Among the 1.4 billion absolutely poor people in the world, almost half a billion are chronically poor – that is, they are poor over a long period of time or a lifetime, and may pass their poverty on to the next generation. Poverty eradication happens through a combination of large-scale social and economic change, policy actions and specific interventions. Addressing chronic poverty is a particular challenge, as it requires opportunities for the chronically poor to engage in and benefit from economic growth, it requires progress towards the development of a ‘good society’ and the protection of poor people against multiple risks. Policymakers need to know how to include the chronically poor: if they cannot be included in development on good terms, poverty as a whole cannot be eradicated.

In order to develop appropriate policies for such large numbers of people a disaggregated analysis and differentiated policy response is required.

**1. The four ‘ds’**

An up-to-date analysis of poverty will **disaggregate**; focus on **duration** and **dynamics**; and, produce a **differentiated** policy response. It will also examine the prospects of ‘coming generations’ – children and young people.

**Disaggregation** is critical. Not all poverty is the same, in terms of severity, duration, the dimensions of deprivation and people’s occupations and important social categories (gender, age, socioeconomic status). More countries are disaggregating along these lines in their poverty analyses and more international agencies are recognising the poorest, the chronically poor or the persistently vulnerable. Overall, the level of knowledge available on poverty – dynamics, dimensions, severity and causes – has increased dramatically since 2000.
Duration is an important dimension of poverty. We have seen that most severely poor people are also chronically poor, but there are people who are poor over long periods who are not severely poor. The long duration of chronic poverty suggests that it is structural – that is, it is explained by the functioning of social, economic or political systems. Being poor over long periods of the life course and over generations has its own dynamic implications, which makes it more urgent to address chronic poverty today. Otherwise, today’s poor may also be tomorrow’s poor.

On the opposite side of the coin from chronic poverty lie poverty dynamics. Understanding why people move into and out of poverty sheds further light on why people are trapped in poverty. The CPRC has contributed especially to distinguishing why some people escape while others do not, and understanding the processes that lead to chronic impoverishment of some while others are poor for shorter periods. All of this illuminates the reasons for chronic poverty.

In terms of the meaning of the most frequently used indicator of poverty – its incidence in the population – it is clear that, in almost all situations, descents into poverty make a significant dent in the total number of escapes from poverty. The extent to which descents into poverty represent chronic (as opposed to transitory) impoverishment should affect the degree to which policy focuses on reducing vulnerability and managing insecurity and risk as opposed to addressing the barriers that prevent escapes from poverty.

The most frequent distinction made in terms of poverty dynamics is between chronic and transient poverty. However, while the category ‘chronic poverty’ is relatively straightforward, transient poverty conflates upwards and downwards movements, which does not seem intuitively right, and there are technical problems with the separation too. The CPRC’s proposal is therefore to focus on mobility into and out of poverty as well as chronic poverty.

Qualitative life history research has found that individuals’ and households’ trajectories into poverty may be sudden, with shocks making step changes in prosperity. Multiple shocks are especially impoverishing. Pathways out of poverty are typically more gradual, with asset accumulation over long periods or inter-generationally, interrupted by small reversals, from which upwardly mobile people are able to recover. This important new knowledge, which originated in Bangladesh, has been confirmed in Tanzania and Senegal. Box 4 compares patterns of exiting poverty. Quantitative survey-based analysis normally covers shorter periods and therefore normally cannot provide a commentary on longer-term mobility patterns. But where long-term panel data exist (India), the suggestion is that upward mobility often takes place over decades.

A differentiated policy response is required to address the different causes of chronic poverty and impoverishment, and to identify and assist the drivers of escape from poverty. Individual strategies are critical, but these can be helped or hindered by factors in the wider economic and political environment which prevent impoverishment and interrupt persistent poverty. Chapters 3 and 4 elaborate on this. In brief, the historical, political and economic context and enabling environment are important in determining which combinations of measures to assist with asset accumulation in markets which may be hostile; measures to protect against major risks, including the
Box 4: Poverty dynamics – patterns of escaping poverty compared

**Bangladesh**

Life histories from rural Bangladesh demonstrate how household trajectories and poverty exits are the product of both seizing opportunities and coping with downward pressures. They illustrate how some forms of opportunity are cited more often by people on improving life trajectories than they are by those on declining trajectories. In particular, people enjoying long-term improvements in socioeconomic wellbeing are better able to exploit key forms of opportunity associated with productive work and asset accumulation. Most importantly, they can utilise and benefit from land assets, business activities, fish farming, loans (including microcredit), salaried employment, livestock and household or property division. While people on upward trajectories frequently cite pressures associated with assets and productive activities, such as crop damage and death of livestock, in comparison with households on declining trajectories, they less frequently cite downward pressures associated with violence, conflict, migration, illness or disability. These findings support the view that work-related productive and asset-accumulating activities are doing the ‘heavy lifting’ of poverty reduction in rural Bangladesh, particularly for those with the resources and capabilities to exploit these routes out of poverty.

