?
6. In your view, are there weaknesses in the SWS self-rated poverty and hunger survey? If so, do you have recommendations to address these weaknesses?
7. How do you compare SWS trends to FIES trends on poverty?
8. Do you have other comments in relation to poverty measurements?

Questionnaire for Users of Poverty Data:

- A. Government (National Anti-Poverty Commission, National Economic Development Authority- Social Development Staff)
 - B. Civil Society (Global Call to Action Against Poverty-Philippines, Social Watch-Philippines)
 - C. Questionnaire for academics/ policy researchers focusing on poverty
1. Why are you focusing/advocating/campaigning around an anti-poverty agenda?
 2. How do you define poverty?
 3. How do you 'know' poverty? On what evidence/grounds are your statements/assertions on poverty based on?
 4. Are you familiar with how poverty is measured by a) FIES b) SWS)?
 5. What do you think are the strengths and weaknesses of the a) FIES approach? b) SWS approach?
 6. Why, when and how do you use poverty data (e.g., of FIES and/or SWS)?
 7. How do you explain convergence and divergence of data between FIES and SWS?
 8. How are data on trends used? Is it just to monitor incidence level or are you also able to influence/ affect policies? Or do you use data for consumption of poor constituents (e.g., urban/rural poor, trade unions)
 9. Do you have other comments in relation to poverty measurements?

Questionnaire for Urban and Rural Poor (translated into Filipino):

1. What is poverty to you?
2. What do you think of poverty surveys in general? Do poverty surveys in general adequately describe what you mean by poverty, as well as its extent and depth? If so, how? If not, please explain.
3. Are you familiar with government's statistics/reading/trends on poverty? Do you think it accurately captures the poverty situation and trends in the country? Please explain your answer.
4. Is there room for improvement for government's poverty measurements? If so, what?
5. Are you familiar with SWS's statistics/reading/trends on poverty? Do you think it accurately captures the poverty situation and trends in the country? Please explain your answer.
6. Is there room for improvement of SWS poverty measurements? If so, what?
7. What to you is the best way to identify/target the poor in a community?
8. What to you is the best way to identify/target the poor across the different communities in the country?
9. Do you have any other comments regarding poverty measurements? If so, please share.

Appendix 3: List of Interviewees

From Government

Jessamyn Encarnacion, *Chief, Social Sectors B Division (Poverty, Gender, Labor and Human Development), National Statistics Coordination Board (NSCB)*
Sotera de Guzman, *Officer in Charge, Income and Employment Statistics Division, National Statistics Office (NSO)*
Celia Reyes, *Head, Technical Committee on Poverty Statistics (TCPS), NSCB and Fellow, Philippine Institute of Development Studies (PIDS)*
Erlinda Capones, *Director, Social Development Staff, National Economic Development Authority (NEDA)*
Rose Villar, *Senior economic development specialist, NEDA*
Dolores de Quiros-Castillo, *Assistant Secretary, National Anti-Poverty Commission (NAPC)*

From Social Weather Stations

Mahar Mangahas, *President, Social Weather Stations (SWS)*
Marco Mercado, *Library and Data Archive Assistant, SWS*

From Civil Society

Prof. Leonor Briones, *Lead Convenor, Social Watch-Philippines (SWP)*
Isagani Serrano, *Co-Convenor, SWP*
Rene Raya, *Co-Convenor, SWP*
Lui Rogado, *Secretariat, Global Call to Action Against Poverty-Philippines (GCAP), 2005-February 2008*
Claude Claridad, *GCAP Secretariat, 2005-1st quarter 2008*
May-i Fabros, *GCAP Secretariat, 2005-May 2008*

From Urban and Rural Poor

Ernesto H. Eufrazio, *Chair, Kilusan para sa Makatarungang Lipunan at Gobyerno (urban poor mass organization)*
Nora Protacio, *Head, Piglas Kababaihan (urban poor women's organization)*
Romulo Tapayan, *Secretary General, Kalipunan ng mga Maliliit na Niyog sa Pilipinas (National Coalition of Coconut Farmers)*
Elvie Baladad, *President, Samahang Magsasaka ng 53 Hektarya (Rice Farmers Association)*

From Academe/ Policy Analysts

Tomas Africa, *Former Administrator, NSO*
Dr. Arsenio Balisacan, *Economist, University of the Philippines School of Economics*

Ofelia Templo, Assistant Professor/ lecturer, Department of Economics, Ateneo de Manila University, former Deputy Director-General, NEDA

Endnotes

¹ Based on a headcount poverty percentage of families (or population) below the poverty threshold at the national level.

