

#### Chronic Poverty Research Centre

Key messages for policy makers

New York

September 17<sup>th</sup>, 2010



#### Chronic poverty matters

- A large number of people
  - around half a billion are poor over long periods, whole lives, and children inherit parents' poverty
- For achieving the MDGs, especially beyond 2015
- Significant human and political costs of leaving it unaddressed
  - now, and increased costs later, dealing with irreversibilities



# The lessons of 5 years of research on chronic poverty and poverty dynamics for policy makers

#### Target audiences:

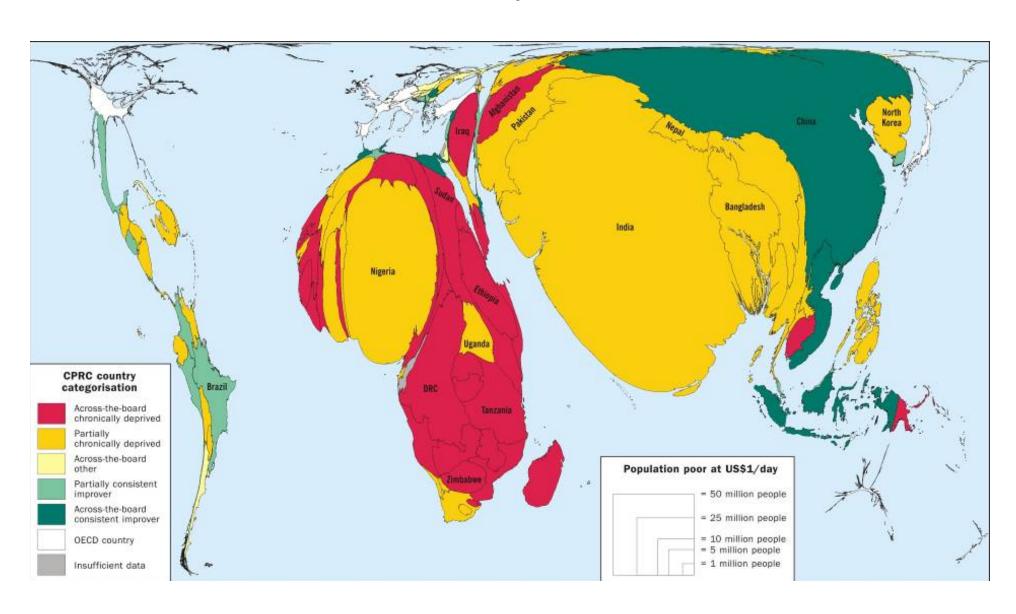
- National policy makers: mainly in country: national reports a key vehicle. Focus: PRSs, national development plans, specific policies
- International policy makers: MDG review; donor agencies
- Practitioners & researchers
- Dissemination formats
  - Chronic Poverty Report 'brand'



#### 2<sup>nd</sup> Chronic Poverty Report 2008/9

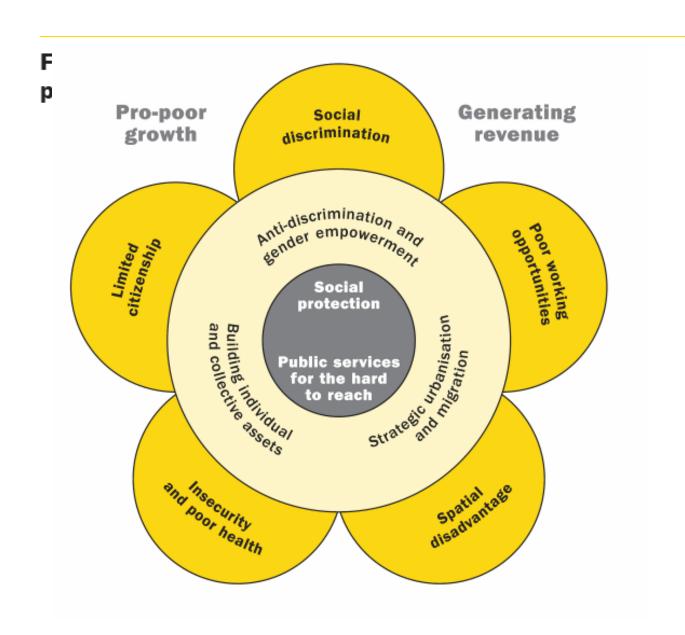
- Country context critical international agencies look for overarching story
- Poverty traps: different combinations of
  - **H** insecurity,
  - limited citizenship
  - **E** spatial disadvantage
  - **B** social discrimination
  - **B** poor work opportunities (limited growth, exploitative conditions)

