

The Chronic Poverty Report 2008-09

Escaping Poverty Traps



Chronic Poverty
Research Centre



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Front cover picture credits

Top left: Fulani (Peul) men (Niger). © Giacomo Pirozzi/Panos Pictures (2006).

Top right: A Dalit woman reads the programme at the 2006 Vanangana conference in Chitrakoot. Vanangana, a women's group dedicated to human rights issues, receives strong support from the Dalit community. The members of the segregated low-ranking Dalit caste perform the most menial jobs in Hindu society and are considered to be literally 'untouchable'. (Chitrakoot, Uttar Pradesh, India). © Ami Vitale/Panos Pictures (2006).

Bottom left: Zambian identity (ID) card (Sinazongwe, near Lake Kariba, Zambia). © Crispin Hughes/Panos Pictures (2005).

Bottom right: An Ethnic Wounaan baby lies against its mother who wears a colourful beaded necklace. They fled their ancestral homes after FARC (Revolutionary Armed Forces of Colombia) killed two of their community leaders and attempted to control their tribe and recruit their children. After 40 years of civil unrest, Colombia has the world's third highest displaced population due to conflict (Istmina, Choco, Colombia). © Dermot Tatlow/Panos Pictures (2006).



About the Chronic Poverty Research Centre

The **Chronic Poverty Research Centre** (CPRC) is an international partnership of universities, research institutes and NGOs, established in 2000 with initial funding from the UK's Department for International Development (DFID). DFID can accept no responsibility for any information provided or views expressed in this report.

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Acronyms and abbreviations

- ABEK:** Alternative Basic Education for Karamoja (Uganda)
- ANC:** African National Congress
- ARV:** Antiretroviral drugs
- CDC:** Chronically Deprived Country
- CFPR-TUP:** Challenging the Frontiers of Poverty Reduction – Targeting the Ultra-Poor Programme (Bangladesh)
- CI:** Consistent Improvers
- CPRC:** Chronic Poverty Research Centre
- CPRGS:** Comprehensive Poverty Reduction and Growth Strategy (Vietnam)
- CSO:** Civil Society Organisation
- DHS:** Demographic Health Surveys
- DRC:** Democratic Republic of Congo
- ECOWAS:** Economic Community of West African States. The protocols launching ECOWAS were signed in Lomé, Togo on 5 November 1976.
- EITI:** Extractive Industries Transparency Initiative
- EPRDF:** The Ethiopian People’s Revolutionary Democratic Front
- ERCERP:** Estrategia Reforada de Crecimiento Economico y Reduccion de Probeza (Nicaragua)
- FDI:** Foreign Direct Investment
- GAPVU:** Office for Assistance to Vulnerable People (Mozambique)
- GDP:** Gross Domestic Product
- GSC:** Village Assistance Committee (Bangladesh)
- HIPC:** Heavily Indebted Poor Countries
- IDPs:** Internally Displaced Persons
- IFF:** International Finance Facility
- IFFIm:** International Finance Facility for Immunisation
- IFPRI:** The International Food Policy Research Institute
- IGVGD:** Income Generation for Vulnerable Group Development Program (Bangladesh)
- ILO:** International Labour Organization
- IMF:** International Monetary Fund
- INAS:** National Institute for Social Action (Mozambique)
- IPCC:** Intergovernmental Panel on Climate Change
- LSMS:** Living Standards Measurement Surveys
- MDG 1:** The first Millennium Development Goal: to eradicate extreme poverty and hunger
- MDGs:** Millennium Development Goals
- MLSS:** Minimum Living Standards Scheme (China)
- MOLISA:** Ministry of Labour and Social Assistance (Vietnam)
- MTEF:** Medium Term Expenditure Framework (Uganda)
- NATO:** North Atlantic Treaty Organization
- NDS:** National Development Strategy
- NEP:** New Economic Policy (Malaysia)
- NGO:** Non-Governmental Organisation
- NOAPS:** National Old Age Pension Scheme (India)
- NREGA:** National Rural Employment Guarantee Act (India)
- NRM:** National Resistance Movement (Uganda)
- NSAP:** National Social Assistance Programme (India)
- NSAPR:** National Strategy for Accelerated Poverty Reduction (Bangladesh)
- NSGRP:** National Strategy for Growth and the Reduction of Poverty (Tanzania)
- NTP:** Nationally Targeted Programme (Vietnam)
- ODA:** Official Development Assistance
- OPPG:** Operationalising Pro-Poor Growth
- PASDEP:** Plan for Accelerated and Sustainable Development to end Poverty (Ethiopia)
- PEAP:** Poverty Eradication Action Plan (Uganda)
- PLAAS:** The Programme for Land and Agrarian Studies, Western Cape School of Government, Cape Town, South Africa
- PMA:** Programme for the Modernisation of Agriculture (Uganda)
- PND-O:** Plan Nacional de Desarrollo – Operativo (Nicaragua)
- PNG:** Papua New Guinea
- PPA:** Participatory Poverty Assessment
- PPE:** Post-primary education
- PRS:** Poverty Reduction Strategy
- PRSP:** Poverty Reduction Strategy Paper
- PSIA:** Poverty and Social Impact Analysis
- PSNP:** Productive Safety Net Programme (Ethiopia)
- SAM:** Social Accounting Matrix
- SC:** Scheduled Castes
- SCNU:** Save the Children (Norway)
- SDPRP:** Sustainable Development Poverty Reduction Programme (Ethiopia)
- SIP:** Special Investment Programme (Bangladesh)
- SOE:** State-owned Enterprise
- SSA:** Sub-Saharan Africa
- ST:** Scheduled Tribes
- STUP:** Specially Targeted Ultra Poor (Bangladesh)
- TUP:** Targeting the Ultra Poor Programme (Bangladesh)
- UNICEF:** United Nations Children’s Fund
- UPPAP:** Uganda Participatory Poverty Assessment Program
- USAID:** United States Agency for International Development
- VAT:** Value Added Tax
- VGD:** Vulnerable Group Development (Bangladesh)
- WTO:** World Trade Organization



