

CHAPTER I

Framework and Methodology of the Study

OBJECTIVES

The main objective of the study is to help improve the assessment of anti-poverty programs by analyzing the relationship between these programs and the quality of governance. Specifically, the study aims to:

- Identify and develop a system of governance indicators for assessing anti-poverty programs and projects;
- Through this governance indicator system, provide tools for improving the design and implementation of anti-poverty programs and projects; and,
- Build capabilities to use this governance indicator system through an initial training design.

DEFINING "POVERTY" AND "GOVERNANCE"

The study defines poverty as a human situation characterized by income deficiency, inability to satisfy minimum basic needs, lack of access to and control of economic resources vital to human development, and limited capacity for participation in policy formation. Poverty is now more commonly described as a condition where opportunities and choices most basic to human development are denied. There are three dominant perspectives of poverty, namely:

- **Income** – a minimum level of private income is set based on a poverty line; this becomes a measure for identifying the poor;
- **Basic needs** – emphasis on the deprivation of material requirements for minimally acceptable fulfillment of human needs; it includes inadequate education, health/nutrition, employment, access to services and infrastructure, and participation in community processes; and,
- **Capability** – considers the lack of certain basic capabilities of individuals and their families that prevent them from fully realizing their human potential; it involves risk, vulnerability, social exclusion or lack of participation, low social capital, and gender disparities.

"Poverty alleviation" or "anti-poverty" is understood as the set of policies and programs necessary to lower poverty incidence (the number of households under the poverty threshold in proportion to the total population) in a specific area at a specific period.

The study defines governance as the exercise of economic, political, and administrative authorities to manage the affairs of a country. It includes methods of distributing power and managing resources, formulating and implementing policies, institutions, processes and mechanisms for people to articulate their interests, exercise their rights and responsibilities as well as resolve conflicts.

Good governance occurs when people in authority are transparent, accountable, responsive, and efficient. Good governance is likely to happen

when policies promote the common good and when people's participation is respected and institutionalized by the State.

GOVERNANCE INDICATOR SYSTEM

The general approach of the study is to abstract from the practice of anti-poverty programs and projects (AP3) and relate this with concepts generated from current studies on governance. The study focuses on analyzing the role of governance in anti-poverty programs and projects. As there is current interest in developing indicators and benchmarks to measure good governance, the study builds on these existing efforts to develop a particularized set of governance indicators applicable to measuring anti-poverty performance.

The study recognizes that poverty is multi-dimensional. Therefore, to assess properly the methods of government institutions engaged in combating poverty, the study will need to consider an array of measurements. These include income-based measures, human development indices, and Minimum Basic Needs (MBN) indicators.¹ The study makes substantial use of the MBN framework and its indicators.

The indicator system is understood as a measuring tool for making a concise, comprehensive, and balanced judgement about a situation. To be useful, this indicator system needs to be:²

- Clear – i.e., precise and unambiguous;
- Relevant – i.e., appropriate to the objective at hand;
- Economic – i.e., the data required should be available at reasonable cost;
- Adequate – i.e., by itself or in combination with others, the measure must provide a sufficient basis for the assessment of performance; and,
- Can be monitored – i.e., clear, availability of information and could be subjected to independent scrutiny

Table 1 provides a summary of various studies completed and ongoing to identify elements of good governance and the indicators for measuring it.

¹ Victoria A. Bautista, "Combating poverty through the CIDSS."

² Alexander Brillantes, PhD, "Strengthening Public Finance and Planning of Local Government Units (TA 3145 PHI)" (Mandaluyong City, the Philippines: Asian Development Bank, 1999).

Table 1. Summary of Current Literature on Governance Indicators.

