

# 3 Where do chronically poor people live?

## A place of multiple deprivations

*Bitare village is located in a steep, hilly region of south-west Uganda, near the conflict-prone DRC border. It is also close to the Bwindi 'impenetrable' forest, a National Park that cuts the community off from relatives and employment opportunities in neighbouring districts.*

*It is 28 km – nearly 2 hours in a 4-wheel drive vehicle – from Kisoro town, where there are hospitals and other services. A connecting road for the village was built in 2001, but the last kilometre is still a narrow footpath. The sub-county headquarters (16 km away) has a health unit but no secondary school. There are primary schools, but the quality is very poor, particularly as there are no teachers' houses to attract good quality teachers to the area. Electricity does not extend beyond the periphery of Kisoro town.*

*The high concentration of extreme poverty in Bitare (54 out of 121 households are very poor) constrains local economic growth, by inhibiting demand for goods and services, and producing little other than a few forest products and eggs to sell.*

*The remoteness and the rugged terrain drive and maintain chronic poverty. The terrain has encouraged soil erosion and reduced agricultural productivity; made access and to schools, health services,<sup>1</sup> markets and information difficult; provided camouflage for rebel activity; and increased construction costs. Remoteness has also reduced labour opportunities. Shocks – weather, crop failure,<sup>2</sup> animal diseases, landslides, rebel skirmishes and the absence of adequate public responses to this remote area – have also contributed to keeping people poor, and pushing others into poverty.*

*Source: Ssewaye, 2003*

Chronically poor people live in all regions, but are concentrated in certain places. This is true globally and within countries. The problem is deepest in sub-Saharan Africa where a high proportion of people are poor and remain poor over long periods of time. In South Asia, where economic growth rates have been improving, poverty rates are lower but large numbers of people remain in chronic poverty, reflecting the population size. In some areas of South Asia such as Sri Lanka's 'wet zone', chronic poverty is becoming a localised problem, but in India and Bangladesh chronic poverty remains nationally significant, increasingly concentrated within persistently poor states and districts.

In other regions, such as Latin America, and East and South-East Asia, chronic poverty has declined in recent decades. Although countries in these

regions have more financial resources available to overcome poverty, specific groups and regions have benefited little from growth. In transitional countries, rising levels of poverty and chronic poverty reflect the insecurities of newly emerging market economies, combined with a loss of state protection for some – notably single older people.

Within countries, chronic poverty is usually unevenly distributed. Most national household survey data shows a significant regional dimension to the incidence of poverty, with greater proportions of poor households in remote, less-favoured or conflict-affected areas. In Uganda, persistent income poverty is concentrated in the east and north. In India, chronic poverty is concentrated in the centre and east of the country, but within that, extreme poverty is generally concentrated in remote regions, the

classic cases being the Kalahandi-Koraput region of southern Orissa, the southern and western areas of Madhya Pradesh and adjacent regions in Maharashtra.

In Vietnam, chronic poverty is found disproportionately in the Northern Uplands region,<sup>3</sup> and in the Philippines it is strongest in the provinces experiencing protracted conflict within Mindanao.<sup>4</sup> There are areas within the poorest parts of south-west China where household consumption is falling while identical households in better off areas enjoy rising consumption, indicating how neighbourhood endowments of physical and human capital influence the productivity of a household's own capital.<sup>5</sup> In Nicaragua, chronically, extreme poor 'agricultural households' are disproportionately represented in the population of the Central Region, even more so than the moderately poor.<sup>6</sup>

All of these are examples of **spatial poverty traps** – geographical areas which remain disadvantaged, and whose people remain multi-dimensionally deprived and poor over long periods of time.

