

**SUBJECTIVE ASSESSMENTS, PARTICIPATORY METHODS AND POVERTY DYNAMICS:
THE STAGES OF PROGRESS METHOD**

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Abstract

The Stages-of-Progress methodology helps examine households' movements out of poverty and into poverty. More important, it helps uncover the reasons responsible for these movements, thereby feeding directly into policy formulation. I present the steps in this methodology, discussing briefly some results from applications carried out with colleagues in 236 diverse communities of India, Kenya, Uganda, Peru and North Carolina, USA, examining the pathways traversed by a total of more than 25,000 households. Next, I discuss how reliably this recall-based, participatory and community-driven methodology works in practice. Strengths and weaknesses of the method are examined in conclusion.

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1. Studying poverty in dynamic context: the need for new methods

Despite decades of studying poverty, it is still not possible to say how many people were born poor in any country and how many others have become poor within their lifetimes. Available poverty knowledge also does not tell us how many formerly poor people have escaped from poverty in any country. Because it is not possible to identify those who have escaped from poverty, it becomes hard to compare them with those who have not. Thus, it becomes hard to fathom why only *some* (but not other) poor individuals succeed in moving out of poverty.

Poverty has to be studied in dynamic context; else the reasons for escape are not properly known. Different reasons operate in diverse regional contexts, and guessing these reasons is hardly enough. For policy to have an impact upon poverty, reasons for escape must be known; they must form the targets of policy. However, relatively little has been done so far to study these reasons as they operate within specific regional and local contexts.

New methods of studying poverty have been developed over the past few years that are helping to build better micro-foundations for poverty knowledge. This conference, by bringing together authors and practitioners of these cutting-edge methods, will help bring together useful knowledge and research techniques. I present below one of these new methods, developed with colleagues in five countries where poverty is a significant problem.

2. The Stages-of-Progress method

The first Stages-of-Progress study was undertaken in the summer of 2002 in Rajasthan, India. I went into field research in April of that year, looking to understand why some but not other poor households had been able to escape from poverty. What had they experienced that others had not? Did education make the difference in most cases, or was it an increase in productivity, or better market returns, or new opportunities or fewer children?

How many people, not previously poor, had fallen into poverty within the same time period? What reasons had operated to bring about their downfalls?

I started looking within a group of rural communities in Rajasthan, the part of the world that I know best in terms of sensibilities and aspirations. But I had little idea about how I would go about this study. I knew that having a panel of data for two time periods would help, but it would take unbearably long to assemble: a gap of seven or eight years, at least, is required for having a panel capable of effective comparisons over time (Walker and Ryan 1990). I went ahead hoping to uncover through innovation on the ground a quicker and equally productive methodology yielding reliable and useful results. It took six months of field research, including four months experiencing nothing but failure, before a potentially workable methodology started taking shape. These initial formulations, implemented in the first Rajasthan study (Krishna 2003; 2004), were successively improved upon in additional studies, undertaken with research partners and community groups in other parts of India and later in Kenya, Uganda, Peru and North Carolina, USA. These research partners – notably Patti Kristjanson in the Kenya studies and the Peru study; Mahesh Kapila, Mahendra Porwal, Sharad Pathak, and Virpal Singh in the three India studies; Dan Lumonya in Uganda; Judith Kuan in Peru; Milissa Markiewicz in Uganda and in North Carolina, together with Leslie Boney, Christina Gibson, and our students at Duke University – have contributed in different ways to the present state of development of this methodology. I am equally indebted to the thousands of individuals whom we interviewed individually and in community groups, who gave freely of their time.

In each separate region we conducted investigations in the local language, thus different teams of investigators were selected and trained separately in each region. Up to three teams operated in tandem after training in each region. Typically, each team was composed of two facilitators and between four to six investigators, equally male and female. These facilitators are mostly college graduates, while the investigators have usually between eight to ten years of school education.

Because so much depends upon the quality of interviewing – and upon combining carefully results derived separately from individual interviews and community groups – training is a very important aspect of this methodology. Training for a period of ten days was built in at the start of this exercise in each study site. Following three days of classroom discussions and simulation, the study teams would go out to conduct practical

exercises with the methodology, first in one set of communities, and following feedback and discussions, in a second set of communities.¹ I remained with the study teams for additional periods of up to two weeks, working with them and watching them as they worked, and developing, in discussion with them, further refinements to these methods. As practiced today, the methodology has seven successive steps, followed in order each time a study is conducted within any community.

Step 1. Assembling a representative community group. A male and a female community group were convened separately in each community. We took particular care to ensure that all members of the village community, particularly poorer and lower status ones, were represented at these meetings. In some cases, where women let men do all the talking in mixed groups, a separate meeting was convened for women of the community.

Step 2. We presented our objectives, introducing ourselves as researchers. It needed to be made clear that there would be no benefits or losses from speaking freely and frankly to us. We were not implementing any development project nor “selecting beneficiaries.” Making this clear would help remove, we hoped, any incentive someone had to misrepresent himself or some other person as being poor.

