

Table of Contents

ABSTRACT	I
KURZFASSUNG	VI
RESUMEN	XI
ACKNOWLEDGMENTS	XVI
LIST OF ABBREVIATIONS AND ACRONYMS	XVII
LIST OF FIGURES	XXV
LIST OF MAPS	XXV
LIST OF CHARTS	XXV

Extreme Poverty: Vulnerability and Coping Strategies Among Indigenous Peoples in Rural Bolivia

Chapter I

INTRODUCTION

1.1 BACKGROUND AND PROBLEM SETTING	1
1.2 STATEMENT OF THE PROBLEM	2
1.2.1 ECONOMIC POLICY REFORMS IN BOLIVIA.....	2
1.2.2 SOCIAL IMPACT OF THE POLICY REFORMS AND IMPLICATIONS.....	5
1.2.3 TRENDS IN POVERTY AND INEQUALITY 1999 - 2002.....	8
1.3 RESEARCH OBJECTIVES	15
1.4 LIVING STANDARDS MEASUREMENT STUDY (LSMS) 2004-2005	15
1.4.1 STUDY AREA.....	15
1.4.2 HOUSEHOLD DATA.....	17
1.4.3 SAMPLE DESIGN.....	17
1.4.4 DATA COLLECTION.....	19
1.4.4.1 <i>Questionnaire</i>	19
1.4.4.2 <i>Enumeration</i>	20
1.4.4.3 <i>Supervision</i>	20
1.4.4.4 <i>Training</i>	20
1.4.4.5 <i>Data editing and processing</i>	21
1.4.4.6 <i>Reference period</i>	21
1.5 STUDY OVERVIEW	21

Chapter II

Indigenous People and Extreme Chronic Poverty

2.1	INTRODUCTION	24
2.2	OBJECTIVE	26
2.3	EXTREME POVERTY AND INEQUALITY PROFILE.....	26
2.3.1	POVERTY DEFINITIONS.....	26
2.3.2	POVERTY MEASUREMENT	28
2.3.2.1	<i>Welfare indicator</i>	28
2.3.2.2	<i>Reference poverty line</i>	29
2.3.2.3	<i>Adjusting for household size and composition</i>	30
2.3.2.4	<i>Poverty measures</i>	33
2.3.3	POVERTY AMONG INDIGENOUS PEOPLE IN REMOTE RURAL BOLIVIA	35
2.3.4	POVERTY IN RURAL REGIONS IN BOLIVIA	36
2.3.5	GENDER DIMENSION OF POVERTY IN RURAL REGIONS	37
2.3.6	ETHNIC POVERTY IN REMOTE RURAL AREAS.....	39
2.3.7	INDIGENOUS PEOPLE AND CHRONIC POVERTY IN RURAL AREAS.....	41
2.3.8	INDIGENOUS PEOPLE AND INEQUALITY IN RURAL AREAS.....	44
2.3.8.1	<i>Inequality measurement</i>	46
2.3.8.1.1	<i>Gini coefficient of inequality</i>	46
2.3.8.1.2	<i>Atkinson's inequality measures</i>	48
2.3.8.1.3	<i>Generalized entropy measures</i>	49
2.3.8.2	<i>Inequality in remote rural Bolivia</i>	50
2.3.8.2.1	<i>The Gini coefficient</i>	50
2.3.8.2.2	<i>Generalised entropy Inequality Measures (GE)</i>	52
2.3.8.2.3	<i>Indigenous groups and inequality</i>	53
2.3.8.2.4	<i>Inequality of land and livestock</i>	55
2.4	THE EXTENT OF HOUSEHOLD INCOME MOBILITY (2004 - 2005)	57
2.5	DETERMINANTS OF HOUSEHOLD WELFARE AND POVERTY STATUS	59
2.5.1	DEPENDENT VARIABLES.....	60
2.5.2	INDEPENDENT VARIABLES.....	61
2.5.2.1	<i>Demographic variables</i>	62
2.5.2.2	<i>Level of education</i>	63
2.5.2.3	<i>Remoteness and rural markets</i>	64
2.5.2.4	<i>Status of employment of the household head</i>	64
2.5.2.5	<i>Landholding</i>	64
2.5.2.6	<i>Livestock</i>	65
2.5.2.7	<i>Socio-ethnic Dummy – Ethnicity</i>	65
2.5.2.8	<i>Migration</i>	65
2.5.2.9	<i>Developmental region dummy</i>	66
2.5.3	CONCEPTUAL MODELS	66
2.5.3.1	<i>OLS estimation</i>	66
2.5.3.2	<i>Probit estimation</i>	66
2.5.3.3	<i>Logit estimation</i>	68
2.5.4	MODEL RESULTS	70
2.5.4.1	<i>OLS estimations</i>	70
2.5.4.2	<i>Logit estimations</i>	78

