



**Chronic Poverty**  
Research Centre

# **Tackling chronic poverty: unpacking the poverty 'black box'**

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**Strategies for eradicating poverty in LDCs:**

Findings from research by the Chronic Poverty Research Centre

[www.chronicpoverty.org](http://www.chronicpoverty.org)

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# Contents

- Key messages for policy makers & practitioners from 10 years of research
- Launch of Chronic Poverty Advisory network to work with governments, agencies and organisations to apply lessons learned & develop new policies & practices

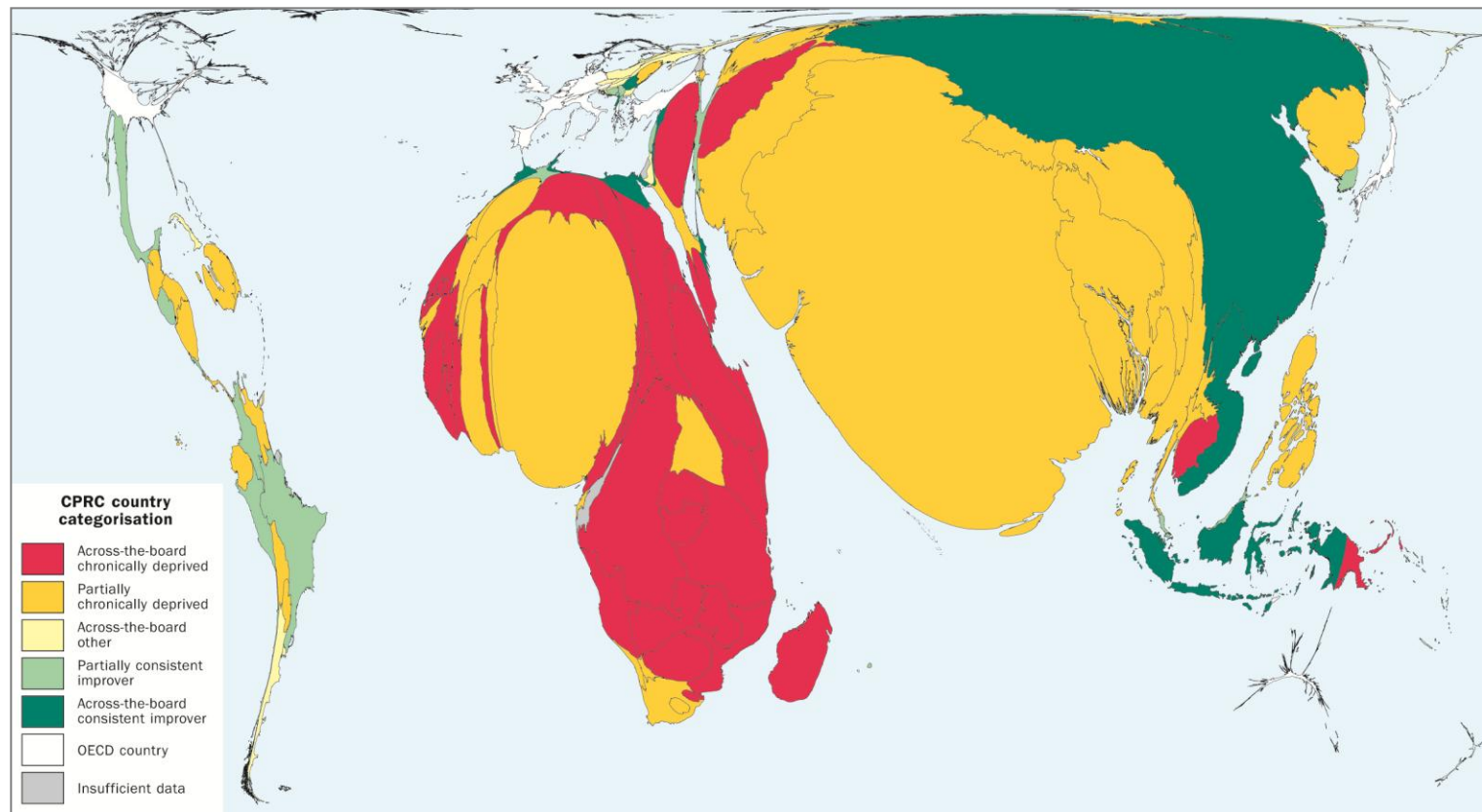


# Unpacking the 'black box'

- Nearly ½ billion chronically poor, many in LDCs,\* out of 1.4 billion poor
- Mostly working but
- Excluded, adversely incorporated, without many assets, extremely vulnerable
- 'Black box': poverty incidence responds to growth and human development
- But other poor are doing well, doing badly
- CPRC unpacks this with the 4 'd's to improve the quality of policy



# \*Chronically deprived countries



# The 4 'd's of modern poverty analysis

- 1 Disaggregation
  - Groups ('vulnerable groups' good but not enough)
  - Dimensions: MDGs recognise multi-dimensionality
- 2 Dynamics
  - Exits-Entries=poverty incidence; and chronic poverty
  - Addressing chronic poverty requires understanding of dynamics
  - Upward mobility = gradual, with setbacks; downward mobility can be sudden and dramatic
- 3 Duration
  - Long duration of some poverty => structural
  - Inter-generational transmission

## 4 Differentiated policy responses: preventing entries into poverty

- Massive improvements in accessibility of health services to address major cause of impoverishment and chronic poverty
- Special measures to enhance women's 'agency' will reduce impoverishment and address inter-generational transmission
- Social transfers respond to extreme vulnerability of chronic poor and possible impoverishment of vulnerable

# 4 Differentiated policy responses: supporting exits from poverty

- Economic growth necessary but not sufficient for the chronically poor
  - Drivers of growth not benefiting chronic poor
- Pro-poorest growth:
  - Labour-intensive sectors
  - Quality of jobs important as well as demand for labour: labour market policies and interventions