Step 3. Describing “poverty” collectively. Community groups in each village were asked to delineate the locally applicable stages of progress that poor households typically follow on their pathways out of poverty. “What does a household in your community typically do,” we asked the assembled community members, “when it climbs out gradually from a state of acute poverty?” “Which expenditures are the very first ones to be made?” “Food,” was the answer invariably in every single village. Which expenditures follow immediately after? “Some clothes,” we were told almost invariably. As more money flows in incrementally, what does this household do in the third stage, in the fourth stage, and so on? Lively discussions ensued among villagers in these community groups, but the answers that they provided, particularly about the first few stages of progress, were relatively invariant across all communities of each region studied.

After crossing which stage is a household no longer considered poor, we asked the assembled community members, after drawing up the progression of stages. The placement of this poverty cut-off and the nature of the initial stages (i.e., those below the

poverty cut-off) differed somewhat across nature of the initial stages (i.e., those below the poverty cut-off) differed somewhat across communities belonging to the different regions studied. However, remarkably similar understandings exist across diverse communities within each particular region. Across regions as well, there were considerable similarities in terms of these understandings of poverty, as Table 1 shows.

-- Table 1 about here --

It was community members and not researchers who defined these stages of progress. The similarity in stages is more remarkable for this reason. Notice the progression in stages as households gradually make their ways out of poverty. In villages of Rajasthan, India, for example, the first four stages are food, primary education for children, clothing, and debt repayment. The poverty cutoff is drawn immediately after the fourth stage. In Andhra Pradesh villages, similarly, the poverty cutoff is drawn immediately after the fourth stage. Three of these first four stages are similar between Rajasthan and Andhra Pradesh villages, but instead of primary education, reported in Rajasthan villages, another stage, corresponding to minor house repairs, was reported among the first four stages in villages of Andhra Pradesh. Across countries, as well, there is considerable similarity across stages, but there also significant differences, reflecting diverse lifestyles and aspirations.

Later stages of progress beyond the first few are not reported in Table 1, and these stages included, for example, digging an irrigation well on one's own land, purchasing larger animals, particularly cattle, starting a small retail business, constructing a new house, purchasing jewelry, acquiring radios, fans and tape recorders, and purchasing a motorcycle, tractor or a small car. These are, however, discretionary expenses, and depending upon the taste of a household's members, purchasing a radio or a tape recorder can precede or come after acquiring ornaments. There was, consequently, more variation in the ordering of these later stages in different villages.

The first few stages of progress are not so discretionary: they are both physically and socially obligatory. Physical needs – for food, for clothing, for protection from the elements – combine with considerations of social recognition to constitute the definition

of poverty that is prevalent within these communities.² It is a commonly known and widely agreed-upon understanding of poverty, and this everyday understanding of poverty is much more real for these villagers than any definition that is proposed from the outside.

These locally constructed understandings of poverty constitute the criteria within these communities for identifying who is poor. They also constitute a threshold or an objective, which defines the goals and the strategies of poor people: what people do in order to deal with poverty depends on what they understand to be the defining features of this state.

Villagers participating in community groups developed these criteria among themselves, and they used these well understood and commonly known criteria to classify which households are poor at the present time and which households were poor 25 years ago. We selected to work in most regions with a period of 25 years because it corresponds roughly to one generation in time. Households' strategies are made in terms of generational time horizons. In addition to asking about 25 years ago, however, we also inquired about an interim period of eight to ten years ago.

Step 4. Treating households of today as the unit of analysis, inquiring about households' poverty status today and 25 years ago. In this step a complete list of all households in each village was prepared. Referring to the shared understanding of poverty developed in the previous step, the assembled community groups identified each household's status at the present time, for 25 years ago, and also for an intervening period, eight to ten years ago.³

Households of today formed the unit of analysis for this exercise.⁴ Household composition has been relatively stable in all communities studied; relatively few households, less than two percent in all, have either migrated in or migrated out permanently. Individual members of households, particularly younger males, have left these communities in search of work, but very few members have left permanently, and fewer still have left permanently along with their families.

Step 5. Assigning households to particular categories. After ascertaining their poverty status for the present time and for 25 years ago (or ten years ago), each household was assigned to one of four separate categories:

Category A.	Poor then and poor now	<i>(Remained poor)</i> ;
Category B.	Poor then but not poor now	<i>(Escaped poverty)</i> ;
Category C.	Not poor then but poor now	<i>(Became poor)</i> ; and
Category D.	Not poor then and not poor now	<i>(Remained not poor)</i> . ⁵

Step 6. Inquiring about reasons for escape and reasons for descent in respect of a random sample of households. We took a random sample of about 30 percent of all households within each category, and we inquired in detail about causes and contributory factors associated with each household's trajectory over the past 25 years. These event histories were checked independently for each selected household with the community groups convened in each village.

Step 7. Following up by interviewing household members. Reasons indicated by the community groups for each selected household were crosschecked separately through individual interviews with members of the household concerned. At least two members of each household were interviewed separately in their homes. Multiple sources of information were thus consulted for ascertaining reasons associated with the trajectories of each selected household.

