How is poverty transmitted intergenerationally and what might be done to stop it in its tracks?

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Abstract:
This paper provides an overview of thinking on the intergenerational transmission (IGT) of poverty. It firstly provides an analytical framework for understanding the mechanisms by which poverty is transmitted from one generation to another and factors which might support resilience. It then presents a synthesis of relevant empirical evidence. Finally, it identifies policy instruments that might plausibly limit transmission in different contexts.

Key words:
Intergenerational transmission of poverty, child poverty, education, health, inheritance, resilience, policy.

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1. Introduction

The intergenerational transmission (IGT) of poverty can be described as the private and public transfer, from one generation to another, of key deficits in assets and resources. Intergenerational transfers can be through the transfer of physical and financial assets (including savings, land and livestock) and through public policy and both public and private patterns of expenditure which affect human and social capital. Poverty can also be transmitted from the younger to the older generation (Soto Bermant, 2008), for example through the formation of public policy detrimental to older people or where older people take on care-giving roles in areas with high HIV prevalence rates. Positive transfers, policies and investments can break cycles of poverty while negative processes can result in the intergenerational transmission of poverty. These negative outcomes suggest that there is a degree of path-dependence in the lives of those who have been disadvantaged from childhood (Kabeer, 2003).

An older generation will invest in the human capital formation of the younger generation in order to insure against future risks (Collard, 2000). However, however this ‘generational bargain’ does not depend solely on individual motivations (altruistic or self-interested), but are subject to structures and institutions driving inequality that in turn influence the outcomes of generational transfers. (Soto Bermant, 2008). Older people can be vitally important with regard to the intergenerational transmission of poverty, especially through their role as carers and particularly in areas with high levels of morbidity and mortality from chronic disease. This research also reminds us that poverty can be transmitted ‘both ways’ – i.e. that the poverty status of older people is affected by the status and behaviour of younger generations.

In the remainder of this paper we present the approaches, concepts and methods useful in researching the IGT of poverty (section 2). We then go on to present an overview of findings about how poverty is transmitted between generations, both at the household level and through wider societal processes (section 3). After this we attempt to draw conclusions to a set of questions posed at the start of section 2 (section 4) before going on to present some thoughts about the kind of policies that might be useful in limiting the IGT of poverty (section 5).

2. Approaches, concepts and methods

The Chronic Poverty Research Centre’s exploration of the intergenerational transmission of poverty identified a number of pressing questions. Is poverty passed from one generation to the next? If so, are the causes of this intergenerational transmission of poverty different to those of persistent and chronic poverty. What is the relative importance of negative events at different points in the life course in driving the intergenerational transmission of poverty? To what extent can livelihood resilience help protect individuals from transitory poverty becoming chronic and intergenerational? Can resilience protect children and young people from developing irreversible damage, which will affect them later in life? How important are different bundles of assets are in protecting individuals from intergenerationally transmitted poverty, and what mix of assets or what absolute amounts are necessary? Lastly, what is the role of agency or choice in the intergenerational transmission of poverty and how does agency interacts with assets to influence poverty outcomes?
Identifying which events in which period during the life course are more important than others, in terms of building resilience or creating irreversibilities is an empirical challenge (see Figure 1, below). The Chronic Poverty Research Centre’s work on the intergenerational transmission of poverty has attempted to respond to this challenge by focusing on how assets (including human capital and social assets) and inheritance influence resilience, the creation of irreversibilities and the creation and interruption of IGT poverty.

Figure 1, below, shows the life course from the foetus in utero through to old age. It shows that important investments must be made during infancy, early childhood and adolescence to support personal resilience. Investments made in women’s health before, during and after pregnancy are also important for the health, cognitive development and resilience of any future children. Investments made throughout childhood and expanded during adulthood build livelihood resilience, which should support the individual through until old age. Investments made throughout childhood and expanded during adulthood build livelihood resilience, which should support the individual through until old age.

Figure 1 is complemented by Table 1, which shows just how hard it can be to build this resilience (and how important it is) due to vulnerability at different stages of the life course.
Figure 1: Investing in resilience during the life course.
Table 1 (below) provides an overview of the different types of vulnerabilities faced by individuals at different points in the life-course, focusing on employment-related risks and vulnerabilities. It highlights how social and cultural factors particularly gender, are key determinants of vulnerability and risk (Cain, 2009).

