



Deutsche Gesellschaft für
Technische Zusammenarbeit (GTZ) GmbH

Poverty Reduction
Project

Poverty monitoring in rural development projects: the wealth-ranking method and its application in the PRODILO project

(5th Draft, 5.2.98)

Contents

- 1. Summary**
- 2. Introduction**
- 3. Poverty orientation in the PRODILO project**
 - 3.1 Wealth-ranking target-group analysis
 - 3.2 Impoverishment and poverty traps in Ouélessébougou
 - 3.3 Monitoring and steering poverty orientation of project activities
- 4. Description of method and fields of application**
- 5. Limitations to application, costs and problems**

Bibliography

1. Summary

2. Introduction

As a planning officer, how do you know whether the project activities you design effectively tackle the main causes that engender and perpetuate poverty in your project area? Do you know the local impoverishment process and poverty traps?

As a principal adviser, how do you know that the poor in your project area participate in project activities? Does your project have an appropriate monitoring instrument?

As the head of a country section what evidence do you have that your country concept reduces poverty, that resources have been allocated effectively from this point of view?

If these questions are relevant for you, you might be interested in this article. It tells you how to obtain this information. Taking a project as an example, the first part illustrates how corresponding analytical and monitoring tools were used in a project in Southwest Mali. Then, a detailed description is given of how the wealth-ranking method is applied and how it can work for you. In the last part you can read about the method's limitations, costs and problems.

3. Poverty orientation in the PRODILO project

The project chosen here to illustrate the wealth-ranking method and some of its fields of application in TC is called 'Promotion d'initiatives locales' (PRODILO) and has been implemented since spring 1992 by the 'Direction Nationale des Affaires Sociales' (DNAS) in Mali and the GTZ.

The main centre in the project area is called Ouélessébougou approximately 80 kilometres south of the capital Bamako. The population lives mainly from farming, i.e. growing sorghum, fiddling millet and peanuts. Cash is earned mainly from planting cotton, selling charcoal and migrant labour (men) or selling shea butter (women). The Bamako - Abidjan highway passes through the region.

Farm productivity is low due to a combination of manual labour and soil depletion. Up until the sixties, farmers had produced enough grain with hoe farming to feed their families and stock reserves for harvest shortfall years. Since annual rainfall has declined, the worsening depletion of soil nutrients has resulted in regular pre-harvest famine. Without mechanisation, using oxen-draft ploughs, farmers today can hardly produce enough to feed themselves.

In this context, PRODILO's original project design aimed to introduce technologies to generate income and conserve resources. The implementation phase of an earlier GTZ project in the same region, however, revealed that certain appropriate technologies were already known to farmers but their application was slow to disseminate. The main reasons identified for this were economic constraints but also social conflicts in the villages.

Even prior to the orientation phase, therefore, the country division head responsible was aware that the project's target-group relations could prove to be a problem. So he commissioned a sociological base-line study to ascertain information on social disparities and related prospective conflicts that could affect the project.

This study was not specially geared to poverty but analysed a broad range of potential grounds for dispute (age, sex, religion, ethnic allegiance, language etc.). It did, however, reveal that poverty/wealth was the paramount source of differences locally. Accordingly, the study report

largely describes the local poverty situation, analyses impoverishment and documents how poverty traps function (see Gnägi 1995, 35 ff for details on results and processes).

The poverty analysis was conducted as follows:

- Ten representative villages were selected in the whole future project area (yardsticks were road access, agro-ecological zones, coverage by development projects, onchocerciasis, etc.). Wealth ranking was carried out in each of these ten villages and then ten families were selected to proportionately represent all wealth categories in the village. This produced a representative sample of 100 production units ranked by wealth. In each of these 100 production units qualitative interviews were conducted with the head of the family and his wife and quantitative data ascertained by means of a questionnaire.
- The prime concern of the qualitative interviews was to gain an understanding of poverty and impoverishment. Recording farm histories (men) and reproduction histories (women) proved to be of particular value. In the farm histories special enquiries were made when the conversation turned to crises, capital goods losses and new investments. This shed light on how the socio-economic situation of the different enterprises has changed in the last 60 years and what the determinants were (how certain farms mastered crises and why others failed). In the reproduction histories the pregnancy period, birth and life or death of every child was discussed with each woman. This was particularly instructive on how poverty and crises affect everyday life and influence the ability of people to survive.
- The questions in the quantitative survey were selected to obtain information to verify the statements in the qualitative interview, but questions referring to possible future, poverty-oriented project activities were also posed at this stage.

3.1 Wealth-ranking target-group analysis

Based on the findings of this poverty analysis a wealth-ranking profile of the target groups was prepared which provides information on the following:

- What the target population itself understands by wealth and poverty
- How many farms in the project area are poor or rich by this definition
- How many persons in the project area live in poor or wealthy farms
- Average income of the different farm categories and cash strategies to earn it
- Main expenses of the different farm categories and where investments are made
- How poverty or wealth affects the income and life situation of the women living in the farms
- Number of workers available to poor or wealthy farms
- Kinds of health expenditure by poor or wealthy farms
- etc.