**Tanzania**

As with rural Bangladesh, evidence from Q-squared data collection in Tanzania illustrates how the accumulation of physical assets such as land and/or a house is a key factor in poverty escape. However, while agriculture is necessary for upward mobility, it is not sufficient for escaping poverty. The rural nonfarm economy, including nonfarm businesses and salaried employment opportunities, is critical to poverty escape. Favourable marriage is also frequently cited as a key factor in ‘tipping’ people out of poverty. Certainly, having multiple sources of income – typically through combining agriculture with salaried employment and a nonfarm business – is crucial in improving wellbeing and moving beyond a situation where a household is continually vulnerable to future poverty. In general, then, escaping poverty does not involve adopting nonfarm activities in addition to agricultural activities, but rather using these to complement agricultural work. Agriculture remains a basic requirement for poverty exits. Even if households have moved out of agriculture, it is frequently because of their involvement in agriculture that they have been able to accumulate nonfarm assets. Hussein, for instance, took a loan from his stepfather to buy a cashew farm, which enabled him to get another loan from a private company. This then enabled him to establish and run a shop. Several households escaping poverty made it into the ‘vulnerable but not poor’ category; to move beyond this required several sources of income.

**Senegal**

In rapidly urbanising Senegal, where chronic and inter-generationally transmitted poverty remains widespread, exits from chronic poverty have also been fragile, with setbacks, and are often not definitive – having escaped, re-entry remains a possibility for many. The more sustained escapes have depended on two types of approach: one which addresses the structural conditions that shape socioeconomic inequality, and a second more opportunistic approach. Education and migration strategies represent the former, social integration and support networks the latter. Education, especially pursued through to a point of completion – getting a qualification – is key to most sustained escapes from poverty; migration, both internal and external, for education and work is a central part of many stories, with international migration in particular having positive impacts on people who stay behind; young people join or attach themselves to a sporting, religious or cultural organisation or occasionally a patron, by way of finding their own routes from poverty; and support from a relative is a critical part of many escape stories, although the latter may assist resilience directly more than escape from poverty. Exiting poverty is much easier for people in towns – where 60% escaped over a 30-year period compared with 25% in rural areas. This is because it is easier to find both the education and the employment opportunities capable of enabling upward mobility.
risks of insecure jobs and changing household composition; and measures against discrimination and exclusion will best address chronic poverty, assist escaping poverty and prevent impoverishment.

Chronic poverty may be more structural than transient poverty, and therefore there is a need for an additional set of policies to address it. These policies are more difficult than the accepted range of policies (economic growth and human development), and more context-specific, but they are nevertheless actionable, given existing knowledge. Political support may be the key constraint. Key policy areas include patterns of economic growth with labour market development which include chronically poor people on good terms; progressive social change; and social protection (see Chapter 4). The CPRC has helped generate important new debates about policy responses to poverty in this regard.

Understandings of persistent poverty are contested. State responses try to depoliticise poverty, but pushing forward a chronic poverty reduction agenda in reality calls for state–civil society coalitions and representation of poor people in constructing a state–citizen social contract around specific actions and commitments. The nature and shape of such evolving social contracts depends on the context and cannot be imposed. Typically, they include forward-looking developmental aspects (growth, education) as well as protective aspects (health services, social protection), but the balance varies. Seeing the importance of impoverishment processes and the insecurity that keeps people poor, the CPRC has put emphasis on extending social contracts through social protection, even in the context of ‘fragile states’. This is another example of innovative thinking emerging from its work.

A cross-discipline perspective is necessary to understand chronic poverty and poverty dynamics, which are about social and political relationships as well as economic, macro-level and micro-level processes. Understanding multidimensional deprivation goes well beyond human development concerns to cover concepts of social, economic and political power. Social exclusion from aspects of development (e.g. human development) combines with adverse incorporation in other aspects (e.g. markets) to trap people in poverty.

Finally, in terms of research methods, the CPRC has developed a combined and sequenced approach to quantitative and qualitative research on poverty. This enables the application of concepts from different disciplines in a strong causal analysis, as well as capturing longer- as well as shorter-term wellbeing and changes in poverty status. Developed first in Bangladesh (Box 5), similar approaches have now been applied in several other countries.

