

# WEALTH RANKING

## Conservation, Livelihoods and Governance Programme Tools for participatory approaches

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Wealth ranking is a method for exploring local perceptions of differences and inequalities in a community and for identifying and understanding local indicators and criteria of wealth and, if facilitated well, well-being and inequality.

### What is it useful for?

- Understanding local perceptions of and criteria for wealth and inequality in a community.
- Categorising a community (or households) into different locally perceived wealth categories and identifying target groups.
- Exploring differences in different socio-economic groups' access to resources, including biodiversity and ecosystem services.
- Identifying which groups to work with or how to work with different groups in different ways, and identifying representatives of all groups present within a community with whom to work (for example during participatory assessment and planning).
- Identifying marginalised groups and informing the development of equitable benefit sharing mechanisms.
- Identifying what different groups of people within a community value (including non-material values relating to biodiversity and ecosystem services) and, from this, developing indicators to monitor changes in well-being during the course of a project. This can include both subjective indicators (e.g. having a say in decisions, having people to rely on) and objective indicators (e.g. material assets).
- Identifying who within a community is likely to be more vulnerable to changes brought about by project interventions (such as restricting access to natural resources) or by climate change, for example.
- Providing insights into local perceptions of well-being. Well-being is a complex and multidimensional concept, including subjective factors around what constitutes a 'good life', and a comprehensive well-being assessment is necessary to explore well-being in any depth.

### Suggested steps

Allow approximately **2 hours** for this exercise (although the time needed depends on the depth of data and analysis required).

The approach outlined here does **not** involve categorising individual households because it is possible to gain an insight into local dynamics of wealth, well-being and poverty, and ensure that project interventions are not dominated by the local elite, without doing so. Identifying and categorising households individually is not necessary for most project purposes, can be intrusive, and may raise concerns regarding privacy.

- 1) Check that local participants feel comfortable with what will be discussed. Explain that individuals or households do not need to be identified during the discussion.

- 2) Using objects (such as cards or stones) to represent the number of households within the community, ask local participants to divide the stones into different piles that represent the different socio-economic groups within the community. The participants decide how many piles to make. In some cases, they may choose to distinguish only two or three different groupings (for example, rich, medium, and poor) but in other cases, they may divide the community into many more piles.
- 3) When the process is complete, focusing on each pile in turn, ask participants to explain the broad characteristics held in common by the households within each pile. The differences in criteria between piles should be checked. Some further re-sorting might take place.

**Figure 1: Example of a wealth ranking from Punjab, Pakistan** (World Bank, 2005)

	<b>Well-off</b>	<b>Better-off</b>	<b>Poor</b>	<b>Very poor</b>
<b>Social characteristics</b>	Educated daughters. Dominant caste and clans ( <i>Kharals, Awans, Laghari</i> ). Powerful. Influential. Easily affords marriage costs. Animals as pets.	Educated children (sometimes daughters). Can afford dowry. Professional.	Large family. Victims of crime. Unable to fulfill children's desires. Single earner. Cannot entertain guests.	Large family. Unmarried daughters. Female household head. Helplessness. Low caste ( <i>Kammis</i> ). Women. Disabled. Victims of crime. Orphan.
<b>Assets</b>	Concrete houses. Large fertile landholdings. Gold jewelry. Education. Drinking water/sanitation. Electricity, gas, telephone. Tractors. Water (in <i>barani</i> areas).	Own land (in irrigated areas). Water (in <i>barani</i> areas). Buffaloes and large livestock. Electricity, gas (urban areas). Access to education and health care. Access to credit.	Some land. Few possessions. Small livestock. Few or no sons. Low access to health care. Low access to education. Lack of water ( <i>barani</i> areas). Many liabilities.	Landless. No house. Few possessions. No sons. Illiterate. Chronic illness.
<b>Coping and livelihood strategies</b>	Armed forces officers. Factory owners. Landlords. Purchase jewelry. Save for times of shock.	Employed as professionals. Overseas migration. Small business/shop. Purchase jewelry and save (urban areas). Educate children.	Wage labor. Migration to other areas or cities. Working women. Train children in skills.	Unemployed. Wage labor. Depend on charity. One meal a day. Working women. Working children.
<b>PIP (policies, institutions, and processes)</b>	Active in politics. Access to police and justice. Power and authority.	Access to police. Participates in decision making.	No access to justice. Little voice. Excluded from decision making.	No access to justice. No voice. No power. Excluded from social gatherings.