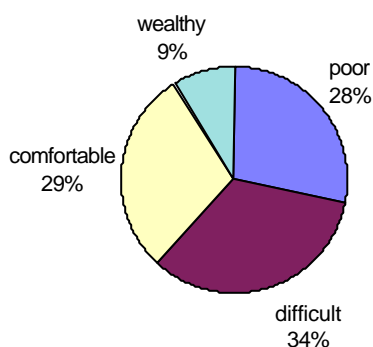
Some of this information and some of the correlations are detailed below.

A wealth-ranking profile of the target groups is premised on the definition of poverty. A broad discussion of this issue in the literature has been prompted by extreme definitions of poverty thresholds, as used by the World Bank for example, or poverty indicators, which are often accorded little relevance locally. For Mali for example, as for most other countries, the World

Bank has calculated a poverty threshold defined as annual per capita income in dollars (World Bank 1993). For farmers in Ouélessébougou, though, cash income or the cash equivalent of their production is secondary: in two droughts over the last twenty-five years, they have repeatedly experienced that cash does not save them from hunger, because the grain market collapses in periods of famine. In these families, nearly all of whom have lost relatives due to starvation, poverty and wealth are not expressed in cash, but in terms of food security: someone is wealthy when he has enough grain stocks to feed his family even after several bad harvests.

The wealth-ranking method applies local definitions of poverty and wealth. So the first step in applying the method is to determine local notions of poverty and wealth and the corresponding expressions in the local language. On the one hand, it is important to grasp the local perception of hunger, a good life, a better future for the children etc. (or whatever poverty and wealth mean for those affected) to be able to talk about these topics at all in the project context. On the other, these ideas also determine people's, i.e. the project target groups', behaviour. They are only interested in poverty-oriented project activities if they actually bear a relation to what the target groups understand by poverty. Local notions of poverty and wealth are identified through semi-structured interviews of a gender-weighted sample of 20 to 40 target-group representatives or 2 to 3 resource persons per village (no upper limit on the number of interviews; break off survey, as soon as the answers become redundant and/or the interviewers are sure about the meaning of the concepts).

Most farmers in Ouélessébougou distinguish amongst four wealth categories of enterprise. According to local notions of poverty and wealth the primary distinction is whether a farming enterprise is self-sufficient in food or not. These two rough categories are subdivided further according to investment behaviour. If cash income in poorer farms suffices to buy the requisite additional food and make some productive investments, they are rated simply as 'in difficulty'. Where, however, not enough additional food can be purchased and the family suffers food shortages during a part of the year, a farm is regarded as poor. The better-off farmers are regarded as rich when they are able to invest outside farming (trade, real estate etc.). Self-sufficient farms that primarily invest in mechanisation and livestock rank as 'comfortable'.

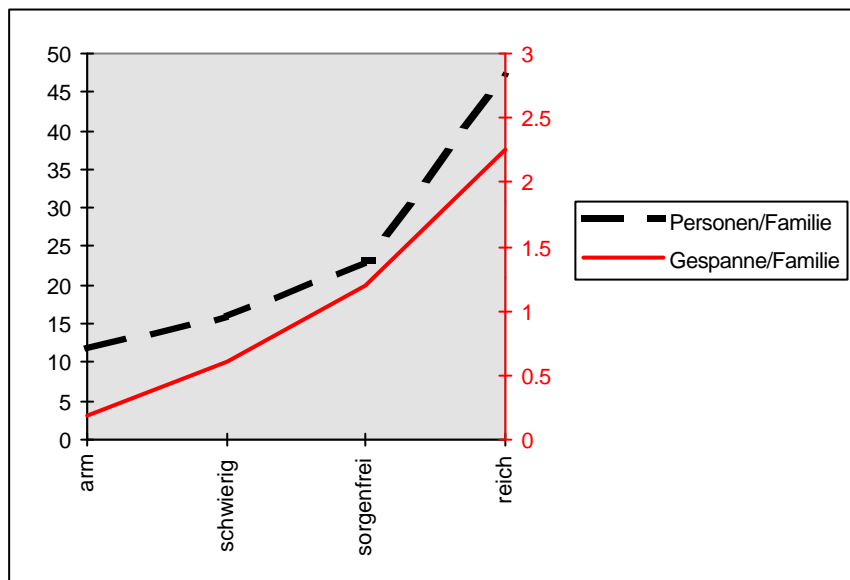


graph 1

28% of farming enterprises in Ouélessébougou are poor, i.e. their members do not have enough to eat during parts of the year. 34% of farms are in difficult straits, i.e. their members have enough to eat but the farms must spend a part of their cash income for food purchases. 29% of farms have no problems, i.e. they can feed themselves and are able to make productive

investments. 9% of farms are wealthy, i.e. they also diversify and invest outside farming.

