

**9<sup>th</sup> National Convention on Statistics (NCS)**  
EDSA Shangri-La Hotel  
October 4-5, 2004

**The SWS Survey Time Series on Philippine  
Poverty and Hunger, 1983-Present**  
by:  
Mahar Mangahas

For additional information, please contact:

Author's name:	Mahar Mangahas
Agency:	Social Weather Stations
Address:	Quezon City

## The SWS Survey Time Series on Philippine Poverty and Hunger, 1983-Present

by:

Mahar Mangahas  
Social Weather Stations

Since the mid-1980s, Social Weather Stations<sup>1</sup> has operated a private, unofficial, and statistically-valid, system for monitoring of poverty and hunger in the Philippines, thus providing a continuous time-series on these variables. As of March 2004, the SWS national surveys amounted to 65 observations on poverty starting April 1983 (quarterly since 1992), and 24 quarterly observations on hunger since July 1998. Standard SWS surveys use face-to-face interviews of efficient, global-standard, national samples of 1,200 statistically representative households (300 each in Metro Manila, the Balance of Luzon, Visayas and Mindanao), from 240 geographical spots selected from all regions. The sample spots and respondents are freshly drawn for each survey, not from a fixed panel of locations or individuals. Sampling error margins of  $\pm 3\%$  for national percentages and  $\pm 6\%$  for area-level percentages are applicable.

The SWS data series are an original innovation, entirely made-in-the-Philippines (Abrera 1976, Mangahas 1995) rather than introduced from outside. They are the product of self-sustained survey operations, and are not a mere research experiment (Mangahas and Guerrero 1998). The Social Weather Surveys are supported by individual and institutional subscribers, who have no proprietary rights over the data, which are archived for public use at the SWS Survey Data Library. They are regularly released to the mass media, discussed in academic circles, and directly presented to high government officials, including the President and cabinet officials concerned with the economy and with poverty-program-coordination and poverty-alleviation, providing them with the world's most rapid and most up-to-date system for statistical monitoring of poverty and hunger in a country at the national level.

In contrast, the available *official* time series on Philippine poverty consist (as of August 2004) of only 6 points, namely 1985, 1988, 1991, 1994, 1997, and 2000, the reference years of the triennial Family Income and Expenditures Surveys (FIES), whose results become available after a lag of one year or more. The official series of only a few points seemingly indicates a steady and gentle decline of poverty between 1985 and 1997, and an increase between 1997 and 2000. The SWS series of many observations, on the other hand, provides more dynamic details, namely (Figures 1-4): (a) that the downward trend between 1985 and 1997 also featured spikes both downward (especially in 1987 when complete price stability afforded consumers a relief from the hyperinflation of the last two Marcos years) and upward (particularly during the Kuwait/Iraq War period of

---

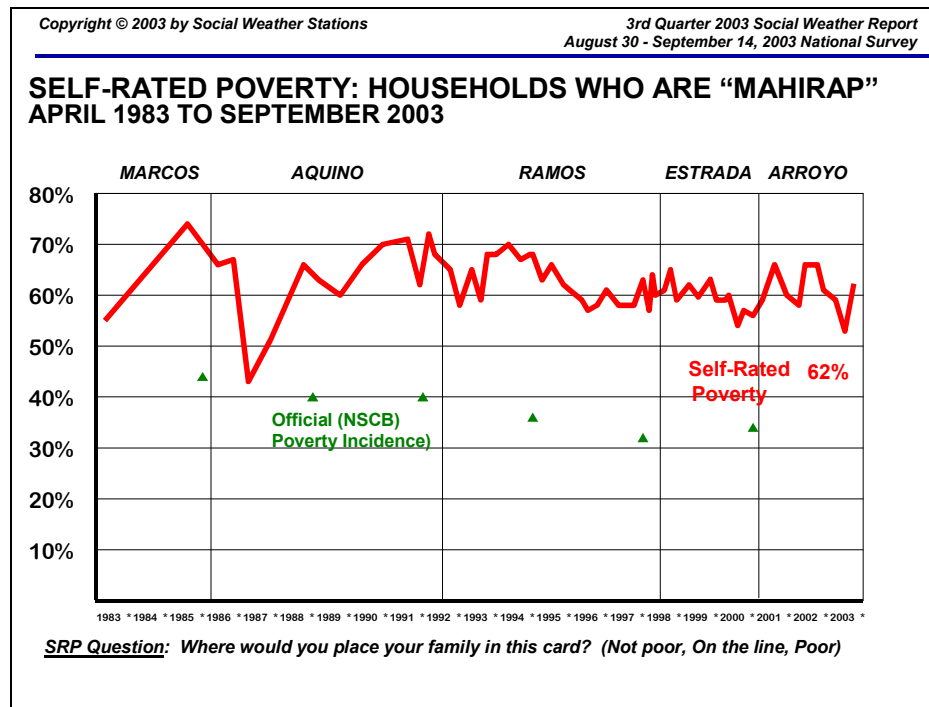
<sup>1</sup> Social Weather Stations was established in the Philippines in 1985 as a private, not-for-profit yet enterprising, institute organized for scientific purposes. Its mission is to regularly generate social survey data: first, to stimulate the eye into learning the extent of social problems, 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.