It took a team of six to eight individuals three to four days on average to complete these inquiries in one rural community (which has on average about 150 households). These were not standard eight-hour days, but it was an enjoyable learning experience for me and for my colleagues.

3. Brief synthesis of results

Significant proportions of households have escaped poverty over the last 25 years. During the same period, large numbers of households have also fallen into poverty (Table 2).

-- Table 2 here --

Such simultaneous up-and-down movements have occurred in every one of more than 200 communities that we studied. Achieving poverty reduction goals will therefore

require taking actions aimed at helping poor people escape poverty, and it will also call for actions that stem the flow of people into poverty.

Depending upon the region studied, between six percent and 19 percent of *all* households have fallen into poverty over the period examined. These households were not poor at the start of the study period, but by the end of this period they had joined the ranks of the poor.

In communities of every region, new poverty has been created. The newly impoverished constitute a significant subgroup within each region. In the 35 Rajasthan villages, for example, almost *one-third* of those who are presently poor were not born poor; they have become poor within their lifetimes.

Introducing a separate focus on falling into poverty is an important contribution of studies that used the Stages-of-Progress method. Very large numbers of households are falling into poverty everywhere. Yet, very few policies are directed specifically toward reducing these frequent (and often needless) descents. As discussed below, a separate set of policies will be required specifically to curb descents into poverty. Understanding the reasons for descent will help give shape to appropriate policies.

Reasons for descents

Descents into poverty occur generally (though not always) in a gradual and cumulative fashion, not from one moment to the next. No single reason is usually associated with falling into poverty; multiple linked factors propel most descents. Tackling these major factors should lead to large reductions in the incidence and probability of descent. Important local-level factors of descent included, in descending order of frequency, health and health-related expenses, death of a major income earner, disability, marriage and new household-related expenses, funeral-related expenses, high interest private debt (especially in India), land division, and land exhaustion (Table 3).

-- Table 3 here --

Findings in Kenya, Uganda, India and Peru show that healthcare is overwhelmingly the single-most important reason for households descending into poverty

(findings from North Carolina are similar in this regard). Health and health-related expenses were mentioned as important reasons associated with nearly 60 percent of all descents recorded in villages of Rajasthan, India, with 74 percent of all descents examined in Andhra Pradesh, India, and with as many as 88 percent of all descents studied in villages of Gujarat, India. In communities of Uganda and Peru that we studied, respectively, 71 percent and 67 percent of all descents were associated with ill-health and health-related expenses.

Not only does ill-health reduce the earning capacity of a household's members; in the absence of affordable and easy-to-access healthcare facilities, it also adds considerably to the household's burden of expenditure, thereby striking a double blow, which quite often results in tragedy. The human body is often poor people's main productive asset, an indivisible, and in most cases, an uninsured asset, which unlike most other assets can flip or slide from being an asset to being a liability.⁶ The resulting dependence of survivors, including orphans, upon other households contributed further to descent in many cases.

Social and customary expenses on marriages and funerals constitute another set of factors often associated with descent. Funeral expenses, especially expensive death feasts, were associated with a high proportion of descending households in communities studied in Kenya (64 percent), Rajasthan (34 percent), Gujarat (49 percent), Andhra Pradesh (28 percent), and Peru (11 percent). Marriage-related expenses were very important in all three states studied in India. They were also cited as an important factor in communities of Peru, affecting younger couples in particular. Over a 25-year period ending in 2004, marriage and new household-related expenses were associated with 29 percent of all cases of households falling into poverty in these 40 Peruvian communities.

Land-related factors, including crop disease, land exhaustion, drought and irrigation failure, were also associated with a significant number of descents, particularly in some regions. In communities of Western and Central Uganda this set of factors was associated with 39 percent of all observed descents and in communities of Western Kenya with 38 percent of all descents. Other reasons for descent included the loss of a job resulting from retrenchment, sacking or retirement.

Drunkenness and laziness, sometimes thought to be important causes of poverty among the poor, were found to be relatively insignificant reasons. In all the communities investigated, these factors were associated with no more than five percent of all descents.⁷

High-interest private debt is highly prevalent as a factor contributing to descents in the three Indian states. Villagers deal with high healthcare expenses and with expenses on marriages and death feasts by taking out high-interest loans from private moneylenders, paying rates of interest as high as ten percent *per month*. The high burden of debt that results helps push households deeper into poverty.⁸

Drought and irrigation failure constituted another important reason for descent. However, the effect of this factor, as of many other factors reviewed above, varies considerably across different parts of a region and country.

These reasons for descent are different everywhere from the reasons that have helped take poor households out of poverty. This essential *asymmetry* between escaping poverty and falling into poverty will require simultaneously mounting two parallel sets of poverty policies, as discussed below.

Reasons for escapes

Income diversification has been the most important pathway out of poverty in all areas studied (Table 4). Poor rural households diversified their livelihood and income sources through two broad means: on-farm – through pursuing new crop- and/or livestock-related strategies; and off-farm – through local petty trade, small businesses, and most important, through casual or temporary employment within the informal sector in a city. Diversification of income sources was related to 70 percent of all escapes observed in communities of Rajasthan, India, 78 percent of those observed in communities of Western Kenya, 69 percent in Peru, and 54 percent in Uganda.