Local poverty and wealth concepts are reflected in the farmers' production strategies: 99% of all production units surveyed pursue a dual strategy - they strive for self-sufficiency in food and aim at earning cash at the same time. As already mentioned, production constraints are a lack of soil and labour productivity. Since soil productivity is primarily a function of production in Ouélessébougou (purchase of fertiliser), production depends in the main on labour power. Wealth is thus primarily a function of family size, i.e. the number of available workers, and mechanisation, i.e. the productivity of labour (increased labour productivity due to mechanisation results in larger acreage and more rapid depletion of the soil, so the wealth of farming enterprises is partly based on 'soil mining').



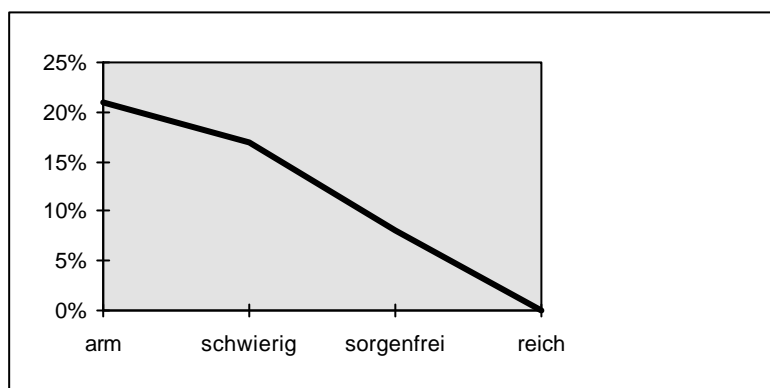
graph 2 ¹

On average, wealthy families are four times larger than poor families and oxen-drawn ploughs are on average fifteen times less common amongst poor families than rich ones. The correlation between wealth, investments and family size also holds if we calculate production, income or investments per capita: e.g. in wealthy families each male worker has on average 0.27 oxen yokes as compared with only 0.06. in poor families.

Depending on wealth, farming enterprises can choose between various cash strategies. The following examples illustrate this correlation.

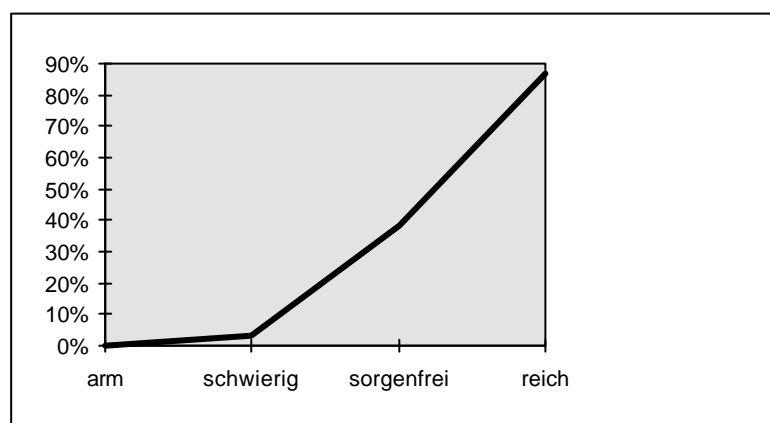
Charcoal production is disapproved of socially as most people are aware of the connection between deforestation and soil erosion. For the most part, therefore, farm enterprises with other strategy options largely abstain from this. For this reason, charcoal production is generally a cash strategy of only a few enterprises and these are usually poor (of the poor farmers only 21% have chosen this activity and absolutely none of the rich ones).

¹ Translation, graph 2: arm=poor; schwierig=difficult; sorgenfrei=comfortable; reich=wealthy; Personen/Familie=Persons/family; Gespanne/Familie=Teams/family



graph 3 ²

Sale of livestock on the other hand presupposes their ownership and almost only rich farms have the available capital to acquire their own herds. Almost all the rich farms have chosen this strategy, an indicator that it is one of the most lucrative ones.

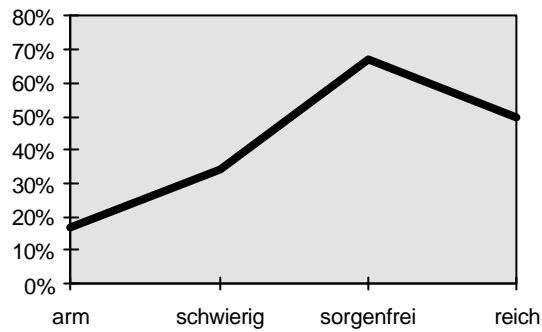


graph 4 ³

Cotton is a government-sponsored export crop which is not very lucrative but does afford some special advantages (loan access, guaranteed prices, etc.). Poor families are hardly able to plant cotton, since they have to use their labour power for subsistence production and rich families have more profitable options. So cotton is primarily grown by middle class farmers.