Welcome to the Chronic Poverty Report 2008-09

Currently, development research is mainly assessed in terms of its contribution to meeting the Millennium Development Goals, in particular MDG1: to halve absolute poverty by 2015. However, achieving the first MDG would still leave some 800 million people living in absolute poverty and deprivation – many of whom will be chronically poor. Their lives are extremely difficult and, being marginalised, their story is rarely told.

This report tries to tell parts of their story. It does so through the lives of seven chronically poor people: Maymana, Mofizul, Bakyt, Vuyiswa, Txab, Moses and Angel. Chronic poverty is a varied and complex phenomenon, but at its root is powerlessness. Poor people expend enormous energy in trying to do better for themselves and for their children. But with few assets, little education, and chronic ill health, their struggle is often futile.

The CPRC aims to bring these issues to the world's attention, and to set out ways to end chronic poverty. This report draws on a large amount of research conducted over the last few years by the CPRC partnership and many others in the world concerned with ending poverty. It does not claim to have all the answers, but suggests policies that national-level policy-makers, development partners and social movements can use to attack the multiple and overlapping causes of chronic poverty.

As this report was finalised the spectre of rising food prices has brought hunger to the forefront of the global poverty debate. Chronically poor people are those most at risk. For 400 million or so chronically poor people, there must be a better future. Everyone must engage with this challenge. The Chronic Poverty Report 2008-09 is a call to action.

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Overview

Over the last five years, in an era of unprecedented global wealth creation, the number of people living in chronic poverty has increased. Between 320 and 443 million people are now trapped in poverty that lasts for many years, often for their entire lifetime. Their children frequently inherit chronic poverty, if they survive infancy. Many chronically poor people die prematurely from easily preventable health problems. For the chronically poor, poverty is not simply about having a very low income: it is about multidimensional deprivation – hunger, undernutrition, illiteracy, unsafe drinking water, lack of access to basic health services, social discrimination, physical insecurity and political exclusion. Whichever way one frames the problem of chronic poverty – as human suffering, as vulnerability, as a basic needs failure, as the abrogation of human rights, as degraded citizenship – one thing is clear. Widespread chronic poverty occurs in a world that has the knowledge and resources to eradicate it.

This report argues that tackling chronic poverty is the global priority for our generation. There are robust ethical grounds for arguing that chronically poor people merit the greatest international, national and personal attention and effort. Tackling chronic poverty is vital if our world is to achieve an acceptable level of justice and fairness. There are also strong pragmatic reasons for doing so. Addressing chronic poverty sooner rather than later will achieve much greater results at a dramatically lower cost. More broadly, reducing chronic poverty provides global public benefits, in terms of political and economic stability and public health.