-- Table 4 here --

In general, growth of private sector employment has not been the principal or even a very prominent reason for escaping poverty. Even in Gujarat, India, where

economic growth rates have averaged nine percent over many years, only about one-third of those who escaped from poverty could do so on account of acquiring a regular job in the private sector (Krishna et al. 2005).

Growth in agriculture – related particularly to irrigation and land improvement – has been more important as a reason for escape from poverty.⁹ Improvements in productivity as well as diversification into cash crops were quite important in both regions of Uganda, where first coffee, then vanilla, were grown. Cash crop diversification was also important in western Kenya and in the Cajamarca region of Peru. Over one-quarter of all escaping households in each of the three Indian states benefited from large-scale irrigation schemes or from small-scale irrigation activities on their lands.

While most children are going to school in these communities, education has hardly always amounted to an escape out of poverty. Information and connections matter in addition to education, and the lucky few who have found a job or business opportunities in the city have been assisted – usually with information and sometimes also with a contact or two – by an uncle or cousin, established for many years in a city-based occupation.

It is disheartening that government as well as non-governmental assistance and programs are not contributing substantially to households' movements out of poverty. Perhaps these programs are not well spread out over all communities; perhaps lack of reach is made worse by lack of knowledge about reasons to target.

Different trends and different causes operate in different regions and localities, and pinpointed rather than blanket solutions need to be devised and implemented. Disaggregated inquiries are important for this reason. Without knowing what reasons are most prominent for escape and for descent in a particular locality, appropriate interventions cannot be identified.

The Stages-of-Progress methodology helps critically with such locality-specific identification of reasons for escape and descent. (Some limitations are discussed in the concluding section.) Building on a rich history of participatory approaches (e.g., Chambers 1997; Narayan et al. 2000; Salmen 1987), this methodology is rigorous but relatively simple to apply. After initial training, community groups can even utilize these methods on their own to track and explain poverty and to uncover appropriate solutions.

The total cost of field research has varied depending upon the country studied. In India, for example, studying one community cost on average Rs. 30,000 (\$700). In addition to these field costs, additional amounts were involved in training, data entry and analysis. Field costs were comparatively higher in Uganda and Peru, rising substantially in North Carolina, USA. In all cases, I expect that a comparable panel data study will cost more.

4. Subjective assessments in relation to panel studies

Panel data sets have been used traditionally to examine households' and individuals' movements into and out of poverty.¹⁰ Panel data on households' consumption levels at two different points in time are very helpful for comparing changes in monetary poverty among households. Because they utilize a standardized definition of poverty, it might be thought that they deliver more precise numbers for escape and descent. But these numbers are precise only in the terms of their definition. Other definitions are more valid and precise for other observers; the poor themselves do not use dollar-a-day.

Depending upon the questions that some study is intended to address, different methods are more appropriate and different definitions more useful to follow.¹¹ Stages of Progress is a preferable method to use in situations where data for a prior period are simply not available, or as is often the case, particularly in developing countries, where available data are hard to access, unclear, or not rigorously obtained. In such situations, a panel data set might take unbearably long to assemble, and other methodologies, including Stages of Progress, may be preferred.

It is also better to use Stages (or some other method like it) in situations where it is important to identify household-level reasons. With a notable few exceptions, including Sen (2003), panel data studies have not identified reasons for escape and reasons for descent at the household level. In doing so, they have missed out upon households' strategies for dealing with poverty, thereby de-linking the understanding of poverty dynamics from individuals' own efforts.

In order to understand households' strategies, however, it helps to accept the definitions by which these strategies get defined. Adopting a place-bound and local understanding of poverty assists with these efforts.

Third, because Stages is easy to apply, enjoyable in practice,¹² and its logic is intuitively clear, it can help community groups undertake analyses by themselves. Applying this methodology and uncovering the reasons for escape and descent helps to provide the rationale for selecting particular investments over others.

Combining different methods will be important to understand different facets of poverty. New and reliable methods must be developed that can uncover more facets of poverty knowledge (O'Connor 2001).

5. Comparability and reliability

How reliable are the data from Stages-of-Progress? Recall can be quite imperfect for an earlier period, and oral evidence may be faulty, incomplete or deliberately skewed. In order to deal with these possible sources of weakness, several precautions have been built in, many as a result of experience.

To begin with, the methodology retraces *large* steps that are better remembered compared to finer distinctions. Each movement upward along the Stages of Progress represents a significant improvement in material and social status. People remember, for instance, whether their household possessed a motorcycle or a radio set at the time when Kenyatta passed away; they can recall clearly whether they lived in a mud or a brick house while growing up, and whether they could afford to send their children to school. By seeking recall data in terms of these clear, conspicuous and sizeable referents, the Stages-of-Progress method adds some reliability to recall. Members of particular households remember quite well where they were located along this clearly understood hierarchy of stages, and these recollections are verified by others who have lived together with them for long periods of time.