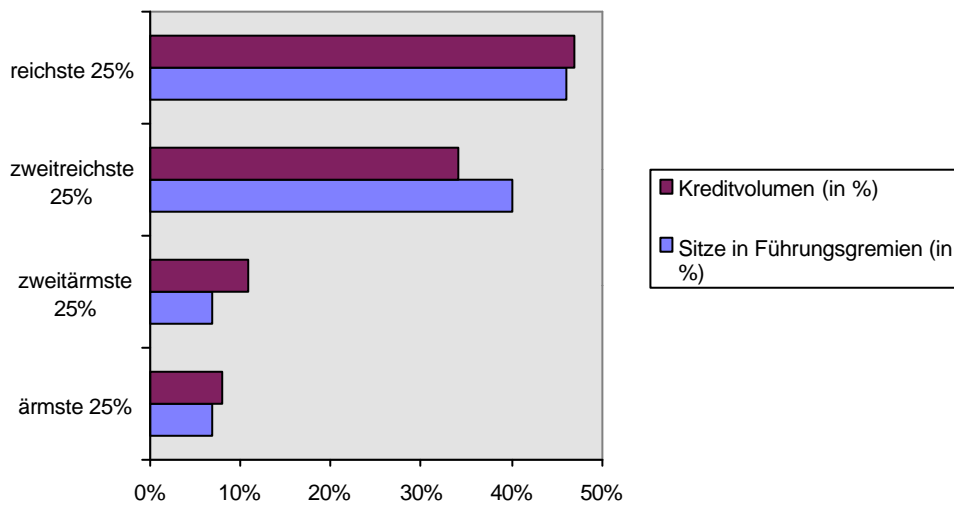
² Translation, graph 3: arm=poor; schwierig=difficult; sorgenfrei=comfortable; reich=wealthy;

³ Translation, graph 4: arm=poor; schwierig=difficult; sorgenfrei=comfortable; reich=wealthy;



graph 5⁴

Wealth and poverty do not just set the parameters for cash strategies; they also affect access to services from development organisations. The following examples illustrate this connection. Village development organisations were set up in the 80s (before PRODILO started) by a development project in the Ouélessébougou region. As legal persons, the development organisations take out loans with commercial banks and channel these to their members. In principle, their services are important for all farming enterprises since they provide sole access to borrowing facilities.



graph 6⁵

As the chart shows, development organisations are dominated by the rich families and allocate more loans to them.

⁴ Translation, graph 5: arm=poor; schwierig=difficult; sorgenfrei=comfortable; reich=wealthy;

⁵ Translation, graph 6: reichste=richest; zweitreichste=second richest; zweitärmste=second poorest; ärmste=poorest; Kreditvolumen=Credit volume; Sitze in Führungsgremien=Seats on management board

3.2 Impoverishment and poverty traps in Ouélessébougou

To date, only few studies provide detailed evidence on the determinants affecting local impoverishment and how poverty traps actually work. Thus when dealing with poverty reduction strategies, policy and project documents often infer actors' behavioural determinants from the macroeconomic context. This can lead to misapprehensions, as the following example shows.

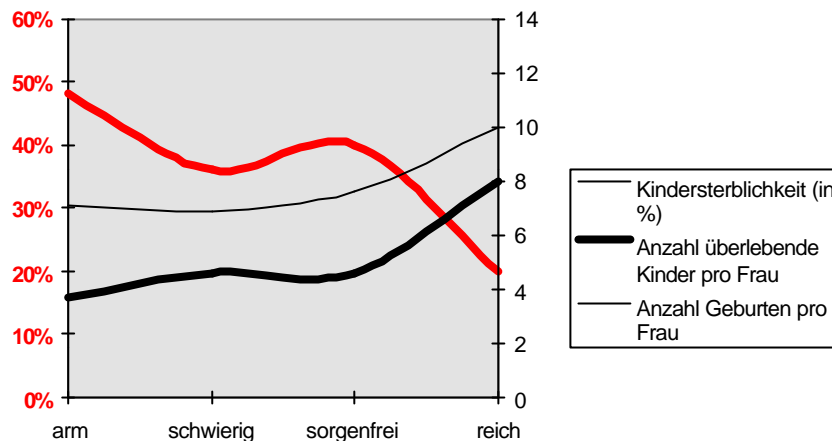
In its poverty analysis report for Mali (World Bank 1993, Par. 90), the World Bank argues that the continuation of large families poses a poverty trap in rural areas as they prevent productive investments. The theory underlying this statement is well known and generally correct: there is often a causal correlation between the number of children and poverty since children cost money which cannot be invested productively.

But: in Ouélessébougou the opposite is the case, as the poverty analysis using wealth ranking has shown. The smaller a family is, the poorer it is on average and the less able it is to make the most important investment to raise productivity (mechanisation). In contrast, the more workers a family has on average the richer it is and the better able it is to invest. Small families tend to remain small and poor over generations and large families remain large and wealthy.

As the analysis of farm histories shows, farms get poorer in Ouélessébougou if they lose workers. They forfeit the economies of scale essential today for self-sufficiency in grain and productive investments. There are many different reasons for the loss of labour, which cannot be dealt with in detail here (see Gnägi 1995). We shall illustrate in brief how an impoverished family enters the poverty trap, i.e. the vicious circle that prevents it from escaping poverty: on average, poor women have less than half as many surviving sons for future labour power than rich women.