1991-92 when the government disastrously stuck to a counter-global oil price policy); and (b) that the post-1997 upward trend had registered as early as 1998, together with the well-known Asian financial crisis.

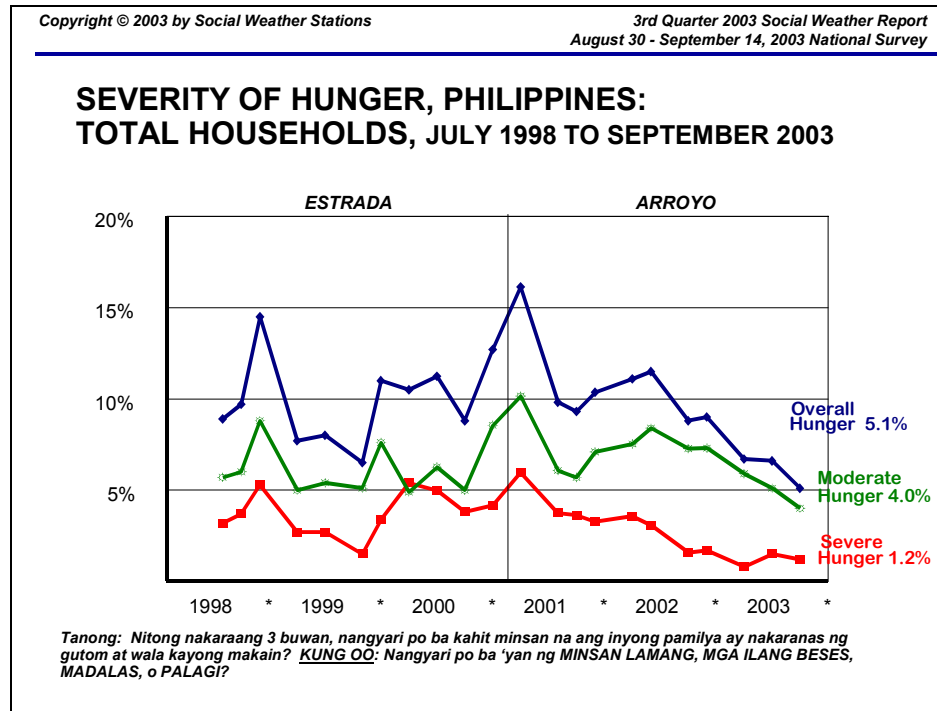
An official poverty line was set for the first time in 1986, and applied to the 1985 and 1988 FIES, but it was lowered in real terms in 1991; the official data points in Figure 2 use the official poverty line of 1991, corrected for inflation. Official statistics on poverty are so out-of-date that it is the SWS statistics that were cited by President Gloria Macapagal-Arroyo in her State of the Nation Address ([www.op.gov.ph/speeches](http://www.op.gov.ph/speeches)) of July 2003.