  - Asset accumulation-markets-protection synergies (institutional links)
  - Education-labour market links
  - Integrate deprived regions
  - Focus on young people

# 4 Differentiated policy responses: addressing chronic poverty

- In addition to preventing chronic poverty and supporting exits from it, address some basic causes:
  - Anti-discrimination measures, eg rights based approaches & governance change
  - Empowerment measures - ‘stemming girls chronic poverty’
- A highly political agenda:
  - Political elites need to be convinced that chronic poverty is structural, not the fault of the chronically poor
  - Space for cross state-society coalitions; and at local level – to contextualise responses better
  - Improved social, economic and political relationships the goal (not abstract notions of ‘good governance’)





# Importance of context

<b><i>Causes</i></b>	<b><i>Discrimination &amp; political relationships</i></b>	<b><i>Structural micro-economic causes</i></b>	<b><i>Overall nature of the state/governance</i></b>
<b><i>Income poverty situation</i></b>			
<b><i>Mass poverty &amp; limited/volatile growth, significant continued levels of chronic poverty</i></b>	<b>Uganda, Kenya</b>	<b>Burkina Faso, Tanzania</b>	<b>Niger, Kenya</b>
<b><i>Significant middle class and stable/high growth, but continued high (if reducing) chronic poverty levels</i></b>	<b>India, Ghana</b>	<b>Senegal</b>	<b>Bangladesh</b>
<b><i>Highly unequal middle income economies, chronic poverty barely reducing</i></b>	<b>South Africa</b>		

# Conclusions: addressing chronic poverty

- National policy and action (and thus national context and politics) is more important than international policy and action.
- General poverty reduction policies often help the chronic poor, but additional policies that explicitly focus on their interests and problems, are needed.
- State-citizen social contract needs to develop a stronger element of vertical solidarity: tax-based financing of social protection, education & health important, as is targeting.

# The Chronic Poverty Advisory network

- To respond to demand from policy makers and practitioners
- To work together to address chronic poverty
- CPA network members from varied backgrounds – academics, statisticians, NGOs, government, ex-government: CPRC +



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