Poor families are unable to marry off their sons early for lack of capital to pay the bride price. Most young men from poor families have to earn the bride price for their future wives themselves and are as a rule approximately ten years older when they marry than their counterparts from rich families. They raise fewer children during the rest of their lives as a result. The few children born in poor families die more frequently within the first years of life, because they suffer periodic hunger and their fathers cannot afford to pay for medical treatment in the event of illness. The adult sons of poor families frequently flee to the Ivory Coast or to France to escape from poverty and leave their already poor family behind with an even larger burden.

The following chart illustrates a part of this poverty trap, i.e. the correlation between poverty and number of births, infant mortality and number of surviving children.



graph 7 ⁶

As the chart shows, infant mortality is two and a half times as high in poor families than in rich ones, fertility is 30% lower and a woman from a poor family therefore has on average less than half as many surviving children than a rich woman.

3.3 Monitoring and steering poverty orientation in project activities

Because social conflicts are known to be one of the main reasons why project activities in Ouélessébougou often fail to achieve sustainable effects, PRODILO together with the villagers developed a communication approach which takes account of the following:

- Transparency i.e. all villagers (women, men, young, old, rich, poor) should be informed and be able to participate in discussions and access project activities.
- Conflicts are addressed and strategies for their solution devised in a participatory way
- Instead of being planned by the project, measures are developed by the villagers. The PRODILO staff act largely in a supportive capacity as moderators.

The project activities envisaged in the offer were not geared especially to poverty alleviation. Nor was a special monitoring facility for poverty orientation in project activities foreseen from the outset. This idea came about when discussing possible adverse effects of project activities (escalation of social conflicts) and examining the transparency of decision-making at village level during the orientation phase of the project.

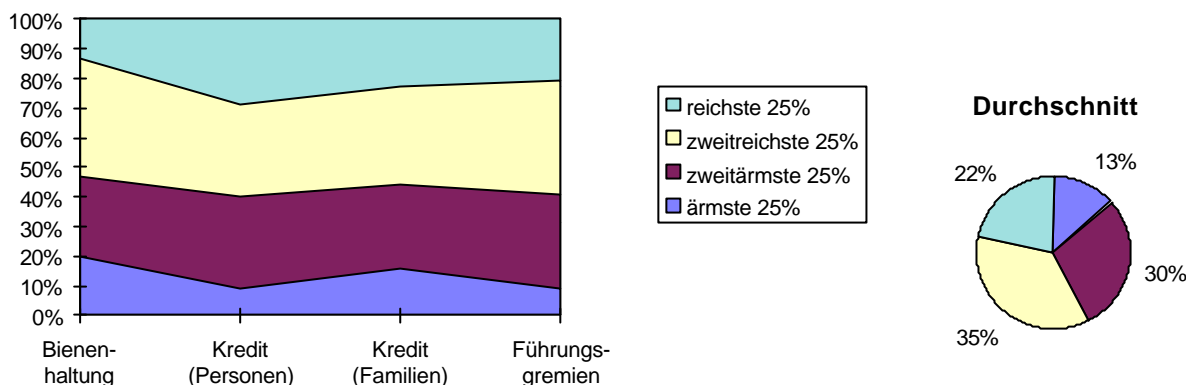
The possibility of monitoring the poverty orientation of project activities arose from the base-line study already available at project start which contained a wealth ranking of all farming enterprises for the project's test villages. It also enabled a test to be made after 3 or 5 project years to determine which wealth strata took part in project activities.

Monitoring the poverty orientation of project activities was only a part of a more extensive target-group monitoring in the project, e.g. the participation of women in project activities, the economic benefit of project activities for target groups, etc. This monitoring had been developed to verify the implementation of policy guidelines of the BMZ and the partner country.

⁶ Translation, graph 7: arm=poor; schwierig=difficult; sorgenfrei=comfortable; reich=wealthy; Kindersterblichkeitsrate= Infant mortality; Anzahl der überlebenden Kinder pro Frau=Number of surviving children per woman; Anzahl Geburten pro Frau= Number of birth per woman

In itself, the idea behind monitoring poverty orientation is simple: a record is made of how frequently poor and rich each benefit from project services. This kind of monitoring yields less precise findings than impact monitoring, but it is much simpler and much less costly. Moreover, the first results are already available some months after the monitoring instrument has been set up, so steering can start quite early.

After two implementation years (spring '94) measurements were first made of how far the different wealth categories of the target population had benefited from project activities.



graph 8 ⁷

As the chart shows, in the PRODILO project the participation of richer families was above average and that of the poor ones below average.