There are two basic problems with the government’s approach, which have prevented poverty from being officially measured oftener than once every three years. First of all, the number of items needed for an orthodox questionnaire on incomes or expenditures is much too large to attach to an existing multi-purpose household survey – say, the government’s quarterly Labor Force Survey which generates its unemployment statistics – but requires a survey, and hence a special budget, of its own.

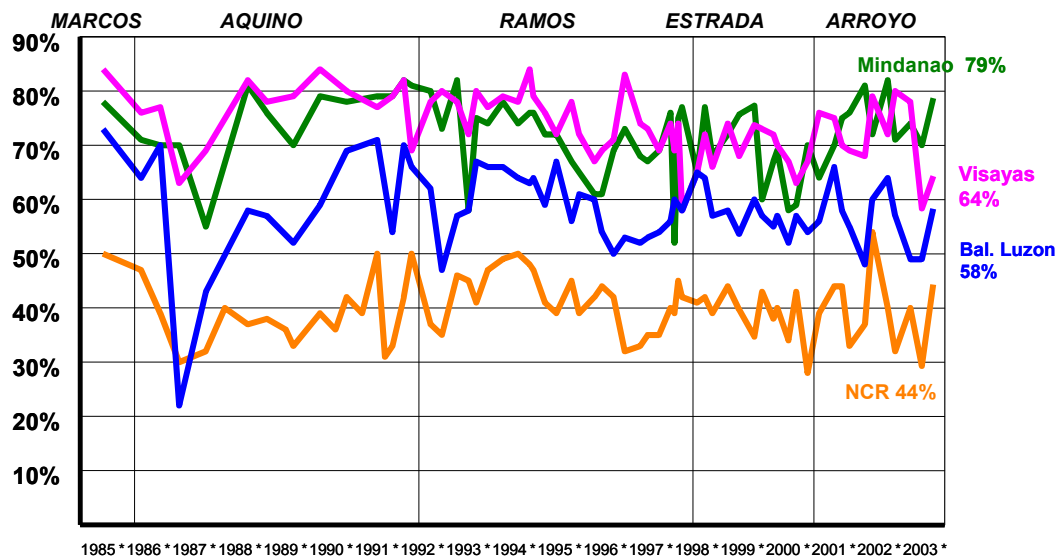
**Figure 1**



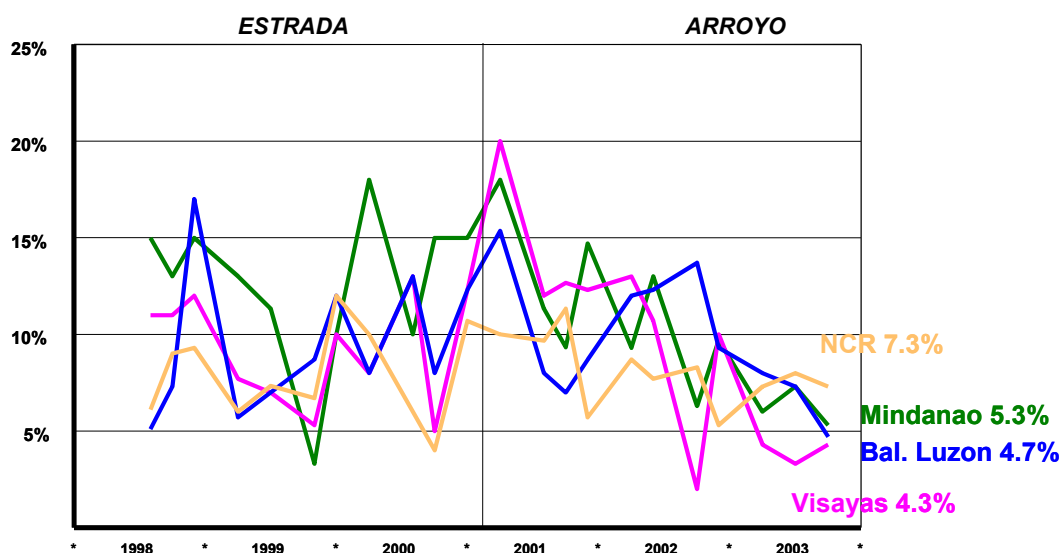
**Figure 2**



**Figure 3: SELF-RATED POVERTY: HOUSEHOLDS WHO ARE “MAHIRAP”, BY AREA**  
July 1985 to September 2003



**Figure 4: HOUSEHOLDS WHO EXPERIENCED HUNGER, BY AREA  
July 1998 to September 2003**



In response to criticism about the infrequency of the FIES, a new official survey was launched in 1998, named the Annual Poverty Indicators Survey (APIS), which implemented a much shorter version of the FIES, and was supposed to fill in the poverty-data gap in non-FIES years. Unfortunately, the government never released any APIS-based poverty incidence rates, apparently for failure to anticipate that survey responses on incomes or expenditures based on the short APIS questionnaire would naturally be less complete (or show lower average income/expenditure per family) than when based on the more comprehensive FIES questionnaire, and thus give a higher *computed poverty-magnitude*, for any given poverty line. Government statisticians felt that it would be embarrassing to report a new 1998 (APIS-based) poverty rate numerically higher than its established 1997 (FIES-based) poverty rate, even though, scientifically speaking, such would be a comparison of apples with oranges. In reality, an APIS-type poverty series is not capable of splicing together the FIES-poverty series, and instead should be used as an alternative *poverty-trend* indicator on its own merit, despite giving *poverty magnitudes* seemingly above those of the FIES.

The second, and perhaps more difficult, problem with the national government's approach is its insistence on producing poverty estimates at the provincial level. Since the first level of local government below the National Government is the Province, of which there are 80, a minimal sample size of say 300-400 households per province implies a gigantic national sample of 24,000-32,000 households, which is too expensive to replicate annually, let alone quarterly. Managers of national government statistics argue that they must generate poverty data not only at the national level but also for every province in order to get an FIES budget approved by national legislators (each of whom has only a three-year term in office) whose main intent is to help their respective local