- 4) When the participants finish the card sorting, ask them to explain the differences between the piles.
  - What are the characteristics of this pile?
  - How do households in this pile differ from those in that pile?
  - What could lead to a household moving from one pile to another?
- 5) If, for the purposes of the exercise, it is important to distinguish between different levels within the target group but the given categories do not fully meet these requirements, it might

be appropriate to ask for some more re-sorting at this stage, for example by asking if any piles could be further subdivided.

- 6) If appropriate, discuss with participants how to sort the criteria under different headings, such as 'social characteristics', 'assets' and 'main livelihood activities'.
- 7) Ask participants to prepare a table and record the results of the categorisation in terms of the characteristics of households in each group.
- 8) Discuss and analyse the results. If the exercise is carried out simultaneously with several different groups, each group can be asked to present the criteria and categories they used to the others for their reactions and comments. Are there serious disagreements? If so, these should be noted and whether a consensus is reached.

**Figure 2: Example of two wealth rankings from Sindh, Pakistan, showing how participants from different social groups perceive and emphasise different wealth criteria** (World Bank, 2005)

	<b>Well-off</b>	<b>Better-off</b>	<b>Poor</b>	<b>Very poor</b>
<b>Analysis by poor male haris and laborers</b>	Owens 15 to 20 acres of arable land.	Owens 2 to 3 acres of arable land.	Does agri-labor on farms owned by others.	Is unemployed.
	Owens tractor.	Has a government job, such as, Master.		
	Owens good home even if it is <i>kutchha</i> .	Owens 3 or 4 buffaloes and 2 or 3 goats. <i>Mani Machi Wala</i> (one who has bread and fish).	Owens 1 buffalo and 1 goat. Is unable to make ends meet and is often worried.	Does not own any livestock. Looks to others for <i>roti</i> (bread) and wears tattered clothes.
	<b>Well-off</b>	<b>Better-off</b>	<b>Poor</b>	<b>Very poor</b>
<b>Analysis by women laborers</b>	Owens 50 acres of arable land.			
	Owens 9 buffaloes and 15 goats.	Owens 2 buffaloes, 2 cows, 12 goats.	Owens 1 goat.	Does not own any livestock.
	Owens <i>pucca</i> house.	Owens <i>kutchha</i> house.	Lives in a <i>kutchha</i> house or a hut.	Lives in a mud house.
	Grows enough food to meet sustenance needs of household.	Grows enough food to meet sustenance needs of household.	Eats lentils and onion.	Works all day and is yet unable to feed self adequately. Eats <i>roti</i> with water and at times goes hungry.
	Has some savings.	Does labor or agri-labor	Works as a laborer, takes livestock for grazing, and sells grass as fodder.	
	Owens 15 <i>charpoy</i> s (string beds). Has many beddings, utensils, and two stoves. Owens a bicycle, motorcycle, and a donkey cart.	Owens good bedding and utensils.  Owens a cycle.  Are able to educate their children.	Owens 2 <i>charpoy</i> s, old bedding, and wears hand-me-down clothes.	Does not have a <i>charpoy</i> (string bed). Owens worn-out <i>rillies</i> and tattered clothes.  Is barefoot.

## Questions to guide discussion and analysis

The following questions can be used to guide the discussion but should be adopted and adapted according to the focus of the exercise.

- What are local perceptions of wealth, well-being and inequality?
- What are the local terms for categorising different groups according to wealth or well-being? How diverse or narrow are these categories?
- What does one category have that others do not?
- What options do households in one category have (for example in times of stress) that others do not?
- How are households currently distributed between the different categories?
- Do community decision makers all come from same category/strata?
- How might a proposed intervention affect households in the different categories? Would it affect the distribution of individuals, households, or social groups across those categories?
- How might climate change affect households in different categories?

### Points to remember:

- ❖ Wealth is a continuum with fuzzy boundaries between categories. Wealth ranking gives a static picture and does not easily convey the dynamics of poverty, including marginalised individuals and households and the mobility between categories over time.
- ❖ This tool does not address the distribution of wealth within households (such as by gender or age).
- ❖ It is important to try and avoid derogatory classifications, choosing terms that have broad social acceptability.
- ❖ Local participants should be encouraged to complete as much of the table as possible without interruption and to suggest anything else that should be recorded.
- ❖ Before using this tool read the accompanying document, *A guide to using tools for participatory approaches*.

## For further information

World Bank (2005) *Poverty and Social Impact Analysis Sourcebook*

<http://go.worldbank.org/ZGZHJEDBZ0>

IISD *Wealth Ranking and Poverty Analysis*

<http://www.iisd.org/casl/caslguide/wealthranking.htm>

This tool is adapted from *Wealth ranking* in the World Bank (2005) *Poverty and Social Impact Analysis Sourcebook*



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