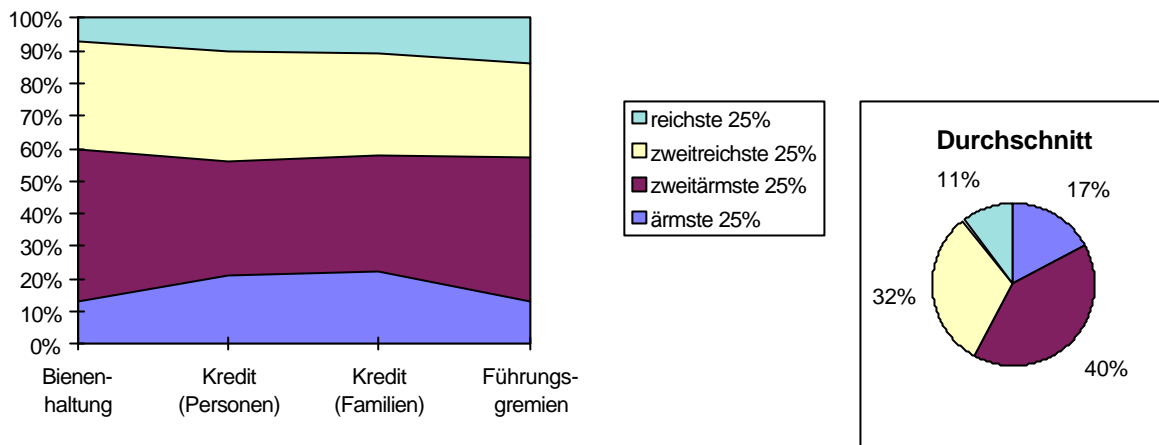
So, the initial observations of poverty orientation in project activities revealed sub-optimum steering in this field, which at first glance might appear to argue against the project (but the first Project Progress Report (PPR) gauged these figures as positive, since the project had no express poverty-oriented purpose). The measurement of poverty orientation emerged during the PPR as an argument in favour of project continuation: PRODILO had broken new ground in this area.

Because poor enterprises were found to have gained below average benefits from project services, countermeasures could be taken during the first implementation phase.

The paramount steering element turned out to be the participatory approach of the whole project (and the monitoring of poverty orientation!), particularly the discussions on transparent decision-making in the villages. This raised awareness among project staff but also among villagers of the need to include underprivileged groups.

Before the second PPR, the survey on the participation of the wealth quartiles in project activities was repeated (spring 97).

⁷ Translation graph 8: reichste=richest; zweitreichste=second richest; zweitärmste=second poorest; ärmste=poorest; Bienenhaltung=Bee-Keeping; Kredit (Personen)=Credit (persons); Kredit (Familien)=Credit (families); Führungsgremien=Management board; Durchschnitt=Average



graph 9⁸

As the chart shows, the steering was successful. The benefit gleaned by very poor enterprises from the project was still below average in 1997, but the richer population enjoyed less of an advantage. Today, the above average beneficiaries are the middle classes.

As we shall see in the next chapter, a precise monitoring of poverty orientation or poverty reduction impact would call for special preparatory work in poverty analysis (calibrating village wealth classifications). The PRODILO project refrained from this as such preparatory measures are relatively costly (additional surveys). For cost-benefit reasons, it was decided that a simpler method would suffice for monitoring the poverty orientation of project activities. So instead of applying standardised wealth categories, wealth quartiles (25% poorest, 25% second poorest etc. in a village) were used. Wealth quartiles can be read directly off the wealth ranking as produced by the method developed by Grandin (1988). For poverty monitoring, wealth quartiles are in a sense imprecise (the poorest quarter of a rich village can for example correspond to the wealthy quarter of a poor village), but they suffice for steering poverty orientation in project activities.

Thanks to the wealth-ranking method, PRODILO has been able to document that today the poorer half of the population gain above average benefit from project services. PRODILO is one of the few projects worldwide that can back up such a statement.

4. Description of method and fields of application

5. The proposition that data on poverty and impoverishment in target populations enable better steering of poverty-oriented development projects is not new. In the past, two main methods have been applied: classification using indicators and interviews. Both methods are seldom employed today, however, because of their well-known drawbacks: classification through indicators (e.g. corrugated tin roofs, type of employment, training, etc.) is too imprecise and interviews are too prone to manipulation.

The wealth-ranking method was developed to remedy these two faults. The method is precise, because instead of proceeding from external notions of poverty and poverty factors, the villagers' knowledge about their neighbours can be obtained via interviews using local categories

⁸ Translation graph 9: reichste=richest; zweitreichste=second richest; zweitärmste=second poorest; ärmste=poorest; Bienenhaltung=Bee-Keeping; Kredit (Personen)=credit (persons); Kredit (Familien)=Credit (families); Führungsgremien=Management board; Durchschnitt=Average

of rich and poor. Wealth ranking is difficult to manipulate, since questions are asked on relative, not absolute, wealth. While questions such as, "How many animals does X possess ?" usually arouse distrust and result in manipulated answers, experience shows that the question "Has X as many, more or fewer animals than Y?" almost always receives a correct answer with no complications.