The chronically poor are not a distinct group. Most of them are ‘working poor’, with a minority unable to engage in labour markets. They include people who are discriminated against; socially marginalised people; members of ethnic, religious, indigenous, nomadic and caste groups; migrants and bonded labourers; refugees and internal displaces; disabled people; those with ill health; and the young and old. In many contexts, poor women and girls are the most likely to experience lifelong poverty. Despite this heterogeneity, we can identify five main traps that underpin chronic poverty.

This report argues that tackling chronic poverty is the global priority for our generation.

1. **Insecurity** – the chronically poor are frequently those who live in insecure environments, and who have few assets or entitlements to cope with shocks and stresses. Their coping strategies often involve trading long-term goals to improve their lives (e.g. accumulating assets or educating children) for short-term survival.
2. **Limited citizenship** – chronically poor people have no meaningful political voice and lack effective political representation. The societies they live in and the governments that exercise authority over them do not recognise their most basic needs and rights.
3. **Spatial disadvantage** – remoteness, certain types of natural resource base, political exclusion and weak economic integration can all contribute to the creation of intra-country spatial poverty traps. Spatial disadvantage also occurs across entire nations (which we term Chronically Deprived Countries). Many urban locations, despite proximity to possible advantage, are highly disadvantaged, with poor or non-existent public services, high levels of violence and desperate living conditions.
4. **Social discrimination** – chronically poor people often have social relations – of power, patronage and competition – that can trap them in exploitative relationships or deny them access to public and private goods and services. These are based on class and caste systems, gender, religious and ethnic identity, age and other factors.
5. **Poor work opportunities** – where there is limited economic growth, or where growth is concentrated in enclaves, work opportunities are very limited and people can be exploited. Such work allows day-to-day survival but does not permit asset accumulation and children’s education.

The report identifies five key policy responses to these five traps. These policies do not map neatly (on a one-for-one basis) against the chronic poverty traps. Rather, they create an integrated policy set that can attack the multiple and overlapping causes of chronic poverty.

Priority goes to two policy areas – social protection (Chapter 3) and public services for the hard to reach (Chapter 5) – that can spearhead the assault on chronic poverty. Alongside these are anti-discrimination and gender empowerment (Chapter 5), building individual and collective assets (Chapters 3, 4 and 6) and strategic urbanisation and migration (Chapters 4 and 5). Working together, these policies reduce chronic poverty directly and create and maintain a just social compact that will underpin long-term efforts to eradicate chronic poverty (Chapter 6). Such social compacts ensure a distribution of public goods and services that contributes to justice and fairness.

In a global report such as this we are striving to produce policy recommendations that can be applied across many countries. But, as the report shows, policies to reduce and eradicate chronic poverty need to be customised to specific national contexts. While many of the case studies included refer to specific countries, we utilise a simple typology to differentiate the main types of country context. Based on a cluster analysis of 131 countries, we identify four distinct country clusters (Chapter 1/Annex J):

- *Chronically Deprived Countries (CDCs)*
- *Partially Chronically Deprived Countries (PCDCs)*
- *Partial Consistent Improvers (PCIs)*
- *Consistent Improvers (CIs)*

While the patterns are complex, it is evident that the inroads on chronic poverty that have started and/or are well advanced in East Asia, South East Asia, the Middle East, North Africa and parts of South and Central America have not yet been matched by progress in sub-Saharan Africa and South Asia.

Chronically Deprived Countries account for a much larger share of child mortality (36%), infant mortality (30%) and US\$1/day poverty (17%) than their share of total population (10%). The CDC share of child mortality, infant mortality and poverty has been rising through time.

In contrast, Consistent Improvers account for a much smaller share of child mortality (6%), infant mortality (11%) and US\$1/day poverty (22%) than their share of total population (33%). The CI share of child mortality, infant mortality and poverty has been falling over time. Moreover, country trajectory analysis has shown that the number of CDCs is increasing through time, while the number of CIs is diminishing.

