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## Reducing Rural Poverty at the Micro Level — A Case Study of the Province of Azuay / Ecuador

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## Abstract

Poverty is mainly a rural problem because the rural poor often do not profit from macroe-conomic poverty fighting measures. Therefore it is necessary to conceptualise procedures that are directly related to the households of the needy. These measures are regarded as poverty fighting at the micro level. They mainly aim to strengthen the productive abilities of the poor.

The first step for the sustainable promotion of the poor's productive abilities is to identify a target group. For this case study the target group consists of small farmers from 16 communities of a highland region in Ecuador, which are located around the protected forest Aguarongo in the province of Azuay.

Furthermore, a detailed knowledge of the small farmers situation and the causes of their poverty is prerequisite for conceptualising measures. Therefore, a socio-economic survey was carried out with following topics: size and structure of the household; education; landed property; agricultural production; other activities; migration; monthly income; markets; and credits.

The results of the interviews revealed that the majority of the population lives in extreme poverty. Moreover, the results gave a detailed insight into the small farmers situation and pointed out the causes of their poverty. For example, due to the prevalent bad conditions (erosion, hardly any irrigation) and few landed property, they can carry out their farming activities only insufficiently and therefore, they are hardly able to secure their subsistence level.

Furthermore, due to their poverty, farmers are overusing the soil and cutting down the forest Aguarongo, although the Aguarongo is the only water catchments area of the region. If the degradation of the area is progressing too much, then the colonisation of the area cannot be secured any more because of lacking drinking water. Therefore, poverty fighting measures are essential. They have to be conceptualised in a way that increases the income of smallholder farmers as well as secures the sustainable conservation of the study area. Hereby, training of the farmers and the integration of micro-finance organisation into the study area play a crucial role.

**Keywords:** Causes of poverty, micro-finance organisation, productive abilities, small farmers, conservation, training