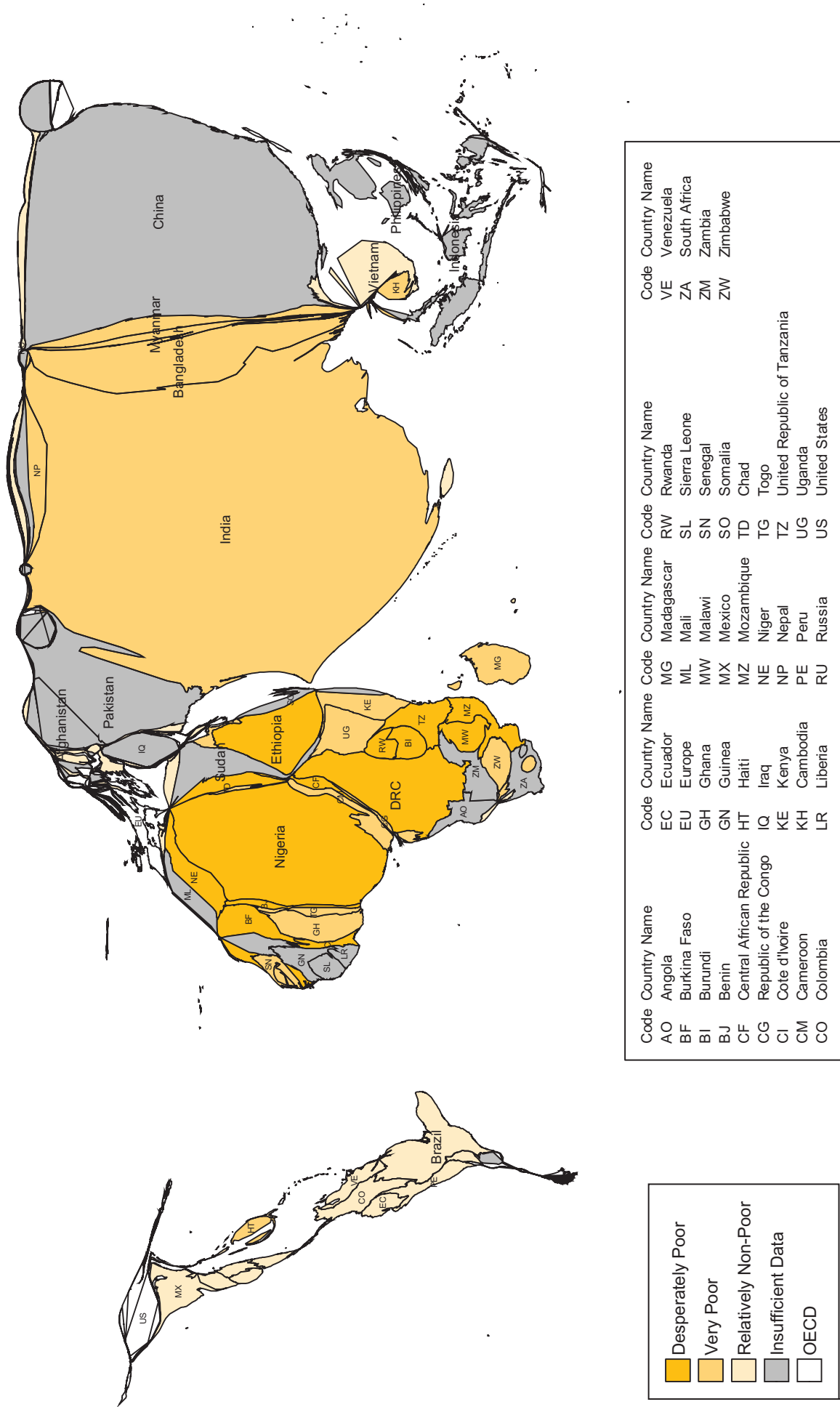
## Global dimensions of chronic poverty

Figure 3.1 illustrates two main features of the international distribution of chronic poverty. First, the countries with the highest *levels* of chronic poverty (designated by the darkest shading) according to CPRC's cluster analysis [see Chapter One] are found solely in sub-Saharan Africa. Second, the countries with the greatest *numbers* of chronically poor people (designated by country size) are found in South and East Asia.<sup>7</sup> Box 3.1 summarises the different regional experiences of chronic poverty; further details can be found in Part B.

## Spatial poverty traps

Chronic poverty tends to be concentrated in regional poverty traps rather than evenly spread across a country. Looking at multidimensional deprivation across regions reveals increases in poverty and destitution in certain areas even in countries where overall income poverty is otherwise declining. The famine-prone region of Wollo in Ethiopia is an extreme example of this, where hundreds of thousands of people need food aid every year.<sup>8</sup>

Figure 3.1 The proportion and size of chronically poor populations in world regions



Regions likely to have concentrations of chronic poverty can be characterised as:

- *Remote*: areas that are far from the centres of economic and political activity. 'Far' is calculated in terms of not only distance, but also time taken to get there. These areas are defined in terms of distance multiplied by time: 'frictional distance'.<sup>9</sup>
- *Low potential*: areas that have low agricultural or natural resources, often crudely equated with drylands and highlands.
- *Less favoured*: politically disadvantaged areas.<sup>10</sup>
- *Weakly integrated*: areas that are not well-connected, both physically and in terms of communication and markets.

Large numbers of very poor people live in such regions. According to recent

research, approximately 1.8 billion people, most of them poor, live in less-favoured or low potential areas – defined here as areas 'less favoured by nature or by people'. This is about two-thirds of the rural population of developing countries.<sup>11</sup> About 40% of the rural poor live in highlands and drylands,<sup>12</sup> many of which are also low potential and remote.<sup>13</sup>

While terms such as 'remote' and 'low potential' indicate the *characteristics* of a spatial poverty trap, 'marginal', 'less favoured' and 'weakly integrated' begin to suggest *explanations* for why such an area – or rather a substantial proportion of its population – remains poor over long periods.

Although the nature and incidence of chronic poverty is different in different areas, there are common characteristics

of the multiple deprivations associated with spatial poverty traps:

- *Poor agro-ecology*: soil quality, slope, rainfall quality and distribution, temperature, vulnerability to natural hazards.
- *Poor infrastructure*: poor road, rail, river connections, leading to high transport costs.
- *Weak institutions/organisations*: especially weak market institutions, leading to high transactions costs.
- *Political isolation*: especially associated with weak political parties and networks, weak claims on local and central government services.

Often these characteristics overlay and reinforce each other. The case of Bitare village in Uganda provides an example of how different forms of deprivation combine to create a poverty trap

### Box 3.1 Chronic Poverty by region

#### *Chronic Poverty in Sub-Saharan Africa*

Sub-Saharan Africa is both the poorest and most chronically poor part of the world. Between 28% and 38% of the absolute poor population in sub-Saharan Africa is estimated to be chronically poor, totalling between 90 and 120 million people. There are particularly high levels of absolute poverty in West and Central Africa, where one in every 5 or 6 people is both chronically and severely poor.

There are 22 sub-Saharan countries for which there is both a US\$1/day figure and sufficient data to undertake the cluster analysis detailed in Chapter One. Of these 22 countries, approximately 310 million people live in 12 desperately deprived countries, about 150 million of whom live on less than US\$1/day; perhaps 45–60 million of these people are chronically poor. Almost 110 million people live in the 10 moderately deprived countries for which we have data, close to 40 million of whom are absolutely poor, and 10–15 million of whom are chronically poor. Several countries with insufficient data – including Angola, Guinea, Liberia, Mali, Somalia, Sudan and Zambia – make up the ranks of those countries with high proportions and numbers of absolute and chronically poor.