constituencies compete for a larger share in the poverty-program resources of the national government.

The consequence of over-centralization of functions, including poverty-estimation, at the national government level, has been *an excessive focus of anti-poverty policy on spatial issues*, such as the identification (fixed for three years!) of “priority provinces” for poverty-alleviation, *and a neglect of dynamic issues*, for instance the proposal to liberalize rice importation for the benefit of the mass of consumers, instead of keeping it restricted for the sake of the narrow sector of rice growers.

### **The SWS survey indicators**

*The SWS hunger indicator* is the proportion of household heads reporting that their families had experienced hunger, without having anything to eat,<sup>2</sup> at least once in the last three months. The SWS surveys also ask for the frequency of the experience, thus obtaining a classification hunger into *moderate* and *severe*. *This measure of hunger is not subjective*, but is as objective as the standard statistical measures of unemployment and underemployment, which also rely on self-reporting by survey respondents and are in principle verifiable by other people, for instance their neighbors.<sup>3</sup> No other statistical data series for hunger exists in the Philippines.

*The SWS poverty indicator* is the proportion of household heads who rate their own families as *mahirap*, which is Tagalog for ‘poor’. This measure of poverty is subjective from the viewpoint of the family, not the researcher, and is thus capable of being validated by independent surveys using the same approach. The SWS surveys also ask for household heads’ self-declared poverty thresholds. Self-rated poverty is of a much larger magnitude than officially-measured poverty, because the official poverty line is only about equal to the median self-rated poverty threshold, i.e., is adequate to satisfy only one-half of the poor.

All poverty measurement approaches necessarily incorporate some norms or values. On the one hand, the orthodox predetermined, ostensibly objective, poverty-line approach makes use of some top-down or official values. On the other hand, the candidly subjective, or self-rated, approach makes use of bottom-up, or community, or citizens’ values. Respect for bottom-up values in the construction of a statistical indicator is essentially democratic; insistence on acceptance of top-down values is essentially elitist.