2.6	SUMMARY AND CONCLUSIONS	81
2.7	POLICY IMPLICATION	85

Chapter III

Assessing Vulnerability to Consumption

3.1	INTRODUCTION	87
3.2	OBJECTIVE	88
3.3	CONCEPTUAL ISSUES IN VULNERABILITY ANALYSIS	88
3.3.1	THE CONCEPT OF VULNERABILITY	90
3.4	METHODOLOGY	91
3.4.1	VULNERABILITY MEASUREMENT.....	91
3.4.2	VULNERABILITY AMONG INDIGENOUS PEOPLE IN BOLIVIA	91
3.4.3	HOUSEHOLD CHARACTERISTICS OF VULNERABLE GROUPS.....	93
3.4.4	INCOME AND EDUCATION QUINTILES.....	94
3.4.5	SHOCKS FACED BY RURAL HOUSEHOLDS IN BOLIVIA (1984-2004).....	95
3.5	EMPIRICAL ANALYSIS	98
3.5.1	DEPENDENT VARIABLES.....	98
3.5.2	INDEPENDENT VARIABLES.....	99
3.5.3	CONCEPTUAL MODELS	101
3.5.3.1	<i>Probit estimation</i>	101
3.5.3.2	<i>Tobit estimation</i>	102
3.5.4	MODEL RESULTS	103
3.5.4.1	<i>Probit estimations</i>	103
3.5.4.2	<i>Tobit estimations</i>	106
3.6	SUMMARY AND CONCLUSIONS	109
3.7	POLICY IMPLICATIONS	112

Chapter IV

EXTREME RURAL POVERTY AND COPING STRATEGIES

4.1	INTRODUCTION	113
4.2	OBJECTIVE	114
4.3	CONCEPTUAL ISSUES	114
4.3.1	COPING STRATEGIES – DEFINITION.....	122
4.3.2	TYPES OF COPING STRATEGIES	122
4.4	EMPIRICAL EVIDENCE	124
4.4.1	COPING MECHANISMS AMONG INDIGENOUS PEOPLE IN BOLIVIA	124

4.4.2	EMPIRICAL ANALYSIS.....	127
4.4.2.1	<i>Coping strategies - Mlogit estimations</i>	127
4.4.2.2	DEPENDENT VARIABLE.....	128
4.4.2.3	INDEPENDENT VARIABLES.....	128
4.4.2.4	CONCEPTUAL MODEL – MULTINOMIAL LOGIT ESTIMATION	130
4.4.2.5	MODEL RESULTS	132
4.5	SUMMARY AND CONCLUSIONS.....	139
4.6	POLICY IMPLICATIONS.....	142

Chapter V

Conclusions and Policy Recommendations

5.1	SUMMARY AND CONCLUSIONS.....	144
5.2	POLICY IMPLICATIONS.....	158
5.3	FUTURE RESEARCH ISSUES.....	161
	REFERENCES.....	163
	APPENDIX.....	174