Chronic poverty in sub-Saharan Africa is most pronounced in both urban and rural areas of remote, less favoured, and weakly integrated regions. There are many of these, particularly in areas affected by violent conflict, suffering economic stagnation or decline, and where HIV/AIDS and other diseases are endemic. The majority of chronically poor Africans live in countries with large numbers of poor people, a history of low economic growth, and problems of governance. There is a strong possibility that they will remain poor.

#### *Chronic poverty in South Asia*

The headcount ratio for the chronically poor has been declining in many parts of this region – particularly in southern

and western India, and in Bangladesh. Most human development indicators have also improved over the past two decades, although in Afghanistan years of war have obstructed almost all potential progress. However, South Asia has very high population levels and still has the largest number of chronically poor people in the world – an estimated 135 to 190 million people – including 110–160 million Indians, 9–13 million Bangladeshis, 10–15 million Pakistanis, perhaps 5 million Afghans, and 2–3 million Nepalese. Because of such high numbers of people living in persistent poverty, even small areas of severe deprivation in this region can affect a very large number of individuals.

Chronic poverty in the region is most pronounced in areas that have significant minority populations [see Chapter Two], that are economically stagnant, where agrarian class structures and gender relations are exploitative, and where governance is weak. At a regional level, most indicators show a swathe of poverty cutting across eastern and southern Pakistan, central India, western Nepal, and northern and south-eastern Bangladesh. Over 70% of India's poor for example live in six states (out of 28). There are pockets of improvement, lower levels of poverty and even relative prosperity in this region, however there are also large areas where deprivation is the norm.

Most poor South Asians still live in rural areas, and it is likely that the proportion of chronic poor is greater in rural areas, given the greater economic opportunities in towns and cities. However, in India the *proportions* of severely poor people in rural and urban areas are similar at about 15%. Chronic poverty also tends to follow the 'contours of conflict'.<sup>14</sup> Notwithstanding the current peace processes, the longterm poverty found in northern and eastern Sri Lanka and mid-west Nepal is likely to be relatively intractable. The relationship between violent insurgency and the isolation of regions is further examined below.

(Introduction to this chapter).

Spatial poverty traps do not only occur in rural areas. In many countries there are urban and peri-urban poverty traps – Kibera in Nairobi, East Delhi, Soweto outside of Johannesburg are examples. Both rural and urban poverty traps are underpinned by a combination of location-specific factors and by the relationships they have (flows of people, labour, finance, resources) with other areas. A conceptual framework for analysing spatial poverty traps is outlined in Table 3.1. This identifies the social, economic, political and environmental factors that promote uneven development and lead to some areas having populations with high incidences of chronic poverty.



*Marginal urban environments, like this railway track at Senen, Indonesia, are often home to chronically poor people.*

### **Chronic poverty in Latin America and the Caribbean**

Within the developing world, Latin America and the Caribbean have some of the best average human development indicators, alongside impressive economic growth. However, there is significant variety within the region, with some countries, such as Haiti and Bolivia, faring badly. Extreme poverty in the Latin America and the Caribbean region is relatively low compared to other developing regions but the proportion of the poor who are chronically poor remains relatively high. It is estimated that between 30% and 40% of the extreme poor population in Latin America and the Caribbean is chronically poor: between 16 and 22 million people.

Persistent poverty in Latin America and the Caribbean is largely a distributive problem; inequality levels are among the highest in the world and undermine the potentially positive impacts of growth on the poor, as well as hindering growth itself. Race and ethnicity are important dimensions of the region's geographic concentrations of persistent poverty, and evidence suggests that access (or rather the lack of access) to social services has a particularly powerful role in determining and shaping these patterns.

Urban poverty is particularly significant in Latin America and the Caribbean – 64% of the poor and 75% of the total population of Latin America live in urban areas.<sup>15</sup> The probability of being poor or extremely poor is still much higher in the rural areas – 37% if you live in a town or city, but 63% if you live in a rural area.<sup>16</sup> Several primarily rural regions stand out as persistently poor, such as the pan-Andean region, including parts of Bolivia, Peru, Ecuador and Colombia.

### **Chronic Poverty in transitional countries**

Although relatively low, chronic poverty is growing fastest in the 'transitional' states of Central Asia, the Balkans, East-Central Europe and the former Soviet Union. Over the last 10 to 15 years, the region has seen rising inequality and long-term

poverty alongside rapid economic and political liberalisation. It is estimated that between 10% and 20% of the extreme poor population in transitional countries is now chronically poor: between two and five million people. This number is rising quickly, due to childhood poverty [See Chapter Two], long term unemployment without social protection, and older people with pensions that do not meet even their basic needs.

Spatially, chronic poverty is most evident in remote rural areas, and 'one-company towns' where many households were previously reliant on employment within a single sector. Former employees of these now unprofitable enterprises have fallen prey to market forces and redundancy. Chronic poverty is also most evident where there are large minority populations, notably the Roma [see Chapter Two].

### **Chronic poverty in China**

Much of the global poverty reduction of the last 30 years is down to progress in China. However, much depends on the statistics and measures that are used. According to the most recent estimates, the number of poor with *expenditures* below US\$1 in 1999 was 235 million, more than twice that under the *income* poverty line.<sup>17</sup> It is also clear that the benefits of recent, rapid economic growth have been highly unequal, both socially and spatially.

Available evidence indicates that chronic poverty is highest in rural areas and that it is particularly concentrated in north-west, west and south-west areas, away from the dynamic coastal region. These areas are remote from growth centres, are agro-ecologically poor,<sup>18</sup> and have high ethnic minority populations. Any industry was largely state-owned and likely to have been closed during the economic restructuring.

Rising economic and social inequality means that substantial numbers of chronically poor people also live in rural areas that are seen as prospering.<sup>19</sup> Significant numbers of 'new poor' have moved to cities and are unable to meet their minimum needs because of low paid casual work, and no access to state provided services.

