Rural Poverty as a Community Concept

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According to its website Papa Andina is a regional initiative that promotes technological, commercial, and institutional innovation in the potato sector in Bolivia, Ecuador and Peru. The initiative seeks to help reduce poverty among small-scale farmers improving the competitiveness of potatoes in the market and by allowing small farmers to participate more effectively in markets for potatoes and potato-based products. Papa Andina "pays special attention to improving the participation of low-income farmers in productive chains, by linking their demands more effectively with sources of new technology, by promoting farmer organization, and by involving small farmers in participatory market chain exercises that develop innovations that benefit the poor, capturing their demands through an interactive network of public - private partners" (http://www.papandina.org/en/).

The project, as described, seems to rely heavily on the role of markets as a catalyst for income generation. It follows then, that an appropriate design to evaluate how successful the program has been ought to be the change over time of some measure of monetary income (outcome) with and without the project. This approach reflects and reinforces a key assumption exhorted by the discipline of economics: poverty is seen as an individual's inability to consume enough to fulfill basic preferences or needs. Helped by constructs such as the poverty line (a monetary metric calculated as the food expenditure necessary to meet dietary recommendations, supplemented by a small allowance for non good foods) traditional economics judges success or failure according to the number of people crossing a statistically line based on a uniform standard.

Rural Poverty is, however, a much more complex reality, and therefore, an elusive outcome to measure. And this is particularly true when outside evaluators carry their urban bias. Almost every other

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Latin-American region (i.e. municipality) differs in many dimensions from the other: from political power structures, to access to infrastructure (i.e. electricity, roads, sewage, telephones), to social and cultural norms (i.e. gender roles, religious values). This in fact calls for a bottom up analysis in which poverty ought to be defined at the community level.

The identification of local standards of poverty or wealth by community members, without imposing any definition by outsiders, has the advantage of being multidimensional in itself. The "Ladder of Life[2]" (LOL) is an excellent tool in this regard. In short, LOL works by using participatory assessments: community groups (focal groups) reach agreement on local multi-dimensional descriptions of categories of well-being, and then sort households in the community into the different well-being categories and mark them on a community drawn map. The sorting provides a distribution of the households in the different categories based on local people's perceptions. The LOL engages locals in examining well-being groups by expenditure and other patterns and explores changes in household status over periods of time defined by the researchers.

Markets are difficult to develop, and efficiency (i.e. income as a function of effort and innovation) in markets is rarely achieved until other institutions evolve (i.e. rule of law, credit markets). Measuring poverty solely by income is a methodological mistake in the rural context. I suggest that a better way to evaluate impacts on poverty in rural areas is to follow a bottom up approach using context-specific tools designed specifically to define community well-being.

[2] As defined by the World Bank's Moving Out of Poverty Project in its Methodology Development documents.