One of the risks associated with subjective inquiries – which arises when people think back to some mythical golden age: “everything was better in the past” – gets limited because communities think in terms of distinct stages (and not in terms of better or worse). These stages are visible to all in the community, so community members are able to say which households are at each stage, both now and in the previous time periods chosen.

Triangulation of all data collected helps to further verify recall. Information about each household is obtained separately at both the community and the household level. Discrepancies, when found, bring forth repeat interviews; community groups and the household verify each others' account.

Corroboration with more "objective" evidence was found by comparing stages with asset holdings for households. Table 5 presents evidence in this regard from the study conducted in 36 villages of Uganda (Krishna et al. 2006). Household were asked about ownership in respect of ten different types of assets, including animals, radios, household furniture, and so on. Table 5 shows that a monotonically increasing relationship exists between household's ownership of assets and the stage at which they were placed.

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Communities' gradations and rankings point in the same directions as the grading schemes that "we" (i.e., the experts and outsiders, in Robert Chambers' sense of the word) would prefer to employ, corresponding to "our" preferred definitions of poverty. We also found in other studies that some other visible characteristics of material status – e.g., housing type, cattle ownership, education levels, etc. – also align neatly (though hardly perfectly) with a household's position on the Stages of Progress. How well any household is doing in terms of material achievement at the present time is thus reflected quite by well by the stage recorded for it in the current period.

But what about stage as recorded for a previous period? Does it also accord quite well with what it actually was at that time?

In order to convert from this hypothetical question to one that could actually be answered using the available evidence, I conducted a study in 2004 in the same group of 61 villages in Rajasthan, India where I had undertaken a previous study seven years ago. I found households' stages of progress for 1997 (as recalled in the community meetings of 2004) to be closely correlated with the number of assets possessed by them seven years ago (as recorded in the survey conducted in 1997). Table 6 presents these figures.

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Objective data from a more distant past are not readily or abundantly available (if they were, we would not have needed to develop any such methodology). I knew of only one instance – others may know more – of written records from 25 years ago, records which stated, in this instance, the amount of landownership of every household in some of the villages that we had studied. By checking these land records for an earlier period it is theoretically possible to map stages (as recalled) against actual landholdings of 25 years ago. But in practice this task is both complicated and arduous. It can also be considerably expensive, especially if it is delegated to someone else who is qualified. Backtracking land ownership records requires manually locating, collating, and compiling diverse handwritten registers, which are most often not available at a single physical location. It also requires matching present-day households with the individuals whose names were recorded in the land registers of 25 years ago (and in cases where the household concerned has experienced sub-division, it also requires calculating the share in the prior landholding of the household recorded at the present time). Thus, additional field work is required to complement the archival inquiry, which takes more money and more time. Finding the match with land records for all the villages studied in Rajasthan was simply not possible given the resources available. Instead, I selected a random sample of feasible size, picking 25 households at random from among all those who have fallen into poverty in five villages, also randomly selected, in two districts of Rajasthan. With generous assistance provided by the administration of Udaipur district, landownership for these 25 households was tracked backward over 25 years.¹³ Table 7 shows these results.

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Notice that of these 25 households, all of which suffered descents into poverty, 22 households (88 percent) simultaneously lost all or part of the land they had owned 25 years ago. About half of these households lost *all* of their lands. The rest had to part with significant chunks of their holdings.

Observing this close match between land records and Stages data helped justify the effort required to obtain this information. But I was not too surprised upon learning of these facts. The villagers whom I had met and interviewed had shared generously of their knowledge, and what I had learned from these discussions, I felt instinctively, was true.

It helped to have local area residents working as the interviewers for these studies. I have learned at my cost to not speak much at these community meetings. Many questions cannot reasonably be asked by outsiders, but speaking about misfortunes with ones who know and can empathize is easier, and as I observed, it is also cathartic in some cases. The interface between researcher and respondent is critical for this method to work well, which is why intensive training is built in at the start of every such exercise.

6. Limitations and planned developments

Some limitations will need to be addressed as this methodology is extended further. Some other limitations will not be easily overcome. I outline below what I currently know about these limitations. I welcome comments and suggestions about dealing with these limitations better and also about other limitations that I may have failed to spot.

First, the methodology needs to deal better with intra-household differences, particularly those based on gender.¹⁴ Second, it will need to be adapted for dealing better with newly formed communities, particularly those located in large urban centers. Because it relies upon commonly shared community memories, this methodology works better among more longstanding and close-knit communities. Such communities are easier to find in rural areas, and they are less prevalent in metropolitan areas, which limits the reach of the methodology in its present form. To some extent, the study undertaken in North Carolina helped develop appropriate amendments in the methods. Because “poverty” is less easily discussed publicly here than in the other countries we had studied, and because communities are less stable here, the Stages-of-Progress methodology needed to be modified for North Carolina. Relatively more reliance was placed upon household interviews. While the stages themselves were ascertained in community meetings, households’ rankings and reasons were elicited mostly through household interviews (Krishna et al. 2006c). This procedure helped us to go forward with the

process of inquiry, but it compromised to some extent the triangulation and verification that was possible.¹⁵ Further refinements are being made for an ongoing study in Kenya, where communities in Nairobi and Mombasa are being studied along with some others.