In the SWS approach, the poverty self-rating does not depend on any predetermined or top-down poverty line. In each survey, the household head is asked to point to where the household fares in a showcard (half of the sample

---

<sup>2</sup> The unavailability of food to the family is a critical condition, which ensures that it excludes cases of voluntary fasting, for instance the annual fasting of Muslims between sunup and sundown during the month of Ramadan.

<sup>3</sup> National unemployment and underemployment are also tracked in the SWS surveys, the difference from official definitions only being that the latter regard the labor force as starting with age 15 whereas the SWS survey respondents are age 18 and over, i.e., of voting age.

uses the left card seen in Figure 5, and the other half uses the right card) featuring only the word POOR, the *negative* (not the opposite) term NOT POOR, and a line in-between. The word consistently used for POOR, *mahirap*, expresses the least degree of hardship among various Tagalog terms for poverty. It bears pointing out that, unlike other approaches in the literature,<sup>4</sup> the SWS survey question carefully avoids inclusion of the term *rich*, and thus counts as poor only those who positively identify themselves with the term *poor* and are not merely, or additionally, induced to adopt it as a way of stating that they will never be *wealthy*.

An important cautionary note is: *The poverty self-rating approach may not be used for purposes for which it is obviously not designed.* In particular, the self-rating system is not designed to establish the existence of poverty at an individual family level. It cannot serve as a clinical means-test for an agency providing assistance to the needy, any more than it can identify for an exclusive club the “riff-raff” to keep out.

As in any survey of individuals, there is no “right” or “wrong” answer to a self-rating question, i.e., respondents should sense neither any promise of reward nor any threat of punishment attaching to any choice of answer. This may give a slight advantage to private survey institutes in applying the self-rating approach, but need not exclude government survey agencies entirely -- after all, people have long been giving Labor Force Survey interviewers honest answers about being unemployed, without expecting to be given jobs by the government.

The express purpose of the SWS constructs of self-rated poverty and self-declared hunger is *to create practical means of monitoring the state of aggregate poverty and hunger regularly and rapidly over time.* In order for replication to be affordable, this is being done (a) only at the national level and for very large geographical areas, thus requiring efficiently small sample sizes, (b) using simple and practical survey questions drawn from both social indicators research and opinion research, and (c) invariably as part of a general survey of the Quality of Life, thus sharing the cost with other elements of the survey research agenda.

The self-rating technique can be applied not only to poverty in general but also to poverty along any particular *domain*, such as food, housing, etc.<sup>5</sup> As expected, general self-rated poverty and self-rated poverty along a specific domain, such as food, are inter-related. Evidence of the cross-sectional plausibility of self-rated poverty indicators is extensive. Households rating themselves as Poor tend to suffer hunger more severely, have fewer home amenities and possessions, and are more prone to sickness, relative to those rating themselves as Not Poor or Borderline. Larger families set a higher poverty threshold for themselves (Table 1). The incidence of poverty is higher among families with seven or more members than among those with six or less.

---

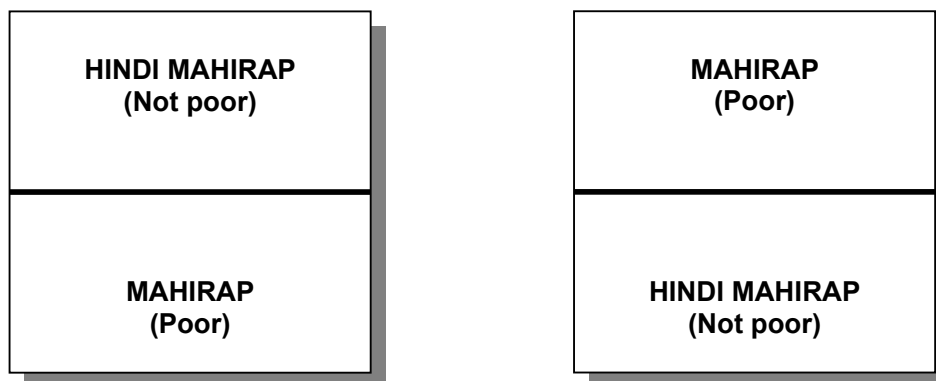
<sup>4</sup> For instance, using the Eurobarometer survey question: “Taking everything into account, at about what level is your family situated as far as standard of living is concerned? You may answer by giving a figure between 1 and 7 — number 1 means a poor family and number 7 a rich family.” -- Riffault (1991) interpreted numbers 1 and 2 as self-rated poverty and reported that European poverty rose from 7.6% in 1976 to 10.7% in 1983.