Table 3.1 A conceptual framework for understanding spatial poverty traps

Spatial poverty trap description	Definition	Ecological characteristics	Poor infrastructure	Weak institutions (including markets)	Political isolation
<b>Remote regions and areas</b> (frictional distance and locational disadvantage)	Can include high and low potential environments. Costs of centrally supplied infrastructure and services are higher. Generally lower potential for non-farm activity, though remoteness offers some protection from competition. Poor urban residential areas remote from workplaces, with weak connections.	Geographically isolated, may have low or high population densities with different implications for resource exploitation. Geographical obstacles, such as slopes, ravines and marshes, contribute to isolation.	High infrastructure costs lead to poor quality or absent provision. Poor road, rail, river connections lead to high transport costs.	Low economic diversity and lack of growth. Dependence on agriculture or natural resources, which are low return and lowest wage sectors. Little wage labour available: out-migration or commuting 'solutions', but usually into low skill/return and insecure occupations. Few accumulation or expansion possibilities due to low demand. Few opportunities to augment skills, save, get credit. High risk for investments. Social capital may be high, but often excludes the poor or not useful for securing access to other resources.	Excluded. Relatively small (often fragmented) constituencies. Political access more constrained because less competitive. Voices rarely heard, especially if also ethnic or religious minority.
<b>Low potential or marginal areas</b> (ecologically disadvantaged)	Poor locations for built or productive environment: hillsides, roadsides, canalsides, riversides, dumps. Limited possibilities for technical change in natural resource based production systems.	High ecosystem diversity, fragile or degraded land resources, climatic variation. Bio-physical constraints limited rains, poor soils, steep slopes. Vulnerable to hazards, displacement.	Multiple costs to meet basic needs (shelter, water, transport, health, education) in settlements that are often unsafe and insecure. Low cash circulation as a result of low productivity. Dependence on remittances, public subsidy.	Poor economic and social infrastructure, 'over-population', low human and financial capital. Out-migration or commuting with positive and negative consequences depending on migrants' endowments. Includes poor areas within growth centres.	Political characteristics not usually considered but natural disadvantage may affect societal perceptions of people from such areas leading to stigma, discrimination and inequality. Illegal land holding increases vulnerability.
<b>Less favoured areas</b> (politically disadvantaged)	Can include high and low potential environments and pockets. Lower levels of infrastructure and services, stigmatised, 'hardship posting'. Private sector avoids investment; savings invested outside the area.	No clear patterns.	Lack of services for informal and illegal residents and enterprises. Low public investment in social protection and basic services leading to low cash circulation. Risk of falling out of labour market due to injury or death.	Limited market access, low population density, 'residual' populations left behind, old, very young, disabled, ill, discriminated.	Lack of protection against abuse by officials, lack of institutions able to safeguard and further citizen rights, no safety net.
<b>Weakly integrated regions</b> (poorly linked and economically disadvantaged)	Can include high and low potential agrarian environments, poorly serviced and connected peri-urban and urban areas.	No clear patterns.	Poor opportunities to commute or migrate; limited information on opportunities and rights.	Adversely incorporated into markets through exploitative or uncompetitive economic relationships: markets are fragmented and function weakly.	Politically marginal, unstable, liable to political fragmentation and conflict. Poor representation in political assemblies.

## Ecological characteristics of spatial poverty traps

The ecological characteristics of a location can directly increase the vulnerability of those living there. Over half of the world's rural poor live in areas of low agricultural potential.<sup>20</sup> Half a billion people in developing countries live in arid regions with no access to irrigation systems; another 400 million are on lands with soil unsuitable for agriculture; 200 million live in mountainous and hilly regions; and more than 130 million are in fragile forest ecosystems.<sup>21</sup> These regions are also highly vulnerable to climate fluctuations, pests, diseases, and man-made and natural disasters, which make food supplies precarious and unstable.<sup>22</sup>

In Bangladesh, panel data for 1987–8 and 2000 indicate that 15% of households that had descended into poverty had experienced a shock related to a natural disaster, suggesting that poor geographic capital at the most local level played a role. Poverty rates are highest in extremely low-lying areas that are frequently flooded, including *chars* (river-islands that seasonally disappear – Box 3.2), and in tribal areas where social and geographical disadvantage overlap.<sup>23</sup>

Rural development policies have tended to neglect low potential areas in favour of investment in high potential zones,<sup>24</sup> where returns to investment are perceived to be higher.<sup>25</sup> In Africa, these neglected areas include arid and semi-arid regions, deep forests, and mountainous areas. In India, less-favoured areas include the drylands (characterised by frequent crop failure and sporadic opportunities for employment) and forested areas (especially in hilly regions with a predominance of tribal populations, and with limited access to natural resources, information and markets).<sup>26</sup> In China, living in a village in a mountainous area has a sizable and significant negative effect on consumption growth.

In semi-arid areas of rural Andhra Pradesh and Maharashtra, one study found that over one-fifth of the population was poor in all nine years between 1975–76 and 1983–84, while 60% were poor in at least five of the nine years.<sup>27</sup> Further analysis of this dataset suggested that even relatively affluent households are highly vulnerable to long spells of poverty when severe crop shocks occur.<sup>28</sup>

The importance of ecological conditions is also evident in urban settings.

### Box 3.2 Risk and vulnerability among Bangladeshi *char* communities

The riverine and coastal areas of Bangladesh, known as *chars*, are home to the poorest and most vulnerable communities in the country. 5% of the total population live in these *char* regions, over 80% of whom are in extreme poverty.

The *chars* are exposed to a range of environmental shocks and stresses (particularly erosion and flooding) associated with the instability of the local environment. Villages and agricultural lands are swept away during floods and the rivers frequently change their course. This instability means that only temporary settlements and infrastructure are built. Large scale flood/erosion protection infrastructure has not worked in these regions.