| Publication | Indicator/Elements of Good Governance |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Mehta, Dinesh. "Urban Governance: Lessons from Best Practices" (1998). | <ul style="list-style-type: none"> * Institutional Capacity, such as accountability, transparency, adaptability, judicial independence * Technical Capacity, such as perspective planning and projecting future investment needs, financial management and accounting practice, management of services and infrastructure * Administrative Capacity, such as grievance redressal system, personnel policy, flexible and decentralized decision-making, performance evaluation * Political Capacity, articulation of local needs, mechanisms for participation, state-local relations in policy formulation and fiscal transfers |
| Root, Hilton. "Managing Development Through Institution Building" (Occasional Papers No. 12, Asian Development Bank October 1995). | <ul style="list-style-type: none"> * Accountability * Transparency * Predictability |
| "Governance and Development" (World Bank, 1992). | <ul style="list-style-type: none"> * Capacity and efficiency of the public sector * Accountability * Legal framework for development * Transparency and information |
| Lander-Mills, Pierre and Ismail Scrageldin. "Governance and the External Factor," in "Proceedings of the World Bank Annual Conference on Development Economics, 1991, Washington, D.C." (World Bank, 1992). | <ul style="list-style-type: none"> * Political and bureaucratic accountability * Freedom of association * Objective and efficient judiciary * Freedom of information and expression * Efficient public institutions |
| Heather, Jeff and Anwar Shah. "Applying a Simple Measure of Good Governance to the Debate on Fiscal Decentralization." Policy Research Working Paper 1894 (World Bank, 1998). | <ul style="list-style-type: none"> * Citizen exit and voice * Government orientation (judicial efficiency, bureaucratic efficiency and lack of corruption) * Social development (human development in the tradition of UNDP plus equity) * Economic management |
| Choon Tet Sien. "How To Make Cities Work," in <i>Asiaweek</i> (December 1998). | <ul style="list-style-type: none"> * Rule of Law * Transparency * Responsiveness * Consensus * Equity * Effectiveness and Efficiency * Accountability * Strategic view |

Table 1. Summary of Current Literature on Governance Indicators.

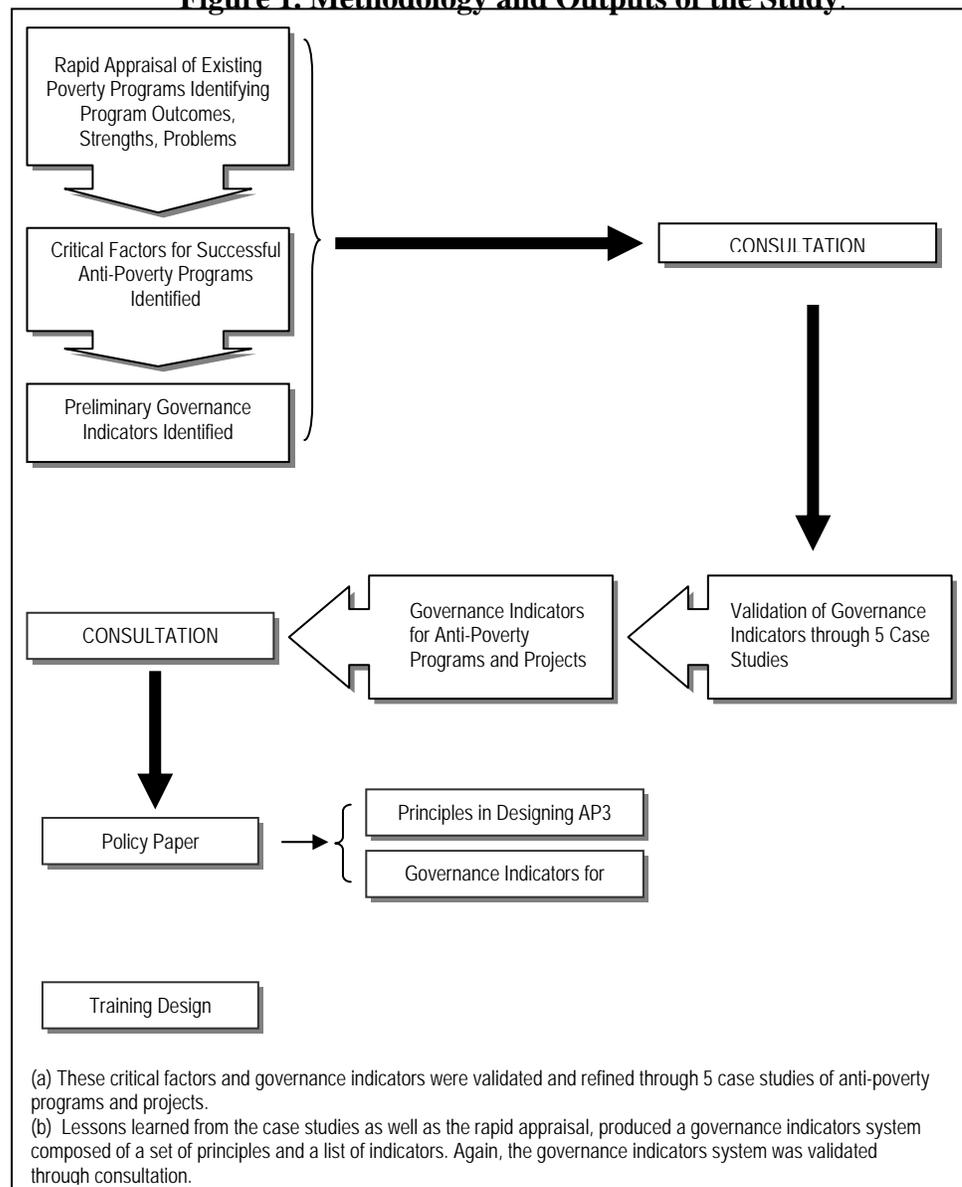
| Publication | Indicator/Elements of Good Governance |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Manasan, Rosario, Eduardo Gonzales and Romualdo Gaffud. "Indicators of Good Governance: Developing and Index of Governance Quality at the LGU Level (February 1999). | <ul style="list-style-type: none"> * Accountability and Participation * Transparency and Information * Predictability, presence of legal framework * Efficiency of public sector * Social development * Sound economic management * Catalytic and community-owned government * Competitive, enterprising, anticipatory, results-oriented governance * Decentralized decision-making and fiscal responsibility |