### Tailoring policy responses to country context





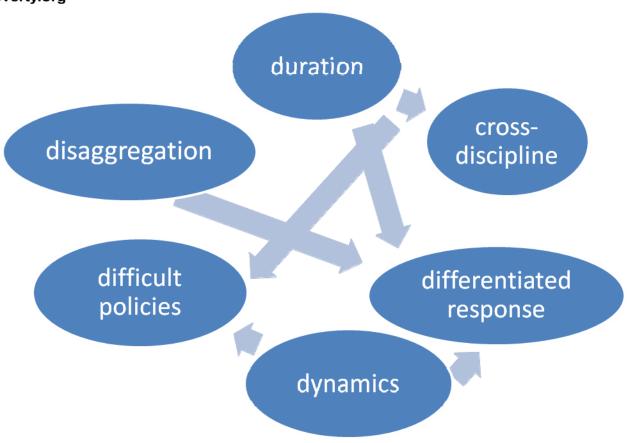
#### What Works for the Poorest?





### Chronic poverty: the 5 'd's and a 'c'

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#### Framework propositions 1

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- Most severely poor people are chronically poor, but not vice versa
- Poverty dynamics: gradual incremental accumulation rapid impoverishment; multiple/sequential shocks [next slide]
  - Adjust policies to support/prevent
- Inter-generational transmission: not only what happens in utero/childhood – events, processes, assets acquired/lost through the life course
  - Eg teenage girls and young women neglected in development discourse but important
  - Learn from policy/programme successes increasing women's agency
- Vulnerability strongly linked to chronic poverty:
  - Informal employment one important source tax financed social protection as an entry point; controversial questions about regulation

Direction	Pattern	Depiction	Number of Cases
Stable	Smooth		8
Improving	Smooth		3
Declining	Smooth		2
Stable	Saw-tooth		135
Improving	Saw-tooth		76
Declining	Saw-tooth	1	30
Declining	Single-step		2
Declining	Multi-step		37
			297



#### Framework propositions 2

- Assets, markets and protection need to work together to address chronic poverty
  - Eg education endowments & labour market: education policy needs overhauling
- Cross discipline focus on structures and processes underlying chronic poverty and dynamics
  - Elites and policy makers (and much research) looks at individual attributes: poverty blamed on the poor
  - Political (citizenship, rights based) approaches need 'stretching' to be useful against persistent poverty



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- Growth which includes chronically poor people on good terms
  - Contributes to just economic and social structures
- Progressive social change
  - Challenge to social orders underpinning chronic poverty
- Social protection
  - Practical entry point against chronic /extreme poverty, opening the way to address more difficult issues

National policy and actions are critical; international can support



- Growth which includes chronically poor people on good terms
  - the basics of pro-poor/inclusive growth, especially employment intensity, and
  - improvements in the labour market
  - asset-markets-protection synergies: joint programmes, interministerial working groups; inter-NGO collaboration
  - location: improved connectivity where there is potential for growth combined with and extending the reach of anti-discrimination measures: combine area-based & universal approaches
  - fiscal redistribution to enable capability enhancement, social protection, progressive social change
  - focus on teenagers and young people, especially vulnerable but also best able to escape poverty when conditions allow



- Progressive social change: the chronically poor need good societies as well as good policies
  - Very context specific
  - May be few obvious policy levers (eg dowry)
  - Very difficult areas: eg challenging patriarchal systems on land tenure, inheritance...
  - Much experience to learn from (eg promoting teenage girls' and young women's agency through confronting discriminatory social institutions)



#### New social policy issues

- Inheritance (work in progress)
  - Law and policy = opportunities for attitude and behaviour change, public education
  - Public debate on rights in cohabiting and polygamous unions
  - Practical approaches to safeguarding property inheritance of vulnerable members of society: local tribunals, alternative dispute resolution
  - Links to local leaders
  - Preventive action birth, marriage, death registration, including local
- Dowry not disappearing in S Asia despite development
  - Need for innovation & experimentation
- Alcoholism & mental health
  - absence of preventive/rehabilitative strategies



- Social protection: extend coverage and build systems
  - Long term as well as short term beneficial impacts (Opportunidades): child development, schooling, labour productivity
  - A complement to enhanced social services and growth policies
  - Scope for innovation (eg Uganda pilot),
  - Imperative of evaluation for political consensus



#### What is new here?

- Pictures of poverty dynamics
- Inter-generational poverty not just about childhood and human development – also other life stages and material assets
- Assets-markets-protection synergy
- 'progressive social change', good societies
- Links between protection, social change and growth



#### Implications for the MDGs

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- Strong policy experimentation and evaluation required prior to 2015 on more difficult policy areas
  - eg Joining up asset building, protection and markets
  - significant role for NGOs as well as governments
  - political commitment to confront more difficult challenges eg focus on agency of teenage girls and young women
- Strengthen MDG growth employment agenda
  - National employment strategies linked to growth strategies
- Extend social protection as rapidly as possible prior to 2015 and evaluate rigorously
  - A new target?
- Education policies and focus of MDGs will need major overhaul in 2015