The classification of Chronically Deprived Countries offers evidence of a group of countries that are firmly embedded in a

‘deprivation trap’. Over 80% of the chronically poor are found in fully and partially chronically deprived countries, and this proportion rises to over 90% when India and China are excluded (see Table 4). We argue that CDCs require a very different policy approach (not least as such countries are at particular risk of slipping into conflict – see Chapter 6). Chapters 3 to 6 tailor policy recommendations to these countries.

The policy and political challenge

If the needs and rights of chronically poor people are to be addressed, they need two related but distinct forms of assistance. In the short term, to survive and improve the immediate prospects for themselves and their children, they need practical actions that meet their most pressing needs and create a platform for future improvements. This entails policy change, the allocation of additional resources and finding

effective ways of delivering services to them. In the longer term, to promote social and political institutions that give the chronically poor voice (directly or through representatives or enlightened elites) and support their demands, they need assistance in organising and developing political linkages. This is complex and, in this report, it is conceptualised as fostering a just

social compact at the national level. This is to be matched at the international level by a shift away from charity for distant strangers to solidarity with fellow global citizens.

Effective action against chronic poverty challenges both present-day policy orthodoxy and the national and international political processes that determine the relative priority, against other goals, of poverty reduction and resource allocation (Chapter 2). If chronically poor people are to be assisted, policies must move beyond the so-called ‘post-Washington consensus’ and directly attack the five chronic poverty traps identified in this report. This entails deepening the contemporary policy focus on insecurity and citizenship and incorporating the other three chronic poverty traps – spatial disadvantage, social discrimination and poor work opportunities – into the policy mainstream.

Poverty Reduction Strategies (PRSs) are a vehicle that could do this. They have made some progress in shifting the style of policymaking towards a more evidence-based approach, and in focusing more attention on poverty analysis. However, a detailed analysis of ten recent Poverty Reduction Strategies (PRSs) indicates that the chronically poor are generally invisible to those who make and implement national policies. Some of the policies identified in PRSs would be beneficial for the chronically poor. There is, however, little evidence of specific analysis of persistent poverty, or the selection of policies that focus on chronically poor people. While social protection is on the agenda in several PRSs, how it will reach

Chronically Deprived Countries account for a much larger share of child and infant mortality and US\$1/day poverty than their share of total population, and this share has been rising through time.

and benefit chronically poor people is unclear. Issues of justice and citizenship are not themes for PRSs, anti-discrimination and gender empowerment are marginal and, surprisingly, urbanisation and migration rarely feature.

While policy choices are important, it is the allocation of resources and the quality of implementation that determine their impact on poverty. These depend on the political processes that underpin public policy and management. PRSs could have been a device to mobilise political constituencies in support of the poor and chronically poor, and to build fairer social compacts. To date, this opportunity has not been seized. Both first and second generation PRSs are widely regarded as donor-owned products in most countries. The third generation PRSs must be seen as national political projects that open up formal political processes (parliamentary debates, party manifestos, electioneering), as well as informal spaces and networks, for the voices of poor people and their representatives.

Controversially, the report finds that those countries which respond most effectively to chronic poverty (in their PRSs and in policy implementation) have less than open political systems – Ethiopia, Uganda and Vietnam. This suggests that where there is an ‘elite project’ focused on nation-building, which recognises the need for a social compact between citizens and the state, chronic poverty is more likely to be placed seriously on the policy agenda. The chronically poor do not simply need support to ‘get the policies right’, they also need support that ‘gets the politics right’. This means thinking beyond the contemporary mantra of democracy, elections and decentralisation.

Social protection, and particularly social assistance, has a crucial role to play in reducing chronic poverty.

Prioritising social protection

This report confirms and extends the conclusion of the Chronic Poverty Report 2004-05. Social protection, and particularly social assistance, has a crucial role to play in reducing chronic poverty (Chapter 3). It tackles the insecurity trap by protecting poor people from shocks and reducing their extreme vulnerability; it helps them conserve and accumulate assets so they can improve their livelihoods and productivity; and it contributes to transforming economic and social relations in ways that strengthen the longer term livelihood prospects of the poor and chronically poor.