2. Intergenerational poverty

Intergenerational transmission of poverty occurs through different channels in different contexts; in any given context, policymakers need to be open to the potential of a multi-channel policy responses. Key well-recognised channels include low levels of in utero and child nutrition resulting from poor maternal and child health, leading to long-term physical stunting, mental impairment and health problems; low levels of
and low aspirations resulting from discrimination.

include the poor nutrition available to poor teenage girls, the nature of
development and earnings of recipient children.

nutrition intervention can have large and long-lasting effects on the nutrition, cognitive
next generation through limitations on schooling and child care.

children. Vulnerabilities generated by informal employment can have effects on the
nutrition, education and inheritance and poorer social networks and environments as
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in long-lasting effects on height and cognitive development – the most often-quoted
example being the effects of the 1991 drought in Zimbabwe. Conversely, a simple
nutrition intervention can have large and long-lasting effects on the nutrition, cognitive
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and low aspirations resulting from discrimination.
Box 6: A case of asset stripping

Bintimusa Khalfani, 39, who is a Muslim and belongs to the Mikonde ethnic group, lives in Nkangala, Newala district, Mtwara, Tanzania. In 1986, Bintimusa left school. That same year, her father abandoned her mother and her two brothers and elder sister married and moved out. From 1986 to 1993, it was Bintimusa’s job to farm the land that her father left the family (her mother and brothers). She was an enthusiastic farmer and chose to grow groundnuts instead of cashew (which were losing productivity) together with cassava and maize. In 1993, Bintimusa married in a Muslim wedding; her husband’s brother gave a brideprice of UGX40,000 to her mother. Her husband’s job was selling fish at his uncle’s stall on commission. He also inherited a farm of 1.5 acres to grow maize and cassava.

Bintimusa and her husband had two daughters. Her husband’s fish business did well and she farmed his maize and cassava plot. On average from both farms, she produced six bags of maize (storing four and selling two) and four bags of cassava, (storing three and selling one). When surplus maize and cassava was sold, she would use the money to buy clothes, soap, sugar and even beef for the family.

In 1995-6 she found that the fertility (and productivity) of her maize and cassava land was falling, with not enough surplus. Bintimusa became proactive: one day, she saw some land in a forest and decided to clear it and to plant 35 cashew trees. In 2001, she harvested her first crop. Over the period 2002-4 she planted 0.5 acres more, which should yield cashews in 2010.

The family were vulnerable but not poor. However, with her husband’s death in 2005 (from malaria and asthma, possibly with HIV/AIDS) came Bintimusa’s disinheritance. The father of her husband took back the 1.5 acres of land given at marriage – he said to Bintimusa ‘we gave you this farm on marriage to help you when you were together but now that you are not together we will take it back.’

Although she and her children never went through a day without food, they did reduce the quality of the food they ate, eating porridge and only one meal a day because she did not produce enough maize from the farm. Bintimusa would cut and sell firewood when times were bad, but she did not sell her labour (but this may have been cultural pride, as her mother came from a wealthy family).

In 2006, her husband’s brother took Bintimusa’s house; he said ‘I gave you this house at marriage so that my younger brother could stay here but now he is not around so you can go.’ So Bintimusa and her children moved to her mother’s house (her mother was also widowed and living in her sister’s old and rundown house). At that time, her mother was too old to cultivate land; theoretically, Bintimusa could start farming her mother’s/brother’s portion of land too, but she didn’t have the money to clear it. She couldn’t sell her mother’s land because her brothers might say one day that they wanted it. If she rented it out, her brothers might accuse her of ruining the fertility of the land. When Bintimusa’s mother was asked about norms regarding the separation of assets after divorce, she said that a man and his kin had the right to take all family assets and children if he chose to after divorce or widowhood.
Much intergenerational transmission of poverty comes down to women having low levels of agency. Agency is enhanced through education, but also through wider changes in economic structures permitting women to access regular employment. Control over household and productive resources and in some cases freedom of movement are key factors. Agency is also enhanced by a wide variety of context-specific (see Chapter 4, Section 3 on progressive social change) and universal measures, including gender-sensitive social protection.

These issues are manifestations of inequities in societies and economies, which are being replicated inter-generationally. In this sense, intergenerational poverty will occur as long as the wider social, political and economic environment does not change. Box 6 illustrates the problem that persistent social norms can have for women’s agency.

Given the well-founded knowledge base on the key nutritional, educational and income factors underlying intergenerational transmission of poverty, the CPRC’s recent research has focused on one important, but little investigated transmission channel: inheritance, chosen because it emphasises the role of assets (or assetlessness) in chronic poverty and poverty dynamics. A number of countries have recently been reviewing or revising inheritance legislation, which means this is also a topical policy issue. And it is clear from CPRC research that inheritance patterns and timing can make a substantial difference to upward mobility. Young adults inheriting assets at the right time may be in the strongest position to escape poverty. Clearly, property laws more broadly, especially those connected with marriage law, are also vital in offering (or not) protection from impoverishment. But laws are not enough. Some countries have instituted progressive legislation, but implementation lags behind, with distortions to customary practice leading to property grabbing against the interests of women and children, causing their downward mobility and in some cases impoverishment. Time and again, life histories illustrate the power of inheriting a key asset at the right time – an example would be the Tanzanian woman who inherited two hectares of land which brought her significant benefits, including after her divorce.