As a result of their isolation and peripatetic nature, communities are excluded from mainland services and infrastructure and neglected by local government officials. Ill-health is common due to lack of access to clean water and sanitation. The lack of social services perpetuates high morbidity and poor educational status, particularly for women and children. Poor members of communities frequently lose control of their re-emerging land to wealthier and more powerful neighbours (who employ thugs). They have little access to justice. Heavy dependence on daily labour, often through migration for part or all of the year, shows the constraints which *char* dwellers face in obtaining income through farm or non-farm enterprises, and interacting effectively with markets.

Source: DFID, 2002.

Urban location can be a crucial asset for the poor, but as urban populations grow and land becomes increasingly scarce, large and increasing numbers of people live and work in high risk, low potential or marginal urban environments, such as roadsides, rail embankments, steep slopes and rubbish dumps. Alongside poor sanitation and hygiene, these environments present risks of disease, accidents and infections, a substantial part of the experience of urban chronic poverty.

*The chronically poor are more likely to be excluded from opportunities to migrate, reproducing regional inequality and exclusion*

Evidence suggests that chronic poverty is most harsh where ecological and social deprivation overlap. In Latin America, it is clear that living on a hillside or roadside is detrimental to lives and livelihoods in the urban *favelas*. However, it is the discrimination faced by these residents, combined with the fear of rising gun and drug crime, that renders a very real sense of physical and psychological vulnerability and isolation among the poor, despite any improvements in physical infrastructure [see Chapter Eight]. In Pakistan, the mountainous environment is harsh in the Federally-Administered

Tribal Areas in the west, and large areas of Balochistan, North West Frontier Province and Sindh – areas which are also dominated by oppressive tribal and/or feudal agrarian and gender relations. In India, populations living in forested areas, such as south-western Madhya Pradesh, are disproportionately marginalised tribal groups.<sup>29</sup>

### Poor infrastructure

Insufficient physical infrastructure restricts local access to markets, and maintains spatial, political, and social marginality. This includes roads, markets, electricity, water and sanitation, irrigation and telecommunications. A comparative study within China indicates a highly significant positive relationship between higher road densities and consumption growth in an area.<sup>30</sup>

Remote rural areas experience deficits in all forms of physical infrastructure. In many less-favoured rural areas, sparse population densities increase the cost of service provision, and the extension of physical infrastructure, compared to more densely populated, often urban, areas, where political pressure for investment may be stronger. It is also more difficult and costly to monitor service provision and quality in these areas, and governments' response to citizens' rights and demands can be weak.<sup>31</sup>

This lack of physical infrastructure undermines the maintenance and



Villagers are forced to move by flooding in Somalia – cholera is endemic in the wet season so some members of the family have to be carried.

promotion of human capital. Distance and time increase the opportunity cost of accessing education and health care, and market imperfections resulting from transport deficiencies prevent access to medication, while poor water and sanitation increase health risks.<sup>32</sup> Preventable deaths become more likely, and human capital is depleted by ill-health and impairment.

Remote rural areas tend to be bypassed by flows of people, ideas, services and goods. This increases the isolation of certain areas and people and deepens the 'frictional distance' for migration.<sup>33</sup> Migration is often an expression of spatial patterns of opportunity, and people tend to move in expectation of improved livelihood chances, to areas that offer improved connectivity and services, better markets and higher potential.<sup>34</sup> However, the poorest are more likely to be excluded from opportunities to migrate, partly reflecting transportation constraints, and so reproducing regional inequality and exclusion.

In urban settings, service connections are often illegal and therefore may be insecure and often disrupted by the authorities. Households that do not have any access at all are more likely to fall into and remain in poverty. In many countries, rising urban population trends have been accompanied by declines in the quality and availability of services, although the experience is different in different types of urban settlement. Fire is a particular hazard that drives many slum-dwellers into chronic poverty [see Chapter Four].

Peripheral urban areas tend to be

characterised by problems associated with the inadequate provision of services, infrastructure and transport, and typified by illegal squatting and informal sub-division of agricultural land. The trend of urbanisation in Latin America from the 1950s, for example, has led to a growing number of mega-cities ringed with illegal land occupations (*favelas* and *villas*), and large numbers of urban poor. Unreliable and costly transport links to the city centre mean that, despite a lack of opportunities in the peripheral areas, many people work locally with very low remuneration. Inner city areas, in contrast, tend to be characterised by overcrowding, high levels of competition for work and resources, and commodification of land and services.

*The link between high levels of remoteness, low levels of public and private investment and high incidence of chronic poverty is clear.*

### Weak institutions and organisations

The problems experienced by concentrations of very poor people can be similar to those of extremely sparsely populated areas. Economically, market opportunities can be severely limited and fragile: there are few generators of employment, less demand for local produce, and few opportunities to save and acquire the assets and human capital that can be the springboard for economic growth.