² Ferdinand Marcos was Philippine president from 1965 to 1986 until he was ousted in a popular uprising.

³ A motorbike with sidecar used as public transport within local neighbourhoods

⁴ In between the FIES years, the NSO is supposed to conduct the Annual Poverty Information System (APIS) which generates information on the minimum basic needs to complement income poverty data. Due to budgetary constraints its conduct has not been sustained regularly.

⁵ <http://www.census.gov.ph>

⁶ Non-food component of the poverty threshold covers clothing, fuel, light, water, housing, maintenance/rental, medical care, education, transportation, and communication. In 1992 the following were excluded: alcoholic beverages, tobacco, recreation, durable furniture and equipment and miscellaneous expenditures

⁷ In the last few years, there been a wide proliferation of manufactured items like coffee and shampoo sold in small packets called sachets.

⁸ PhP: Philippine peso, the national currency. (Oct 2008 conversion: US\$1 = PhP47.96)

⁹ Based on email exchanges from 19-21 August 2008.

¹⁰ Africa shares that many squatter households keep census stickers posted on their doors during the census as proof of domicile, entitling them to benefits should they be evicted and relocated.

¹¹ The CBMS is a data collection system aimed to generate household level information at the local level to be used for local government planning and program implementation. For more on this, read Celia Reyes, et al, (1995) 'Overview of the Community-Based Monitoring System,' Angelo King Institute for Economic and Business Studies, De La Salle University, Manila

¹² Where 'utility' of a person is measured in terms of happiness or pleasure. According to Sen, "the idea is to pay attention to each person's well-being and in particular, to see well-being as essentially a mental characteristic, viz, the pleasure or happiness generated' (1999: 58). Sen notes that interpersonal comparisons of happiness is highly subjective.

¹³ Mangahas asserts that while this gives private survey groups a slight advantage over government, the latter can still do survey work well provided its interviewers are well-trained; after all, Labor Force survey interviewers have been generating honest answers on unemployment without expecting government to provide them jobs (2008: 9).

¹⁴ Mangahas rules out cases of voluntary fasting or dieting (2008: 23)

¹⁵ 27.5% revised from 33% because of new methodology

¹⁶ It must be noted that up until the 2006 official poverty was publicized in March 2008, the government was aggressively claiming that the economy was on a take-off and that the Philippines would be achieving First World Status in a matter of years, citing high economic growth rates (e.g., a record high of 7.3% growth rate was posted in 2007), a surge in the peso to dollar exchange rate and a bullish stock market. All these claims however stopped after March 2008, when 2006 official poverty data showed a significant increase in official poverty incidence.

¹⁷ Rate of population growth dragged down real average family incomes from PhP148,000 in 2003 to PhP144,000 in 2006 (source: 2006 NEDA statement).

¹⁸ In *Development As Freedom*, Sen observes, "...our desires and pleasure-taking abilities adjust to circumstances, especially to make life bearable in adverse situations... The deprived people tend to come to terms with their deprivation because of the sheer necessity of survival, and they may, as a result, lack the courage to demand any radical change, and may even adjust their desires and expectations to what they unambitiously see as feasible" (1999:62-63).

¹⁹ The SWS of June 27-30 gave President Arroyo a net satisfaction rating of -38 % (satisfied minus % dissatisfied) which is a new record low for Presidents since 1986 surpassing the previous record of -33 in May 2005.

²⁰ The FNRI in 2003, and the Bureau of Agricultural Statistics conducted its own hunger surveys, the latter using the same SWS questions on hunger but with a bigger national sample.

²¹ **The first chapter on in the Social Watch Philippine publication "Missing Targets An Alternative MDG Report" (2007) cites SWS self-rated hunger levels to illustrate worsening conditions of Filipinos.**