<sup>5</sup> See Mangahas (2004) for subjective-poverty questions for other domains, use of the self-rating approach to measure chronic and seasonal poverty, and evidence of the cross-sectional plausibility of self-rated poverty indicators.

**Figure 5: SHOWCARDS FOR SWS QUESTION 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?)



Philippine Language	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

*Self-rated poverty thresholds:* In the SWS surveys, the household heads who rate their families as POOR are asked this next question: "How much would your family need for home expenses each month in order not to feel poor anymore?" Those who rate themselves as NOT POOR or as ON THE LINE are asked a slightly revised question: "How much would a family, of the same size as yours, which felt it was poor, need for home expenses each month in order not to feel poor anymore?" Thus these are Minimum Home Budget Questions, for (a) for all purchases in general, or (b) for food purchases in particular.

The SWS survey questions for both self-rated poverty and the self-rated poverty line deliberately focus ONLY ON THE LITERAL WORD **POOR**, rather than attempt to find Filipino equivalents for English idioms such as 'getting along' or 'making ends meet'.<sup>6</sup> When the SWS surveys obtain food-poverty self-ratings, the corresponding follow-up food-threshold question refers to the home budget needed 'in order not to be poor in terms of food'.

Filipino household heads are now tending to set their poverty thresholds in the thousands of pesos, rather than in the mere hundreds of pesos, as they did in the mid-1980s. The weakening of the growth of the median threshold in recent

<sup>6</sup> See Mangahas (2004) for some phrasings used in foreign surveys on subjective poverty thresholds.

years suggests that the Filipino poor are now using *belt-tightening* as a means of coping with the Asian economic crisis which started in 1997/98.

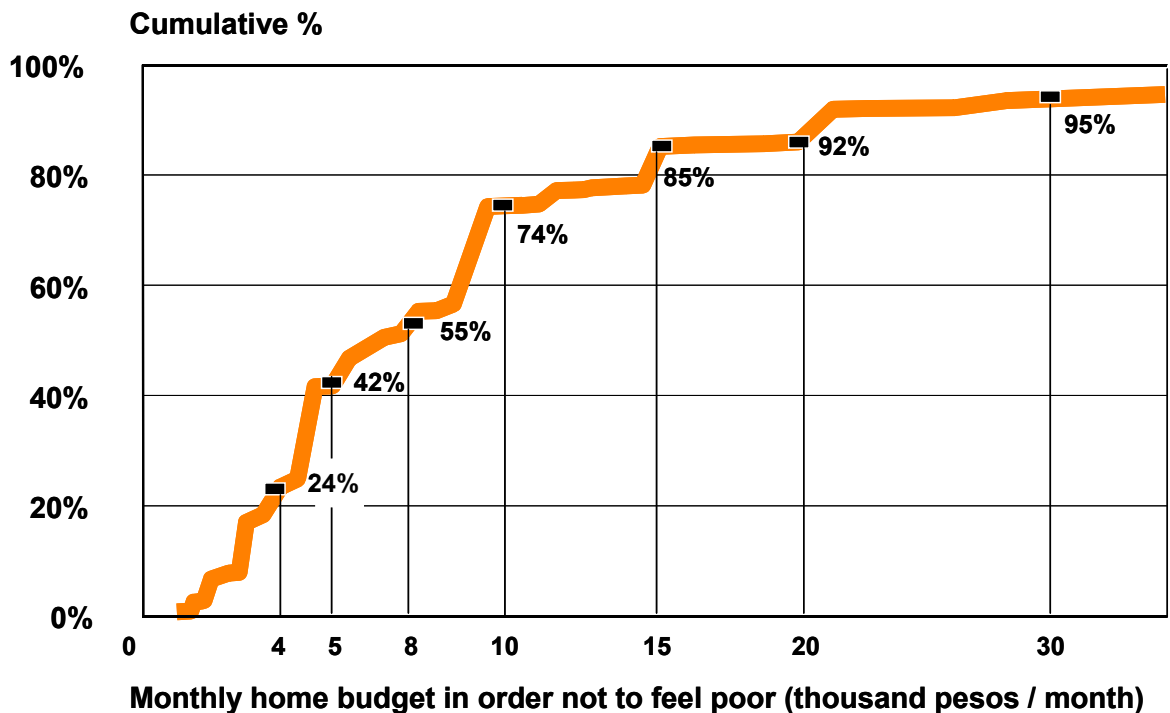
Figure 6 traces the cumulative distribution of the self-rated poverty threshold specifically for those who rate themselves as Poor, in the September 2003 SWS survey. It shows that 85% of poor Philippine households would have enough to escape poverty, as they themselves define poverty, if they had Php15,000 as a home spending budget per month.