### Nowhere to sell, no-one to hire

Imperfections in goods and factor markets, including land, labour, rental, finance and insurance markets, and information flows are common in rural areas.<sup>35</sup> These undermine attempts to promote agricultural and other development, which is further aggravated by a lack of support services. For this reason, movements in and out of poverty can be strongly regionally-differentiated. In Uganda, for example, upward mobility has been associated with the more rapidly growing coffee-producing areas in the 1990s – followed by sharp downward mobility when prices collapsed (see Box 4.6). In Zimbabwe, the most dynamic of three semi-arid districts was found to be near the city of Bulawayo, benefiting from inward investment and employment opportunities for migrants.<sup>36</sup>

The link between high levels of remoteness, low levels of public and private investment and high incidence of chronic poverty is clear.<sup>37</sup> In remote regions, market imperfections limit agricultural productivity and households' ability to accumulate capital and other assets. In turn, the capacity of poor households to hire farm labour when household labour is insufficient (in terms of numbers, strength or knowledge)<sup>38</sup> is constrained, and their ability to rent occasional-use equipment, such as oxen for ploughing, is undermined. This encourages inefficient overstocking of tools and equipment of production,<sup>39</sup> thereby increasing vulnerability to risks.<sup>40</sup>

The potential for livelihood diversification tends to be significantly higher in non-remote areas, as is the case in semi-arid Zimbabwe.<sup>41</sup> While the chronically poor are least likely to benefit directly from such economic diversification, increased levels of local economic activity raise the likelihood of increased demand for casual labour and may make it more likely that non-poor relatives and neighbours can provide support to the chronically poor and those likely to fall into long-term poverty.

Increasing agricultural wage rates can be a crucial factor in poverty reduction; in much of South Asia, this is probably the best single explanation for the slow but steady reduction in the depth of consumption poverty. However, getting work does not always translate into exiting poverty. In agrarian economies with large casual labour markets, the number

of days of work obtained in a given period can be as important as the wage level itself. Discrimination and inequality within the labour market is a characteristic of chronic poverty, even in growth centres. Gender divisions within labour markets restrict employment opportunities for women, though the demand on women to work is strong within poor and chronically poor households.

Labour market position is crucial within more urbanised regions characterised by high wage dependencies coupled with low and falling real wages, as well as high unemployment, casualisation and under-employment. These in turn are related to patterns of growth or economic stagnation. The question is whether all of the urban poor can respond to opportunities. In Madagascar, urban poverty has remained at high levels, despite rapid growth in average household incomes in the capital city (by 50% between 1995 and 2000). 65% of the urban population remained poor between 1997 and 1999. Few had access to electricity and running water. Most chronically poor households lived in poor neighbourhoods, and their jobs were largely low quality and in the informal, low wage sector.<sup>42</sup>

Chronic urban poverty is high among those who are unable to participate or are excluded from participating fully in the labour market. These people can include sick or older people, children and people with disabilities, as well as other 'dependent' groups and areas incorporated into markets on unfavourable or exploitative terms.

Under-employment is a significant problem of the Ethiopian urban chronically poor. Over one-quarter of chronically poor household-heads work as casual labourers or in 'women's business activities', compared to only about 8% among the never poor.<sup>43</sup> These occupations are insecure and give low returns, so it is not surprising that the chronically poor are disproportionately represented.

Increased occupation of rural land adversely draws poor rural residents – including tenant farmers, sharecroppers, those who rely on common property resources – into the urban transition. Without the necessary political connections to protect their interests, they are left in a weak position, unable to take

advantage of alternative economic opportunities within the changing labour market due to their lack of skills, contacts, capital or freedom of movement.<sup>44</sup>

*Concentrations of very poor people are often characterised by less organised civil society, less responsive government and less visible NGO presence.*

Although there may be more opportunity for employment in the inner city, and poverty may be more responsive to growth there, economic conditions vary widely, living costs are likely to be higher and there are fewer possibilities for subsistence farming. As population densities increase in towns, greater pressure is felt by residents to secure sources of income, access to which becomes more and more competitive.

In inner city areas, if the informal sector is unable to absorb an ever-expanding urban labour force, trading on the black market and other illegal activities can provide viable alternative livelihoods.<sup>45</sup> Although many aspects of urban life are illegal for the poor, including their rights to homes, settlements and workplaces, this may not be a major issue when things like illegal connections to services are so common that they are generally ignored by the authorities. In other cases, though, it can increase vulnerability. The stigma associated with living in areas associated with high criminality reduces residents' chances of accessing employment, markets and other city-wide institutions. Prejudicial attitudes may play a role in creating criminals: residents may be arrested on suspicion and criminalised because they cannot defend themselves; and expectations within an area may themselves play a role in determining life choices.

While this section has focused on weak markets, other institutional failures maintain spatial poverty traps. Public services are usually further away from low income settlements and disadvantaged rural areas, and are of poor quality. Evidence from Bangladesh,<sup>46</sup> where there are several high-performing NGOs, indicates that NGOs systematically avoid operating in the areas where chronic poverty is most common.

## Politics, rights and conflict in spatial poverty traps

Politically, concentrations of very poor people are often characterised by a less organised civil society, less responsive government, and even a less visible NGO presence.<sup>47</sup> Pockets of chronic poverty therefore exist where socio-political exclusion – often on the basis of language, identity, or gender – shapes the prospects of a significant proportion of the population.

Political marginality extends to specific groups within regions. Areas where prospects have been undermined by uneven development, widening inequality and lack of access to essential services, and where people have common ethnic, religious, or linguistic characteristics, can produce populations who share a strong sense of grievance associated with their identity. In Mindanao in the Philippines, for example, feelings of political disenfranchisement have risen through years of government bias against the region in policy and public expenditure.<sup>48</sup>

Where marginality provides the content for social and political movements, these are likely to have a potentially explosive ethnic, regional or linguistic element. Areas experiencing long-term conflict, resulting in widespread damage to the resource base and people's capabilities, will almost certainly experience persistent poverty.<sup>49</sup> Remote areas may be the site for protracted insecurity, linked not only to regional politics and the proximity of national (or internal) boundaries, but also to the waning presence of national security bodies.

Many conflicts are fought in border regions, which have historical legacies of marginality, limited voice and persistent poverty. Civil wars largely occur in countries that have low human and economic development. Borderlands and other regions typified by weak state presence may provide fertile ground for mobilisation of militant groups and organised criminality. The powerlessness of the poorest makes them unlikely drivers of conflict, but most likely to feel its devastating effects in full.