Sources: Alexander Brillantes, Ph.D, "Strengthening Public Finance and Planning of Local Government Units (TA 3145 PHI)" (Mandaluyong City, the Philippines: Asian Development Bank, 1999). Manasan, Rosario, Eduardo Gonzales and Romualdo Gaffud. "Indicators of Good Governance: Developing and Index of Governance Quality at the LGU Level (February 1999).

RESEARCH METHODS

Figure 1 illustrates the research process undertaken to develop the proposed governance indicators system. The study team did a rapid appraisal of poverty programs through a survey of existing studies of anti-poverty program assessments. From this rapid appraisal, the study identified critical success factors for anti-poverty programs and projects in order to identify the applicable factors. The study team drew up a preliminary list of governance indicators, which was then validated through consultation. This resulted in a list of indicators and a questionnaire. The team commissioned five case studies to validate the indicators.

Figure 1. Methodology and Outputs of the Study.



SELECTING THE CASE STUDIES

The study used three criteria in considering anti-poverty programs and projects for the case studies. First, the program/project had to have been acknowledged as "good practice" by the government or civil society. Second, it should have resulted in improvements in quality of life using acceptable measurements, such as the MBN framework, or increases in access to and control of resources. Third, it should have had substantial involvement of local government. Using these criteria, the study team selected the following anti-poverty programs or projects:

Case study 1. Agrarian Reform Communities (ARC), Province of Bulacan. The ARC program of the Department of Agrarian Reform (DAR) is an anti-poverty program linked to asset reform. It is considered critical in sustaining the gains in poverty reduction among beneficiaries of the government's Comprehensive Agrarian Reform Program (CARP). ARCs serve as major conduits for the delivery of support services to farmers. The highest performance rating for an ARC is known as "Level 3." This is based on performance in land tenure improvement, provisions of economic and support services, and success in developing cooperatives. The five ARCs covered by this case study are all Level 3.

Case study 2. Comprehensive and Integrated Delivery of Social Services (CIDSS), Municipality of Balete, Province of Aklan. CIDSS is a program of the Department of Social Welfare and Development (DSWD). The DSWD-CIDSS recognizes Balete as one of the first local government units (LGU) to localize the implementation of the program and achieve a degree of sustainability because of the active involvement of the provincial government.

Case study 3. CIDSS, Municipality of Dao, Province of Capiz. This CIDSS program was recognized in 1999 by DSWD-CIDSS for its innovative project entitled "Small Farmers Financial Assistance Program." It highlighted the importance given to moving beyond addressing survival needs to sustaining the gains achieved by the program. The municipality won the municipal award for Region 6.

Case study 4. LGU-People's Organization (PO) Partnership, Municipality of Pangantucan, Province of Bukidnon. This project is an innovation that was showcased in a "People's Participation Fair" organized by major nongovernment organizations 1999 in Davao. The project is significant because it highlights the value of citizen's involvement and the difference participation could make in localizing a national anti-poverty program.

Case study 5. San Roque Multi-Purpose Project Resettlement Action Program, Province of Pangasinan. This is a major infrastructure project aimed at raising the country's capacity to meet the growing demand for electrification and irrigation. Focus is on the Resettlement Action Program in the towns of San Manuel and San Nicolas. The case study identifies practices that can help improve the design and implementation of huge infrastructure projects, which usually include relocation and resettlement.