### Table 1. Changing risks and vulnerabilities across the life-cycle

<table>
<thead>
<tr>
<th>Age stage</th>
<th>Example risks and vulnerabilities</th>
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| Early years 0-4 | • Poor maternal and early nutrition leading to stunted growth and other life-long negative health impacts  
• Poor cognitive development if early care and stimulation inadequate, with lifelong impact  
• Acute vulnerability to disease and infection/ poor access to health services  
• Exposure to hazardous environments relating to poor housing and/or parents’ work  
• High dependency: risk from loss of parent/carer  
• Disability through lack of early intervention  
• Neglect and discrimination of girls                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Children 5-11   | • Risk of not attending school because of domestic or income-earning responsibilities or lack of household income to pay for school related costs  
• Inability to benefit from schooling because of added burden of domestic or income-earning responsibilities  
• Particular issues for girls: not prioritised for investment in education/ domestic responsibilities/ vulnerability to sexual exploitation when attending school  
• Insufficient food or poor diets increasing likelihood of illness  
• Dependency: risk from loss of parent/carer                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Adolescents 12-24 | • Vulnerability of (especially girl) children to early withdrawal from school due to lack of parents/family income  
• Impact of triple burden of work, unpaid care and schooling  
• Risks from early marriage and child-bearing  
• Lack of access to training/formal employment leading to entry into high risk employment categories  
• Increased risk of HIV and AIDS infection as individuals become sexually active  
• Increasing vulnerability of girls due to gender based violence                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Young adults mid-20s/30s | • Lack of access to credit/ asset building opportunities  
• Lack of employment or further training/development  
• Loss of employment/ reduced income earning potential for women through pregnancy and childcare  
• Reduced household income relating to HIV and AIDS prevalence, and other illnesses                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Middle adults   | • Loss of employment or employment insecurity through care for younger and older family members (particularly women)  
• Loss of partner’s support through temporary or cyclical migration as well as death, illness, abandonment leading to increased responsibility for dependents  
• Acquired disability through hazardous employment or other practices                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Older people    | • Loss of income when work is lost due to age discrimination, frailty/illness etc.  
• Work in informal sector throughout life means that there is no contributory pension provision  
• Poor health in later life due to poor nutrition, multiple childbirth, poor working environment and lack of health care in earlier years  
• Continuing to work to support self and dependents in low-income earning and often physically disabling jobs  
• Discrimination against widows/ lack of inheritance rights for women  
• Widow’s loss of access to late husband’s family resources  
• Increased childcare responsibilities where middle age adults have been lost to HIV and AIDS, leaving dependent children in the care of grandparents  
• Increased likelihood of age-related disability and chronic illness  

Source: Cain, 2009.
2.1. Concepts and methods

Studies of intergenerational transmission of poverty often focus on household and intra-household level factors which affect the IGT of poverty and its interruption. Yet during the two generations necessary for study of the IGT of poverty, ‘context’ can change radically. This means that concepts and methods need to be adopted which will link household and intra-household analyses of the IGT of poverty to an analysis of the external ‘changing context’. This can be achieved through linking multi-generational life histories with an updated, critical realist political economy perspective (da Corta, 2010a, forthcoming).

Qualitative research can be useful in exploring the IGT of poverty (Miller, 2008; da Corta, 2010b forthcoming; Bird, 2010 forthcoming). Miller explains that collecting family histories is a useful addition to the methodological toolbox (2008), while da Corta shows that an approach to semi-structured interviewing can be designed which enhances the quality of recall, reducing error and bias when respondents are reconstructing information about past changes in incomes and assets (2010b). More specifically, Miller (2008) proposes a method of collecting family histories which links households from panel studies with individual life histories. He argues that in researching the IGT of poverty, family histories can augment panel studies by placing quantitative findings into a context of expressed meaning; by providing a holistic view of the family, useful for investigating issues such as whether there is a ‘family strategy’ for mobility; by extending household panel data to households and individuals within the same family but located separately; by extending the period covered by panel data, through the retrospective recall of events and the prospective anticipation of the future; and by allowing for the direct examination of generational change in the family and the persistence of poverty across generations of the same family.

da Corta illustrates how recall methods can help jog people’s memories and enable them to date, rank and quantify historical data (2010b). She shows that such methods enable the construction of panel-type data, where a panel does not exist and allows researchers to link individuals or households in the panel to their accounts of changes in their poverty status and the social relations which underpin such poverty. da Corta proposes that recall methods might be useful in the study of IGT poverty by creating a multi-generational panel data ‘from scratch’; by completing existing panel data sets by enhancing the range of variables or by extending existing surveys back into the past; by complementing good quality panel data by linking a smaller, sub-sample to in-depth qualitative life/family history data, and by investigating the deeper historical origins of a process identified in field research.