While the private, informal and public sectors all have roles to play in providing social protection, the public provision of social protection needs to be prioritised. There are four reasons for this:

- In many low income countries traditional forms of social protection are weakening.
- New sources of private social protection, such as remittances, rarely reach the chronically poor.
- Private insurance markets are virtually non-existent in the regions where the chronically poor are concentrated,



80 year old Lozaj Nabitulett looks after her six orphaned grandchildren. Her five daughters all died of AIDS (Rakai, Uganda). Photo © Rob Cousins/Panos Pictures (2004).

and generally unaffordable to the chronically poor in other regions.

- Globalisation is creating a world in which the poorest are exposed to new, and perhaps greater, levels of hazard – financial crisis, economic restructuring, increasing food prices and global warming.

The knowledge base available to guide the design of social protection policies has strengthened greatly over recent years. Building on this base through systematic monitoring and evaluation is a crucial task. While this knowledge base provides many important lessons, two have particular significance for chronically poor people:

- The household, rather than the individual, should be the main unit that is targeted.
- Income transfers can be combined with other forms of support (child health services, nutritional packages, basic education, skills training and asset transfer) so that multi-dimensional poverty and intergenerational processes can be tackled.

There is now a wealth of evidence that social protection is a cost-effective means of reducing poverty and chronic poverty; that it is affordable; and that it can be scaled up even in relatively poor countries. Case studies reveal the broader ways in which social protection can promote mass poverty reduction. In Uganda, for instance, it is helping to foster and strengthen the social compact.

However, effective social protection policies not only require good technical analysis, they require a supportive domestic political environment for their initiation, expansion and financing. In many countries social protection has been introduced by dominant political parties, with a key role played by ‘executive champions’, rather than being the result

of civil society lobbying. Programmes have often been seen as a component of nation-building, rather than part of donors' concern with poverty reduction. Providing sound technical advice to political parties and 'executive champions' is thus a key activity – and it needs to be linked to domestic debates about ideology and national goals. Often, it is claimed that economic elites and the middle class will oppose social protection because they fear it will lead to dependency and tax increases. However, most of the interventions examined in this report met no significant resistance during their initiation. Over time, they often prompted the evolution of political constituencies broadly supportive of social protection.

Our state of knowledge is now sufficient to propose the drawing up of a Global Social Protection Strategy by 2010 that should target the eradication of extreme poverty by 2025.

Economic growth and chronic poverty

Evidence of the ways in which chronically poor people relate to growth is fragmentary. But what we do know indicates limited benefit. The chronically poor are often found in the regions with the least agricultural potential and furthest from the main national markets. With poor transport and communications infrastructure, they are effectively locked out of national growth processes and globalisation. Even when the chronically poor are well integrated into national and international economies, they often gain little. Many chronically poor people depend on work which is insecure, low paid, unhealthy and unsafe. They may have little scope to improve their situation. Those who are healthy work hard, but without much education, few assets, and a limited chance of decent work, their opportunities are limited. There are severe constraints on the extent to which economic growth can improve the lives of many chronically poor people.

The report identifies three main areas where policy change can help to strengthen the contribution that economic growth can make to chronic poverty reduction – agriculture, strategic urbanisation and social protection.

The report highlights three pillars that could greatly increase the contribution that agriculture makes to exits from poverty.

1. **Infrastructure, and particularly transport infrastructure.** This 'thickens' local markets, so that local cartels of landlords, traders and employers can no longer impose their prices on local labourers, producers or consumers; it also improves food security; and it reduces the costs of travel for those seeking work outside their home area.
2. **Education** increases agricultural productivity; facilitates transfers into non-farm activities; and raises

the likelihood of out-migrants being able to move successfully to urban areas (and send remittances back home).

3. **Information.** Typically, the chronically poor lack access to important information about job opportunities, changes in input or output prices and new techniques. Traditionally the response to this has been agricultural extension. Much recent work, however, points to the need to improve access to information by the poorest through a wider spectrum of private, public and non-governmental agencies.

The second focus is on strategic urbanisation. The report argues that this does not merely require policy changes. Rather, it requires policymakers to shift their framework. Instead of seeing urban areas as discrete units that need to be regulated by planning controls (that are rarely enforced) policymakers should consider a more aggressive and dynamic national urban planning strategy. Such a strategy would link poor regions with economic potential to cities, promote the development of towns and cities in poor regions and tackle the issue of social discrimination in urban labour markets.