Conflict creates refugees and internally displaced people – now in their millions in developing countries, especially Africa – pushed into countries and places with few resources to welcome assetless incomers. Internally displaced people

### Box 3.3 The Batwa people of the Great Lakes Region

In the Great Lakes region little is known or reported about one of the poorest and most vulnerable communities, the Batwa Pygmies. The Batwa are traditionally forest hunter-gatherers. They have been steadily dispossessed and evicted from their traditional forest lands, as forests have been claimed by other interests, such as game reserves in south-western Uganda. In Rwanda, legislation in the 1970s outlawed hunting as a way of life and by the 1990s those Batwa still practising clandestine hunting and gathering were forced to the edges of their ancestral forests to make way for national parks and military training areas. In the Kahuzi-Biega National Park of the Democratic Republic of Congo, Batwa people risk violent repercussions and imprisonment for any attempt to gain access to the forest.

The Batwa now live largely with limited resources, no access to social services, and often depend on begging as a form of livelihood. No government in the region has formal policies concerning Batwa people. Frequently any support provided is dependent on the Batwa renouncing their traditional values and way of life for a sedentary agricultural lifestyle. In Rwanda, the post-1994 government does not acknowledge the Batwa as a group that is marginalised and discriminated against, and this has led to them being ignored in government programmes to provide social services such as primary healthcare, education, shelter and clean water.

Census data on Batwa populations is rarely complete or accurate in any of the countries in this region. Commonly these people are not acknowledged by the state in the same way as other citizens. They rarely have citizenship documents – birth certificates, identity cards, health cards. In Uganda, representation of the Batwa in Local Councils and other political leadership roles is not encouraged. Batwa are generally represented by people from other ethnic groups and those that are elected are elected because of their degree of assimilation and not because of their capacity to fight for the rights of Batwa people.

Sources: Baker, 2001; Lewis, 2000; Mugarura and Ndemeye, 2000.

(IDPs) are a significant group of the chronically poor [see Chapter Two]. Away from their original residence they are often alienated and isolated, as the support groups that existed in their own villages are no longer available to them. They may be crowded into camps or areas where they are not welcome, and onto land that does not belong to them.

In Sri Lanka, for example, the government estimates that the total number of IDPs (including those in welfare centres) is 650,000, equal to roughly one-third of the total population currently living in conflict-affected areas. In one affected area alone, it is estimated that as many as 80% of the current population are displaced, having arrived as part of a major influx of people from the adjoining conflict areas in 1995.<sup>50</sup>

The effect of coming from a poor region and suffering social stigma is acute.

Groups with no citizenship entitlements are particularly vulnerable, including illegal immigrants and refugees who are likely to have to accept the lowest paid employment without recourse to available legislation.<sup>51</sup> Weak networks and links into patronage combined with the social stigma of being an outsider often make access to the labour market harder. In urban India, outsiders can find it near impossible to get access to informal sector resources such as market/vending pitches on streets, which are often firmly controlled by one ethnic group.

People in spatial poverty traps are often invisible to policy-makers, partly as a reflection of difficulties in counting and collecting accurate statistics within remote and difficult terrain, or in reaching marginalised groups. In the case of indigenous people, this is exacerbated by the tendency for regional data to fail to

disaggregate by ethnicity. Regional aggregations of numbers, therefore, obscure the condition of particular indigenous peoples, and tend to underestimate numbers. Where the figures are small, they may go unnoticed. Where they are small but noticed, they can be ignored by policy-makers as politically insignificant, as with the case of the Batwa people (Box 3.3). However, in some settings, indigenous groups become drawn into conflict when the land, resources and traditional practices are threatened by other interests.<sup>52</sup> In the DRC, for example, the Batwa are reputed to take retribution into their own hands when seriously wronged, as they claim they are ignored by the authorities.<sup>53</sup>

## Conclusion

Different regions of the world have very different incidences of chronic poverty and, in particular, sub-Saharan Africa and parts of South Asia are foci for concern. There are also very different regional dynamics for chronic poverty. On the coast of China, chronic poverty (and poverty in general) have declined rapidly over the 1990s. By contrast, in Central Asia and the CIS, growing numbers of people have fallen into chronic poverty and large numbers of children are being born into it.

Within countries, chronic poverty is almost always unevenly distributed, with certain areas – rural and urban spatial poverty traps – having high levels. Adverse ecological conditions, poor infrastructure, weak markets and other institutions and political isolation characterise such areas. Commonly, such areas also have high levels of the socio-economic characteristics associated with persistent poverty that were identified in Chapter Two – the spatial and socio-economic dimensions of chronic poverty are clearly two sides of the same coin in many ways. As the next chapter argues, chronic poverty often seems to occur because several causal processes are in operation at one and the same time.

### Technical note to Figure 3.1 The proportion and size of chronically poor populations in world regions

The cartogram was designed by Mark Gordon for the Chronic Poverty Research Centre (CPRC). ERSI's ArcView 3.3 with Andy Adenda's 'Cartogram' ArcView Script was used, based on Charles B. Jackel's script.<sup>1</sup>

The initial shape files were drawn from Environmental Systems Research Institute, Inc. (ESRI) 'World Countries 2002' shapefile from the ESRI Data & Maps Series published in 2002. The shapefile was projected in the WGS-84 Projection and then modified. First, Antarctica and 35 small island nations with both low populations and rates of absolute poverty were removed.<sup>2</sup> Second, the 25 countries and islands of Western Europe were merged into one polygon.<sup>3</sup> Third, the entire shapefile was generalized Douglas-Peucker-algorithm from 165,797 vertices to 83,562 vertices using the Generalize Tool in the 'Point & Polyline Tools V1.2' by Soeren Alsleben.