In other work, da Corta critically reviews existing Q-Squared studies on chronic poverty based on panel and life history analysis (da Corta, 2008, 2010 forthcoming). Studies which construct livelihood trajectories are found to be enormously useful for revealing sequences of impoverishing or enriching events and strategies leading to downward or upward mobility over the life course, lending some preliminary insight into causal processes. However, because there is a tendency to follow the methodological individualism of the panel and rely heavily on actors’ accounts, such studies might be relatively weaker in the analysis of transforming social relations which underpin the deeper causes of changes in poverty status. As a result, these studies benefit from more determined, supplemental research into two themes, firstly intra-household conjugal and generational relations which affect the intra-household distribution of health, nutritional and educational investments during different phases of childhood and at inheritance. Such distributions can strongly influence subsequent mobility trajectories for each household member. Secondly such research would benefit from exploring the extra-household relations of adverse incorporation and social exclusion in different institutional arenas including market, state and civil society shaped by intra-household
domestic relations, gender, class, caste, ethnicity and age. She argues that both sets of social relational concepts help to restore the dialectic between the agency of actor’s strategies and the structural constraints placed on them in their relations with the more powerful.

da Corta suggests moving beyond a Q-Squared approach to a Q-Cubed approach, where quantitative analysis of panel data on mobility and correlated characteristics (quantitative) is linked via households from the panel to multi-generational life histories which capture an individual’s livelihood strategies taken over their life course and their accounts of change (livelihood trajectories) (qualitative 1); linked to that individual’s changes in social relations over their life course, within and outside the home, and the discursive bases of such relations (qualitative 2); and linked to an analysis of the circumstances surrounding changing social relations through systematically linking such changes to local and macro contextual events and trends. Crucially this requires interviewing elites (qualitative 3). The Chronic Poverty Research Centre has applied these approaches through a Comparative Life History Project in Kenya, Tanzania, Bangladesh and Ghana.

Quantitative analysis of survey-based data can also be useful in exploring the IGT of poverty. There is strong evidence from household surveys from industrialised countries that growing up poor has a negative impact on future life chances, but that the degree of impact depends on the variables that are explored and the analytical approach used. In other words, methods matter (Jenkins and Siedler, 2007a).

Robust quantitative data collection and analysis on intergenerational poverty is challenging in the most well-resourced contexts; in developing countries, the challenge is greater. Where obstacles are overcome quantitative analysis can improve the basis for understanding poverty trajectories and exploring the impact that changes (including policy change) can have on poverty outcomes (Behrman, 2006). However, quantitative data needs to meet stringent criteria if it is to be useful for the empirical analysis of the IGT of poverty (Jenkins and Siedler, 2007a). It must be able to link data within families across generations, so that individual outcomes can be linked with family background. In addition, it must contain appropriate measures of well-being and poverty; measures of other factors relevant to intergenerational poverty processes (e.g. parental education); a large, representative sample that remains so over time and repeated observations on key variables (e.g. income) over time, to facilitate ‘longitudinal averaging’. This reduces the potential impact of measurement errors and transitory variation, and to enables researchers to investigate issues such as whether the timing of poverty during childhood matters (ibid). Where such data exists, it is useful to have information on variables that provide insights into individual and familial decisions related to intergenerational poverty, for example, capacities and endowments of the ‘child’ (human, physical, financial and ‘genetic’ assets), and the factors that determine and affect these. It is also useful to have information about parental background, asset transfers and resource allocations at different points in the life-course, ‘sharing rules’ (distributional norms) for the household, community contexts and finally market and service (education, health) provision.

Household panel surveys can meet these data requirements relatively well. Family Life Surveys (from Indonesia, Malaysia and Mexico) and other longitudinal studies such as retrospective surveys, cohort panels, rotating panels and linked data from administrative records might also be used, but have strengths as well as weaknesses (Jenkins and Siedler, 2007a).