The third policy focus is social protection – reinforcing the arguments made above. At the household level, social protection can not only help chronically poor people to improve their consumption, but also to raise their productivity and asset levels. In 'lagging regions', inflows of social protection resources can stimulate local markets and contribute to economic vibrancy.

Pursuing such policies creates many challenges – in terms of trade-offs from diverting resources from other programmes and mobilising additional resources. We certainly need to focus on short-term costs and benefits. But we also need to recognise that economic growth generates rapid social change, especially through urbanisation and migration, and that these changes affect the chronically poor. Change can open up new political spaces to organise and articulate voice – as seen when trade unions and social movements mobilise around vital issues such as housing and displacement. Urbanisation and growth can also have a negative side. Both can destroy livelihoods and are associated with increased levels of economic inequality that facilitate the concentration of political power. Policy needs to manage and contain these harmful effects.

Transformative social change

Social orders, such as class, caste or gender relationships, have a profound influence on the lives, wellbeing and aspirations of chronically poor people (Chapter 5). Such orders are not fixed, but evolve over time. At present, under pressures of globalisation, they are changing more rapidly than ever, but the

Many chronically poor people depend on work which is insecure, low paid, unhealthy and unsafe, and have little scope to improve their situation.

idea that all societies will eventually look the same is unlikely. Existing social orders underpin three of the chronic poverty traps that keep poor people poor – social discrimination, limited citizenship and poor work opportunities.

Promoting progressive social change is barely mentioned in PRSs and similar policy documents, but it is central to tackling chronic poverty. Chronically poor people do not just need ‘good policies’, they need societies that will help them achieve their rights and voice their issues. The report identifies three priority social goals – gender equality, social inclusion and increased agency. Five policies are particularly effective at contributing to the achievement of these goals:

- post-primary education;
- reproductive health services;
- strategic migration and urbanisation;
- anti-discrimination legislation; and
- an enabling environment for social movements.

Practical examples illustrate the ways in which such policies can be pursued to help chronically poor people assert their rights and raise their capabilities. These include the midday meals programme for schoolchildren in Tamil Nadu, incorporating migration into PRSs, job reservations in India, and the formation of scavenger cooperatives in Asia and Latin America. While promoting transformational social change is never likely to be an easy task, these examples show how innovative programmes can contribute to this goal.

Ending violent conflict and building a social compact

Violence is a problem for the poor in all societies, but especially so in CDCs. Poverty can be a cause of violence – from crime to civil war. Injustice can start wars, but as they progress commercial motives can start to drive them. And commerce is sometimes the initiator of civil wars, especially when rich mineral resources are the prize. Ending wars therefore involves dealing with those who use violence to become powerful and wealthy. But once these ‘spoilers’ are removed (or contained), peace is not guaranteed.

One way of reducing state fragility, and thus violence and conflict, is through building and maintaining a social compact. This is where the state acts to reduce people’s risks – through law and order, services and infrastructure – in return for their commitment to the state (including a willingness to finance it through taxation). A social compact sets up mutual obligations between the state and the individual and provides the basis for the individual to commit their money, through paying taxes, to build the state. The state thus becomes an institution that enters meaningfully into the lives of poor people, rather than an abstract entity (or even worse, something that they do

everything to avoid). To achieve this, fiscal institutions need to be built and focused on the poor and their needs. In this way, the social compact can be integral to people’s perception of justice and fairness.

Historically, there are different models for achieving a viable social compact, but common to all is an effective system of public finance, including revenue generation. This is especially important in fragile states: new leaders need to get off to a good start, delivering ‘quick wins’. Many of those quick wins will be areas directly engaging with chronic poverty – basic health services and infrastructure to remote (often rebellious) regions. Reducing people’s risk via law and order, services and infrastructure is the way forward. This sets up mutual obligations between the state and the individual and provides the basis for individuals to commit their money, through paying taxes, to build the state. This is the true basis of citizenship.