Population data represent the 2003 mid-year estimates from

the Population Division of the Department of Economic and Social Affairs of the United Nations Secretariat.<sup>4</sup> In cases where the UN 2003 mid-year population was not available,<sup>5</sup> the ESRI-provided 1994 estimated population of the country prepared by National Center for Geographic Information and Analysis was employed.

The chronic poverty cluster ranks were provided by the CPRC. The estimated number of absolute poor was calculated by multiplying the 2003 mid-year population by the most recent World Bank estimates of rate of absolute poverty, or, in its absence, CPRC estimates.

70 iterations were run to produce the presented cartogram. The average square of the percentage change in area by the final iteration was 0.025%.

The cartogram layout was prepared in ESRI's ArcMap 8.3 and then exported as both a JPEG and Adobe .PDF file.

#### Notes

- See 'Using ArcView to Create Contiguous and Noncontiguous Area Cartograms,' *Cartography and Geographic Information Systems*, vol. 24, no. 2, 1997, pp. 101–109.
- American Samoa, Antarctica, Baker Island, Bouvet Island, British Indian Ocean Territory, Cape Verde, Cook Islands, Falkland Islands (Islas Malvinas), Faroe Islands, Fiji, French Polynesia, French Southern & Antarctic Lands, Glorioso Islands, Greenland, Heard Island & McDonald Islands, Howland Island, Jan Mayen, Jarvis Island, Johnston Atoll, Juan De Nova Island, Kiribati, Midway Islands, Niue, Paracel Islands, Pitcairn Islands, Samoa, South Georgia and the South Sandwich, Spratly Islands, Svalbard, Tokelau, Tonga, Wallis and Futuna.
- Austria, Belgium, Denmark, Finland, France, Germany, Gibraltar, Greece, Guernsey, Ireland, Italy, Jersey, Liechtenstein, Luxembourg, Man, Isle of Monaco, Netherlands, Norway, Portugal, San Marino, Spain, Sweden, Switzerland, United Kingdom, Vatican City.
- [http://www.un.org/esa/population/publications/wpp2002/POP-R2002-DATA\\_Web.xls](http://www.un.org/esa/population/publications/wpp2002/POP-R2002-DATA_Web.xls)
- Cocos Island, Christmas Island, Norfolk Island, Taiwan, Wake Island, Mayotte Island.

#### Notes

- All but the poorest households belong to 'ambulance clubs' and pay a monthly insurance contribution which will pay for strong young men to carry them to the health centre in a stretcher should they fall sick. The poorest are excluded because they can not afford the cash payments.
- Passionfruit was recently introduced but has succumbed to disease. Coffee wilt reduces coffee yields.
- Baulch and Masset 2003.
- Reyes 2002a/b.
- Jalan and Ravallion 1997.
- Davis and Stampini 2002.
- In the cartogram we have used absolute poverty (US \$1/day poverty) as a proxy for chronic poverty. For those countries for which there is no international data, rates have been estimated. See technical annex.
- Devereux and Sharp 2003.
- This conventional definition is currently being taken forward by the work within the CPRC. In Uganda, work is proceeding on an 'index of isolation' which measures remoteness from services, and access to information as well as physical remoteness. It will be interesting to see the extent to which this can account for the geographical distribution of Uganda's poverty.
- Note that others define 'less favoured' as areas with low agricultural potential.
- Pender and Hazell 2000.
- Ruben et al. 2003.
- Alexandratos 1995.
- Goodhand 2001.
- CEPAL 2001 in Wheeler 2003.
- Wheeler 2003.
- World Bank 2003a.
- For example, McCulloch and Caladrino (2003) found that chronic poverty was significantly more likely to occur in upland areas in Sichuan than lowland areas.
- For example, in Shanxi Province, 3.8 million poor people live in the 34 designated poor counties but another 1.5 million are recorded in the province's non-poor counties (Cook and White, 1997). Also see Riskin, 1994.
- Ashley and Maxwell 2001.
- World Bank 2003b.
- FAO 1996a in Bolt 2003.
- Sen 2003; Sen and Ali 2003.
- Notably Green Revolution investments. See Bolt, 2003: 2.
- Recent research based on India and China (Fan and Hazell 2000) has suggested that investments (especially in agricultural research and development, roads and education) in low potential and less-favoured areas make a stronger contribution to reducing poverty than similar investments in high potential areas. This is not generalisable to Africa, however; investment in high-productivity areas has yet to reach the point of diminishing returns.
- Mehta and Shah 2003.
- Gaiha and Deolalikar 1993.
- Gaiha and Imai 2003.
- Shah and Sah 2003.
- Jalan and Ravallion 1997.
- Farrington and Gerard 2002 in Bolt 2003.
- World Bank 2000 in Bolt 2003.
- Kothari 2002.
- Black et al. 2003.
- Holden et al. 2001 in Bolt 2003.
- Bird and Shepherd 2003.
- Shinyekwa et al. 2003; Bird and Shepherd 2003.
- Van de Walle 2000 in Bolt 2003.
- Holden et al 2001 in Bolt 2003.
- World Bank 2003b.
- Bird and Shepherd 2003.
- Herrera and Roubaud 2003.
- Kedir and McKay 2003.
- Satterthwaite and Tacoli 2002.
- Some urban poor choose criminal activities because of their high returns.
- Thornton 2001.
- Bebbington 2003.
- Malapit, Clement and Yunzal 2003.
- Bird et al 2002.
- Korf and Silva, 2003; '... 302,586 individuals (78,828 families) returned to their homes within Sri Lanka from January 2002 up to and including April 2003.' (Durable Solutions, 2003).
- In practice, even those groups that do have citizenship may not have recourse to available legislation.
- Bourne 2003.
- Lewis 2000.