The wealth-ranking method can determine the wealth or poverty of enterprises, households or individuals. The method can only be applied in situations where people know each other well, i.e. as a rule in rural areas with villages or settlements inhabited by fewer than 100 families.

A manual is available for applying the method (Grandin 1988). A description of the method used internally in PRODILO is appended to this article.

As described in the previous section, the first step in applying the method is to determine local notions of poverty and wealth and the equivalent expressions in the local language. This is done in semi-structured interviews of a sample of target-group representatives.

The second step in method application is identifying the relevant analytical units. It would make little sense for example to carry out a wealth ranking of children or large families: as a rule, the economic status of children depends on the core family they belong to; as a rule, large families are no longer economic units but aggregates of core families. This, however, differs by enterprise and context. The relevant analytical level must be identified empirically. The relevant analytical unit for wealth ranking is where earnings and possible savings go into a common 'pot' (termed 'production unit' here). The lower and upper demarcation lines of production units, sometimes between production units, are as a rule blurred. In our society for example, it is not just core families that save: each single member of a family frequently saves for himself/herself, too. In our culture, relatives who do not belong to the core family often receive financial support as well. So far, though, this imprecision has not proved to be a serious handicap in TC practice. To avoid misunderstandings and ensure a consistent application, it is, however, important to make a clear definition of production units and ensure that all project staff understand the terminology to mean the same thing. Similar to defining poverty and wealth concepts, the relevant analytical unit is identified through semi-structured interviews.

In the next step, a complete list of production units in every village or settlement in the survey is made. Then, the names of all production units of a village are entered separately on index cards. Four informants are then needed for the actual wealth ranking (as a rule two women and two men; selection criterion: familiarity with all production units after living for many years in the village). First, each informant is asked to verify what he/she understands by poverty and wealth. Each informant is then asked to sort the index cards with the names of all production units into different stacks. Each stack then contains names of production units which are rated as more or less equally wealthy. After all four informants have stacked the cards, the four rankings are collated with a mathematical method and then a mean is obtained (a consistency check can also be made in the process and possible manipulation detected).

At the end of this procedure, village lists are available of all production units in the survey villages, ranked by wealth.

The wealth-ranking method furnishes the basis for four application fields in TC:

1. Poverty analyses (wealth-ranking target-group analysis, analysis of impoverishment, functional analysis of poverty traps)
2. Altering the poverty orientation of actors
3. Monitoring poverty orientation of project activities
4. Impact monitoring of poverty reduction through project activities

The method can be applied for the second and third application fields just as Grandin (1988) developed and described it. The same procedure can also be applied in a poverty analysis where no quantitative statements are required.

To provide a basis for precise impact monitoring (monitoring of impacts on poverty reduction) or for a quantitative poverty analysis, a more extensive wealth-ranking procedure is required. The main problem is that the method developed by Grandin does not permit any comparison of the classifications of different villages (depending on the village, 'wealthy' or 'poor' can mean more or less rich and poor). To obtain a comparative classification of all production units in a project area, the single village classifications must be 'calibrated'. This is done by cross reference to local poverty and wealth concepts and is explained in the following section (cf. Gnägi 1991, Vol. 1 p. 100 ff for a detailed description of the procedure and an example).

Like all social constructs, local notions of poverty and wealth are ill-defined. Every member of society acquires his own understanding of this in the course of his socialisation. The definition used in wealth ranking by the analytical team therefore corresponds to a kind of mean value, from which each informant's notion diverges somewhat (e.g. number of categories used, weighting of the different criteria, etc.). To calibrate this information, each production unit must be assigned to poverty categories defined by the analytical team. For this, the criteria applied in defining the categories must be identified. The following example will illustrate the procedure (see Chapter 3 for the context of the example). A female informant has defined three wealth categories for her village, with 75% of all production units assigned to the category 'poor'; like most of the informants; however, the analytical team works with four wealth categories. Evidently, the informant discriminates less than usual at the lower end of the scale. To 'calibrate' her wealth ranking, we then look for where according to the majority view the ranking 'falls' into the next higher category. According to the example given in Chapter 3 the distinction between 'poor' and 'in difficulties' is the investments criterion: families who cannot invest are regarded as poor.

With the corresponding criteria it is possible through further questioning to convert the relative ranking into absolute wealth strata, i.e. to locate 'break off' points which enable us to classify all wealth rankings into coherent categories. We then end up with names lists that tell us which of the wealth categories used by the analytical team each production unit in the project area belongs to.

No impact monitoring was carried out on poverty reduction in the PRODILO project since poverty reduction was not the explicit project purpose. However, at the moment, the most promising aspect of the method is clearly the possibility of developing it into an impact monitoring instrument. In our time of scarce resources and stricter standards of accounting, a relatively simple-to-use method for precise measurement to verify whether project activities actually reduce poverty has a lot to recommend it.