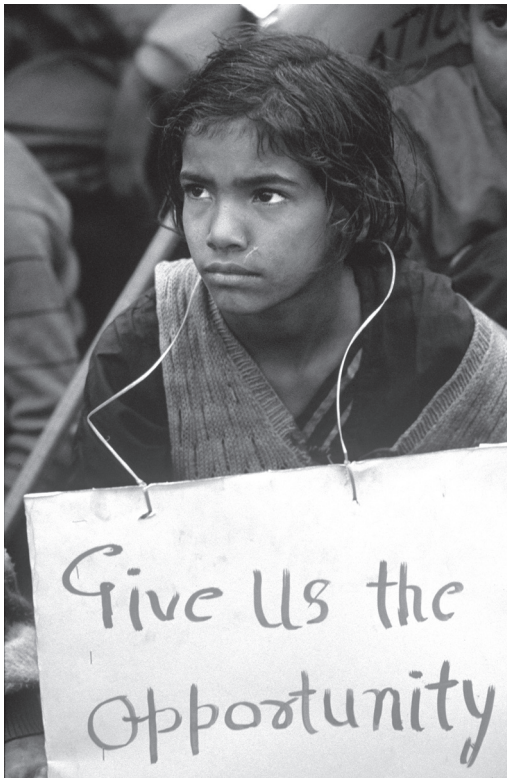
Eradicating chronic poverty

Eradicating chronic poverty by 2025 is a feasible goal – if national governments and international organisations make the necessary political commitments and resource allocations. This might seem an over-ambitious goal for some CDCs but, offsetting this, rapid gains could be made in several stable and relatively prosperous nations where many chronically poor people live (Bangladesh, China, India) over the next few years.

While policies for reducing chronic poverty need to be context-specific, there is now clear evidence that five policies can spearhead national and international efforts.

- **Social protection** – publicly provided social protection, and particularly social assistance, plays a vital role in reducing insecurity and increasing opportunities for the chronically poor to engage with the growth process.
- **Public services for the hard to reach** – making available reproductive health services and post-primary education can break the intergenerational transmission of poverty and have a dramatic effect on the prospects of chronically poor households.
- **Building individual and collective assets** – asset holdings increase the personal (and collective) agency of the chronically poor. The more assets – psychological, as well as physical and social – a household possesses, the more leverage it has in social networks and transactions, as well as in formal financial markets.
- **Anti-discrimination and gender empowerment policies** – tackling social discrimination promotes a just social compact and increases the economic opportunities of the chronically poor.

Eradicating chronic poverty by 2025 is a feasible goal – if national governments and international organisations make the necessary political commitments and resource allocations.



A young girl worker with a placard at a demonstration held by the Indian NGO Butterflies and the 'Bal Mazdoor' (Child Worker) Union denouncing abuse of working children (Delhi, India). Photo © Paul Smith/Panos Pictures.

- **Strategic urbanisation and migration** – chronic poverty remains mainly a rural phenomenon and urban chronic poverty can be particularly harsh, because chronically poor people do not access the benefits of urbanisation, and cannot seize the opportunities offered by migration. Chronically poor people need to be given the chance to migrate, through education and anti-discrimination policies. A new concept for urban planning is needed, which recognises the beneficial ripples of urban growth, and permits poor rural in-migrants to gain a share of urban productivity.

Most people in chronic poverty are striving and working to improve their livelihoods in very difficult circumstances they have not chosen.

To support the assault on chronic poverty it will be necessary to modify the main modalities of global poverty reduction – Poverty Reduction Strategies and the Millennium Development Goals.

Poverty Reduction Strategies – PRSs will remain a vital tool, but they need to:

- provide more information on the different types of poor people and analyse chronic poverty at the national level;
- shift from being donor-owned documents, to being embedded in national societies and polities; and
- move beyond policy prescriptions, to tackle the social and political changes that are required to achieve their goals.

Millennium Development Goals – the MDGs need extending beyond 2015 to fully incorporate a global assault on chronic poverty. This means:

- setting a target of extreme poverty elimination by 2025;
- setting the goal of access to basic social protection for all poor and vulnerable people by 2020; and
- setting the goal of universal access to post-primary education by 2020.

This report says a great deal about policy. But the need for policy change must not mask the fact that the chronically poor themselves are the leading actors in overcoming their poverty.

To date, when their existence is recognised at all, the chronically poor are perceived both by policymakers and in the popular imagination as dependent and passive. Nothing could be further from the truth. Most people in chronic poverty are striving and working to improve their livelihoods, and the prospects for their children, in very difficult circumstances they have not chosen. They need real commitment, matched by actions and resources, to support their efforts and overcome the obstacles that trap them in poverty and deny them citizenship.



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