### The context of general economic, social, and political development

A preliminary econometric analysis (Mangahas 1995) has indicated that the rate of *inflation* is a very significant macroeconomic variable affecting short-run or quarterly changes in poverty, and that *unemployment* is of much lesser importance. Gross National Product and Gross Domestic Product per capita seem to be of no significance in the short-run, i.e., quarter-to-quarter or even year-to-year, although they are probably essential to the long-run eradication of poverty.

A better understanding of short-run fluctuations and trends in poverty and hunger in the Philippines is bound to emerge from an integrated analysis of the SWS survey data on poverty with time series on other economic, social, and political variables, generated by SWS itself and other institutions.

**Figure 6: CUMULATIVE DISTRIBUTION OF THE POVERTY THRESHOLD OF THE SELF-RATED POOR Philippines, September 2003**



**Table 1: POVERTY THRESHOLD, BY FAMILY SIZE  
Philippines, September 2003**

*(Minimum Home Budget in Pesos per Month)*

FAMILY SIZE	Total RP		Total Poor	
	Mean	Median	Mean	Median
1	10,762.7	8,000	6,912.7	5,000
2	8,115.3	5,000	6,905.0	5,000
3	10,151.1	8,000	8,789.3	6,000
4	11,859.0	6,000	8,455.6	6,000
5	11,666.1	8,000	9,465.7	7,000
6	13,766.9	10,000	9,932.6	7,000
7	12,911.1	10,000	11,520.0	10,000
8	14,903.6	10,000	14,400.2	10,000
9	12,309.0	10,000	11,911.3	10,000
10 and up	14,044.6	10,000	13,757.9	10,000

## References

Abrera, Ma. Alcestis S., "Philippine Poverty Thresholds," in M. Mangahas, ed., **Measuring Philippine Development: Report of the Social Indicators Project**, Development Academy of the Philippines, Metro Manila, 1976.

Mangahas, Mahar, "Self-Rated Poverty in the Philippines, 1981-1992," **International Journal of Public Opinion Research**, 7:1, 1995.

Mangahas, Mahar, "The SWS Survey Time Series on Philippine Poverty and Hunger, 1983-2003," *Regional Conference on Poverty Monitoring in Asia*, ADB Headquarters, Manila, 24-26 March 2004, website [www.rcpm.net](http://www.rcpm.net).

Mangahas, Mahar, and Linda Luz B. Guerrero, "Self-Sustained Quality of Life Monitoring: The Philippine Social Weather Reports," *Social Weather Stations Occasional Paper*, December 1998.

Riffault, Helene, "How Poverty Is Perceived," in Karlheinz Reif and Ronald Inglehart, eds., **Eurobarometer: The Dynamics of European Public Opinion**, Macmillan Academic and Professional Ltd., London, 1991.