Applying Stages in a community setting helps abate to a considerable extent the danger of stigmatization. By categorizing people as occupying a particular stage (1-13) or belonging within some particular category (A-D), we have no need to refer to some individual as “poor” or “rich.” Tracy Rhoney, an enthusiastic and well-regarded community organizer in Burke County, North Carolina, explained to me in her unforgettable accent: “Honey, it’s almost like asking a woman about her dress size: Are you a five or a four? Are you Stage 5, or are you Stage 4? It’s that simple.” She was right in this regard; people who attended these North Carolina community meetings spoke freely about their own positions along the stages of progress. They were wary and close-mouthed, however, when someone else’s situation was discussed.

Another danger for community-based studies is that of elite capture. In the Stages process, we make clear at the very start of community discussions that no tangible benefits will be given out by us to anybody. This reduces the incentives that people might have to fabricate or distort the facts, but the danger of elite domination is not fully averted nevertheless. We have maintained some balance in the composition of the community group. In India, for instance, we did not commence formal discussion until lower and upper castes were both present, and women were also represented in the group. We also learned techniques for rotating community respondents and isolating domineering speakers by taking them aside for separate interviewing. One other part of the Stages process helped to reduce the impact of elite domination: all facts ascertained in the community meeting were separately verified in privately-held household interviews. To the extent the fear of elites does not also extend into private spaces, imbalances arising in the community group were ironed out at this point in the study process.

Another potential weakness, common to all longitudinal studies, arises on account of the changing compositions of communities and households. Households twenty or even ten years hence will not be the same as the households of today. Some new households will be set up by young adults and new immigrants, and some others will not be in the same place when a later study is conducted. Because households do not remain

the same over time, some simplifying assumptions have been made in longitudinal studies. Panel data studies consider households in the starting year of the study. They compare these households over time, neglecting all households newly arisen. This neglect does not, however, deter from the purpose of these studies, which is to understand and trace households' trajectories over time. The Stages-of-Progress method involves an equal though opposite neglect. By considering households at the end of this period, this method neglects all households that have faded away during this period. We have found in a few locations where we inquired about this disappearance that it was undergone by roughly equal numbers of very rich and very poor households, with members of both groups leaving to try their luck in some city. By studying households that exist at the present time, we could elicit, particularly in the case of younger households, the difference between some individual's inherited and acquired status: Did a person who was born to poverty remain poor at the end of the period, or did s/he manage to escape from poverty in the past several years? Is another person who was part of a non-poor household ten years ago still non-poor, or has she, regrettably, fallen into poverty during this time? Compiling these trajectories – of stability and of change – helped us to assess the overall situation of poverty over time. More important, learning about the reasons for change in each individual case helped to identify chains of events associated with escaping or falling into poverty.

It also needs to be mentioned that the reasons for escape and descent identified in these studies are all micro-level and proximate, as experienced by households and individuals. More distant and macro-level reasons operating on account of national policies and international economic conditions are not directly identified using the Stages-of-Progress methodology, thus combining these micro-level analyses together with a macro-level examination of policies and structures will help fill out a more complete picture. It would be useful to undertake such a synthetic micro-macro study.

It would also be interesting to undertake a study that combines monetary measures of poverty together with community-based ones. In future work I intend to undertake such comparisons. It would be useful to consider the extent to which these different measures – and perhaps also a third one, based on an asset-ownership index – offer the same or a different identification of poverty.

No single method is ever adequate, I feel, for studying poverty in all its complexities and dimensions. Different combinations of methods work better for different ends. Which method or methods one elects to adopt must be guided by the nature of questions one seeks to address. For instance, Stages is not useful for making cross-country (and in some cases, even cross-regional) comparisons. Because somewhat different poverty lines are identified in different countries, cross-country comparisons are not precise using this method (for instance, the numbers in Table 2 are not strictly comparable across regions).¹⁶ Stages-of-Progress is also not very useful for looking at dimensions of poverty other than material ones. Communities' rankings of households are inquired after in terms related to *material* poverty. Other dimensions of poverty, including social exclusion and political disempowerment, are not reflected within these assessments.

Combinations of methods for studying poverty will be required to fill important gaps in poverty knowledge. Different methods are variously suited for studying different facets. No one true method or definition of poverty exists or can exist. Adopting a problem solving approach is better than striving for purity of technique.

Table 1: Stages of Progress and the Poverty Cutoff

Stage	Peru (Cajamarca and Puno)	Western Kenya	Uganda (West and Central)	Andhra Pradesh, India	Gujarat, India	Rajasthan, India
1	Food	Food	Food	Food	Food	Food
2	Clothing	Clothing	Clothing	House repairs	Clothing	Primary education
3	House repairs	House repairs	Primary education	Debt payments	Primary education	Clothing
4	Purchase small animals	Primary education	House repairs	Clothing	Debt payments	Debt payments
5	Primary education	Small animals	-----	-----	House repair/roof	-----
6	Purchase small plot of land	-----			Renting a small tract of land to farm as sharecropper	
	-----				-----	

Note: The dotted line corresponds to the poverty cutoff in each case. Households advancing past this threshold are no longer considered poor, either by themselves or by their neighbors.