Different approaches are conceivable for the impact monitoring of poverty reduction through project activities. All of them are premised on predefining the relative wealth ranking of some enterprises in proportion to the whole target population. The following are basic types of monitoring instruments:

- Before/after comparison: at the beginning and end of a project phase a large sample of enterprises in the project area is taken using the wealth-ranking method (blind test for the project team). Then an analysis is made of how the ranking of enterprises that have made use of the project services have changed in relation to 'non-users'.
- Combination with a management information system: the major drawback of the before/after approach is the need for a long observation period before results are obtained. This can be remedied by combining the wealth-ranking method with a common management information system (MIS). Already in many health projects today, for example, all customers are

allocated identification numbers under which all later services rendered are registered. If at least some of the customers are registered with a wealth ranking, the poverty orientation of the project can be assessed at any time (who benefits from the services?), but in addition the project impacts on welfare deficits due to poverty can be corroborated (depending on project type, decline in child mortality in poor families, better access to lending for poor families, higher yield per hectare in poor farms, etc.). If scientific precision is required, control groups can be included to rule out the influence of external factors.

- Users/non-users sample comparison: a wealth-ranking sample of enterprises in the project area is periodically questioned by an external monitoring body on core values (obviously on criteria applied to demarcate wealth classes). If the sample contains a control group of non-users of project services, the impact of the project on poverty can be inferred from a comparison.

5. Limitations to application, costs and problems

As already pointed out in the last chapter, the method can only be used where people know each other well. The main reason for this is that in wealth ranking the questions primarily address the knowledge of people about one another. This rules out towns, refugee camps, migration areas and rural areas with major settlements (more than 100 families per village). Favourable experience has been gained, however, in nomadic societies without geographically fixed villages and in sporadic settlements.

The wealth-ranking method should only be employed with great caution as a targeting instrument for project activities and social services. The temptation is of course great, for example, to channel poverty-oriented lending, subsidies, training facilities, etc. directly to the poor via poverty rankings. However, wealth rankings can be manipulated by the informants if they have a practical motive to do so. The internal consistency check in calculating the mean average value (see previous chapter) usually makes it easy to detect and rule out manipulated classifications (on average under 5% of rankings).

If thoroughly prepared and especially if agreed beforehand amongst the informants, it is however conceivable that manipulations are so skillful as to go unnoticed. Such a development, which would ultimately discredit the method, should be prevented by not using the wealth-ranking method at all where such abuse is foreseeable. This means practically that the wealth-ranking method should only be used once as a targeting instrument in a project area without forewarning the target groups. As soon as the connection between wealth classification and targeting is known, the method will in all probability fail to supply any valid results.

Costing: the basis for all application variants are wealth rankings of all production units in the villages. An experienced team of two persons can conduct wealth rankings in two to three villages a day. The work can be performed by staff with about nine years schooling. A sociologist with experience in the method assigned as a short-term expert needs approximately 7 days for the training and initial supervision of the team. With these resources, a monitoring facility for poverty orientation in project activities can be installed as described in the third chapter or a wealth ranking of customers done for a MIS.

If the project needs a quantitative analysis of poverty and impoverishment, it will have to budget for approximately 120 days local staff deployment and at least a 40-day short-term expert assignment for a social scientist (for a sample of 10 villages with a total of around 100 qualitative and quantitative analyses of enterprises).

Installing an impact monitoring of the project's poverty reduction (including calibrating wealth rankings and before/after comparisons during a project phase) will require about 70 short-term expert days and 200 local staff days.

Frequently only lip-service is paid to poverty reduction and there is a reason for this. To be successful, poverty alleviation calls for deliberate, well-planned activities based on precise knowledge of local conditions. So this is a great opportunity for planning officers, field staff and country section heads to help reduce poverty: they can stipulate poverty analyses, poverty orientation of projects and poverty-orientation monitoring in the documents of the projects they are handling and contribute to a system of incentives for actors to change their behaviour.

Chambers (1983) warns against striving for changes in actors' poverty orientation at the verbal level (no sermons). Wealth ranking and poverty analysis should be routine matters, project activities should be aligned with poverty reduction, the activities should be implemented, the impacts monitored and the achieved results discussed - this seems to be the way to do it ("change behaviour before attitudes"). The actors can then be proud of their achievements, view the results as the product of their work and associate the actions they took to get there with positive values.

Bibliography

Chambers, R., 1983; Rural Development. Putting The burden roof ridge; London

Gnägi, A., 1991; Nous Avons Perdu Le Respect, maize La Pitié n, ' Est Pas Venue Dans Nos hearts. Prozesse des sozialen Wandels und soziokulturelle Heterogenität in the Arrondissement of Ouélessébougou, Mali; Berne (report for the GTZ, 2 volumes)

Gnägi, A., 1995; Entwicklungszusammenarbeit und sozialer Wandel in Südwesten Malis. Ueberlegungen zur Struktur und den Auswirkungen der populistischen Interventionspraxis; Berne (thesis at the philosophical historical faculty of the university of Berne)

Grandin, B.E. 1988; Wealth Ranking in Smallholder Communities: Are of Field manual; London

World bank, 1993; Mali. Assessment Of Living Conditions: Washington DC