

Summary

The Chronic Poverty Research Centre (CPRC) was founded in 2000 to challenge, through research, the apparent omission of almost a billion people from the 2015 poverty target of the Millennium Development Goals. The first decade of the 21st century has illustrated the power of economic growth (especially in China) and human development to bring large numbers out of poverty. But a large number of people remain abjectly poor, among them almost half a billion people who are poor over long periods of time, their entire lives, and who may pass poverty to their children. The essential argument advanced in this report is that if these people are to escape poverty beyond 2015, they require additional policies and political commitment, underpinned by greater understanding and analysis, compared to what is currently practiced at global and national levels.

The CPRC has been a partnership of 10 developing country teams in Bangladesh, Burkina Faso, Ghana, India, Kenya, Niger, Senegal, South Africa, Tanzania and Uganda, with UK poverty researchers based at Manchester University, the Overseas Development Institute, London and other universities and Non-Governmental Organisations. It has pursued distinct and context-driven programmes of research and policy engagement at country level, as well as cross country thematic research on concepts, poverty dynamics and inter-generational transmission, assets, vulnerability, social exclusion and adverse incorporation. This has generated both quantitative and qualitative evidence about the extent, nature, causes and consequences of both chronic poverty and poverty dynamics, unpacking what has been a 'poverty black box', in partner countries and beyond. The international Chronic Poverty Reports have generated a global picture of chronic poverty and how to address it through better policies. Country partners have also produced summative reports at the national level. Other topical reports include Stemming Girls' Chronic Poverty on approaches to reforming the discriminatory social institutions which shape the realm of possibilities for girls and their families.

In one respect, mainstream thinking about poverty reduction has changed significantly during the decade of CPRC's existence. In 2000, social protection was on the international anti-poverty agenda as a measure against vulnerability to poverty under the World Bank's 'social risk management framework'. Following research carried out by CPRC and others (notably the Institute of Development Studies), and significant policy experimentation by governments, donors and NGOs, social transfers are now widely recognised as instruments which address chronic and extreme poverty. This is now a full fledged 'third leg' accompanying economic growth and human development in mainstream poverty reduction efforts, though with so far slow progress in low income countries. The existence of this 'third leg' is just as well, since the past decade has also brought further threats to the chronically poor in the shape of climate change and the fuel and food price spikes. And, given the large numbers of poor people now in Middle Income Countries, the practical possibilities for providing protection are greater than they were. Consideration of chronic poverty runs in parallel with a rise in interest in addressing inequality.

To escape poverty beyond 2015, the chronically poor require additional policies and political commitment, underpinned by greater understanding and analysis.

In other respects, there has been marginal change, and, given the disappointing results in terms of achieving the modest Millennium Development Goals targets, more radical change in thinking is now called for. The MDGs themselves have been marginally improved (for example, the important addition of universal access to sexual and reproductive health services), but critical factors preventing greater achievements have not been adequately addressed – principally, vulnerability, employment, and violent conflict.

The changes in policy emphasis required now to make greater progress towards the eradication of poverty and deprivation include the following 5 critical areas:

- 1. Specific policies and programmes are needed to target the poorest people**, in addition to those already catering for the less poor. The poorest are very hard to reach, so policies need to be designed to overcome the multiple barriers they face. This includes rolling out national systems of social transfers as a practical entry point into the more difficult and context-specific questions around how economic growth and human development services can best include chronically poor people, and how society can progressively transform itself in favour of greater equity. Mexico and Brazil's conditional cash transfers provide the leading examples, followed by India's employment guarantee and Ethiopia's safety net programme.
- 2. To be effective, policies need to be designed to address the structural causes of chronic poverty.** Social and political exclusion from key institutions, discrimination against chronically poor groups, and adverse incorporation into institutions and development processes are all facets of chronic poverty, which, if not addressed, may simply leave the basic reasons why people stay poor in place. While governments cannot wish away what are often deeply embedded aspects of institutional and societal functioning, they can show leadership through legislation, enforcement, and creating appropriate incentives for behaviour change. Reforming marriage laws and inheritance practices in favour of widows and divorced women provide live examples in several countries.
- 3. Exiting poverty requires attention to job quality, as well as access to quality health services and education** needed to incorporate poor people more effectively in the labour market. Job quality is as important as the quantity of employment, and governments need to be freer to intervene sensibly in labour markets to achieve this. They also need to recognise that escaping poverty involves access to more than basic education and health services, and that, while the quality of the latter is critical, large-scale investment in post-primary education and health systems is also now needed. Finally, new **synergies** need to be achieved between (i) education and the labour market; and (ii) asset building, asset protection and improved market returns from assets.
- 4. Better data is required to inform the design and monitoring of policy.** A particular priority is to invest in panel surveys, with accompanying qualitative research, which enable governments to measure deprivation and wellbeing over time. These investments will enable greater disaggregated understanding of changes in poverty and wellbeing, the causes of such changes, as well as better policy evaluation. Having such information in the public domain is critical for a transparent discussion on what best reduces poverty. For example, demonstration that Bangladesh's girls' education stipend was not making much difference to outcomes led to a substantial raising of the stipend.
- 5. The post-2015 development framework needs to retain the eradication of poverty as its central goal.** There should be a clear completion date by which absolute poverty is eradicated. The remaining period to 2015 should be used intensively to experiment with approaches and programmes which can help set the direction of travel towards this goal. The target date for achieving the goal should be set sooner rather than later, given the greater difficulties eradicating poverty once the impacts of climate change escalate.