Table 2: Trends in Poverty Dynamics over 25 years

	Escaped Poverty	Became Poor	<i>Change in Poverty</i>
Rajasthan (35 villages)	11%	8%	3%
Gujarat (36 villages)	9%	6%	3%
Andhra (36 villages)	14%	12%	2%
W. Kenya (20 villages)	18%	19%	-1%
Uganda (36 villages)	24%	15%	9%
Peru (20 communities)	17%	8%	9%
North Carolina (13 communities, 10 years)	23%	12%	11%

Table 3. Principal Reasons for Falling into Poverty

(% of descending households)

Reasons	Rajasthan, India n=364	Gujarat, India n=189	Western Kenya n=172	Andhra, India n=335	Uganda: Central & Western n=202	Peru: Puno & Cajamarca n=252
Poor health and health-related expenses	60	88	74	74	71	67
Marriage/dowry/new household-related expenses	31	68		69	18	29
Funeral-related expenses	34	49	64	28	15	11
High interest private debt	72	52		60		
Drought/ irrigation failure/crop disease	18			44	19	11
Unproductive land/land exhaustion			38		8	

Table 4. Principal Reasons for Escaping Poverty

(% of escaping households)

Reasons	Rajasthan, India n=499	Gujarat, India n=285	Western Kenya n=172	Andhra, India n=348	Uganda: Central & Western n=398	Peru: Puno & Cajamarca n=324
Diversification of income	70	35	78	51	54	69
Private sector employment	7	32	61	7	9	19
Public sector employment	11	39	13	11	6	10
Government assistance/NGO scheme	8	6		7		4
Irrigation	27	29		25		

**Table 5. Stages-of-Progress and Asset Ownership
(36 communities in Uganda)**

<i>Household's Stage at the present time</i>	<i>Average Number of Household Assets (out of 10)</i>
1	2.46
2	3.08
3	3.58
4	4.08
5	4.94
6	5.24
7	5.55
8	5.71
9	6.42
10	6.72
11	7.31
12	8.01

**Table 6. Stages (as recalled) v. assets actually possessed seven years ago
(61 communities of Rajasthan, India)**

Assets actually possessed in 1997

Stage in 1997 (as recalled in 2004)	Land (<i>bighas</i>)	Large Animals	Small Animals	<i>Kaccha</i> (mud) house
Very Poor (Stage 1-3)	3.6	1.8	2.8	86%
Poor (Stage 4-5)	5.5	2.5	3.7	77%
Middle (Stage 6-8)	8.1	3.1	5.1	51%
Better Off (Stage 9+)	10.6	4.3	3.1	22%

Table 7. Impoverishment and Reduced Land Holdings						
Village	Household Head	Stage 25 years ago	Stage in 2004	(share of) Land Owned in 1980 (Hectares)	Land Owned in 2004 (Hectares)	Change in Landholding (hectares)
Aamliya	Detali Beeram Das	4	1	0.65	0.00	-0.65
Aamliya	Hakri Vala	4	1	2.33	0.00	-2.33
Aamliya	Harda Pratha	4	1	0.66	0.00	-0.66
Aamliya	Kakudi Bai Lulu Ji	4	1	0.29	0.00	-0.29
Aamliya	Lulu Limba	4	1	0.38	0.00	-0.38
Aamliya	Luluji Nanka	4	1	0.75	0.75	0.00
Aamliya	Nukki Jala	4	1	0.32	0.00	-0.32
Aamliya	Phoola Bhima Ji	4	1	3.25	2.33	-0.92
Cheerwa	Ram Lal Bheru Lal	6	4	5.12	4.68	-0.44
Cheerwa	Hamira Geva	7	5	1.20	1.20	0.00
Cheerwa	Keshar Hemer Singh	7	5	0.75	0.00	-0.75
Cheerwa	Devo Kalyan	4	1	2.20	0.00	-2.20
Khempur	Deva Lakhma	5	3	1.37	0.75	-0.62
Khempur	Ramji Kannaji	4	2	1.10	0.57	-0.53
Khempur	Logerlal Pemaji	8	4	2.20	1.00	-1.20
Khempur	Laloram Pema	8	4	2.10	0.90	-1.20
Namri	Mangni Ukarlal	9	3	3.69	2.56	-1.13
Namri	Heera Bai Roopa Ji	7	4	0.66	0.00	-0.66
Namri	Logari Bai Bhaga Ji	7	4	1.25	0.25	-1.00
Namri	Balu Kalu Ji	7	4	0.75	0.75	0.00
Shyampura	Mool Chand Kalu Ram	11	4	2.55	0.81	-1.74
Shyampura	Mava Ji Vaja	7	2	1.01	0.00	-1.01
Shyampura	Ratni Bai Kush	7	4	0.00	0.00	0.00
Shyampura	Balki Bai Dharmi Lal	6	2	0.35	0.00	-0.35
Shyampura	Mangla Chamna	4	1	2.92	0.70	-2.22

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Notes

¹ A detailed manual developed for these trainings can be downloaded free of charge from the website: www.pubpol.duke.edu/krishna.

² It is important to note that social recognition matters as much as economic conditions in defining the shared understandings of poverty within these (and other) communities. For instance, in Gujarat, the fifth stage, fixing leaky roofs, usually entails an expenditure that does not in most cases exceed an amount larger than Rs.400-500 (about \$10), and it is a one-time expense, not often incurred year after year. Even as it is a relatively modest expense, however, its critical significance is in terms of status and recognition: people who are not poor in this region do not have leaky roofs. The sixth stage in Gujarat villages – renting in small tracts of agricultural land on sharecropping basis – also has a distinct social significance that is peculiar to this region of India. Advance payment made to rent in a small parcel of land is not very large (roughly, Rs.1,500 – Rs.2,000, or \$40, on average), and it is recouped at the end of the year when the harvest comes in. However, the act of renting in even a tiny parcel of land elevates the household concerned to a perceptibly higher status. Most significantly, it raises this household above the status of households that are or that might at any time become bonded debtors in the village. The continued presence of debt bondage in these Gujarat villages, discussed later, makes salient this desire to differentiate one's status from theirs. It does not necessarily imply any considerable increase in net income.

³ In order to denote the earlier periods clearly, we made reference to some significant event that is commonly known. For instance, in India, we referred to the national emergency of 1975-77, which is clearly remembered particularly by older villagers. In Kenya, similarly, we referred to the year of President Kenyatta's demise.

⁴ Households of today are not strictly comparable with households of 25 years ago. Some households that existed 25 years ago do not exist today, and some households that exist today did not exist 25 years ago. Some bias is likely to arise on this account. Local inquiries revealed that this bias affected both ends of the household distribution. A few households that no longer remained in these villages had done extremely well by migrating to cities. A few others that had done extremely poorly had also entirely vanished leaving no trace behind. Permanent migration out of these villages has been relatively small, as discussed below.

⁵ A residual category, E, was also defined, and households that could not be classified otherwise because of lack of information were assigned to this category. Very few households, less than half of one percent in all, were placed within Category E.

⁶ I thank Robert Chambers for suggesting this formulation.

⁷ There might have been a few more households that hid this information successfully from us, but I doubt that there are very many households of this type. In community groups especially, villagers were hardly shy in talking about another person's slothfulness or penchant for drink, and gently probed, household members also came forth to speak frankly about these aspects.

⁸ A very large part of debt incurred by poor families in India and elsewhere arises on account of large healthcare expenses (Dilip and Duggal 2002). In rural Vietnam, 60 percent of poor households were found to be in debt, and more than one-third of these households cited medical expenses as the main reason for indebtedness (Ensor and San 1996).

⁹ Other analyses conclude similarly on this point. Ravallion and Datt (1996) show that 84.5 percent of the recent significant poverty reduction in India was due to growth in the agricultural sector. Using data from 27 countries for the period 1962 to 1992, Timmer (1997) also finds that agricultural growth is a central force in lowering poverty and unemployment. His findings show that growth in the manufacturing sector reduces poverty very slightly, but there is far greater

impact from growth in the agricultural sector. Mellor (1999) also concludes that three-quarters of all employment growth can arise from agriculture and agriculturally stimulated growth.”

¹⁰ Including Baulch and Hoddinott (2000); Bhide and Mehta (2004); Carter and May (2001); CPRC (2004); Deininger and Okidi (2003); Grootaert and Kanbur (1995); and Walker and Ryan (1990).

¹¹ Different understandings of poverty co-exist, and whose reality we adopt influences the results that we obtain. People identified as being poor according to standardized monetary measures do not always consider themselves poor in their own terms (Chambers 1997; Franco and Saith 2003; Jodha 1988; Laderchi et al. 2003; McGee 2004).

¹² Wilson Nindo, who has implemented Stages of Progress in more than 40 Kenyan communities, had the following to say when I interviewed him in Nairobi (May 21, 2006): “I like Stages of Progress because this study is never boring. Communities’ enthusiasm [for it] keeps your own enthusiasm going... Communities have given you two-three things [names for stages]. You ask them ‘OK, which among them comes first?’ Doing the stages is the most challenging bit of this methodology. If you are not careful, you’ll just be making a list, a wish list, not the Stages of Progress. You ask and probe a bit more. If you don’t make them compare, they will just be adding items, not always in a [sequential] flow. If you don’t take care, you get confusion. Working with them is important. You work with them to come up with a sequence acceptable to them [not to you].”

¹³ I must thank Shikhir Agrawal, Collector and District Magistrate, Udaipur District, for motivating his staffs to work with us for uncovering this information.

¹⁴ In our 36-village study in Gujarat, we interviewed members of a random sample of 133 female-headed households, finding that 74 percent have remained poor over 25 years, and another 15 percent have become poor during this time, making for a total of almost 90 percent poor in 2003.

¹⁵ It was comforting to observe that asset ownership continued to be closely related to stages.

¹⁶ Although, according to Reddy and Pogge (2002) and Wade (2004), comparability problems are also severe when some standardized metric is used.