Expertise in statistical analysis is required to make sense of such data, particularly to distinguish between correlation and causation. A range of statistical methods can be applied to IGT related work, including parametric regression models with ‘level’, ‘sibling difference’ and ‘instrumental variable’ estimators; non–parametric bounds estimators; and propensity score matching methods (Jenkins and Siedler, 2007a).
3. How is poverty transmitted intergenerationally: Findings

In this section we explore the evidence of how poverty is transmitted intergenerationally. A range of factors are associated with the intergenerational transmission of poverty. Poverty is not transferred as a ‘package’, but as a complex set of positive and negative factors that affect an individual’s chances of experiencing poverty, either in the present or at a future point in their life-course (Bird, 2007). The factors influencing an individual’s likelihood of being poor include both the ‘private’ transmission (or lack of transmission) of capital and the ‘public’ transfer (or lack of transfer) of resources from one generation to the next. These can be positive or negative (ibid.).

Despite focusing largely on parent to child transmissions, research on the intergenerational transmission of poverty has shown that attention cannot focus on only on children and how their early life experience either builds a solid foundation for later life, or introduces a set of ‘irreversibilities’ which limits their opportunities and life chances. It should also seek to identify and address factors that impact on adults in such a way that the chronic poverty that they experience is likely to be transmitted intergenerationally either to their children, to their parents or to the cohorts above and below them (Bird, 2007).

Research exploring the intergenerational transmission of poverty focuses primarily on the household and intra-household level. However, the household is not the only nor, in many cases, even the main domain of IGT processes and a number of crucial contextual and structural extra-household factors either increase the likelihood of the IGT of poverty or mitigate against it. For example governance, policy and delivery failures can increase the likelihood of poverty being both chronic and intergenerationally transmitted. This suggests that policy failures and the absence of a development state will increase the likelihood of poverty being transmitted intergenerationally. Where not only governance is poor but the state is either fragile or failed, the provision of key services is likely to be weak. On the other hand, good quality health, and education provision (including pre-school) are important instruments to limit the intergenerational transmission of poverty and anti-discrimination measures, combined with policies to improve the functioning of labour markets, have the potential to enable socio-economic mobility. Many extra household factors reach into the household, where their effects are felt. For example factors structuring the static and dynamic distribution of assets (land holdings, patterns of public spending) can have a profound effect. Discrimination and exclusion associated with class, caste, gender, religion and ethnicity are also known to affect poverty outcomes. Events (e.g. community and state level conflict), and psychosocial factors (operating at the individual, household and wider levels) are also extremely influential (Bird, 2007).

Being a poor child increases the chances of being a poor adult but this is not always the case, and other factors can operate independently to affect well-being over the life-course. Although highly context specific, household characteristics and initial endowments are important in influencing the intergenerational transmission of poverty. These might include an individual’s asset bundle, their capabilities and characteristics, and their power to exercise agency. In addition, agency, status and the social constructions determining roles can combine to result in differentiated access to, and control of, resources and the returns on those resources, unequal investments in the human capital formation of household members and unequal distributions of leisure and labour time. Other important factors include systematic inequalities within and between households; adolescent pregnancy; early child-care and development practices; domestic violence; household income; poor nutrition and healthcare; low levels of education; household and individual assets; household decision-making; livelihood and survival strategies; gendered cultural norms and social practices service uptake; exposure and vulnerability to risk and resilience or ability to cope (Bird, 2007;
Bhargava et al., 2005 in Soto Bermant, 2008). Children may experience long-term damage from parental poverty, particularly due to in utero illness or malnutrition. Deficiencies in early infancy can also create irreversible damage (irreversibilities) with long-run effects.

Systematic inequalities are also important. These include differentiated access to and control of resources and the returns on those resources, unequal investments in the human capital formation of household members and unequal distributions of leisure and labour time. Factors important in determining these systematic inequalities were found to be due, in part, to: non-cooperative household decision-making processes, conflict and household disintegration; alcohol and drug dependence; mental distress; preferences within polygamous and joint-households; and differentiation based on social status (e.g. gender, age, mental or physical impairment, relationship to household head, birth order etc.). Many of these factors – lower investment in the education and nutrition of girls, for example – clearly have negative long-term poverty implications. Other factors, such as a failed enterprise or livelihood activity due to a lack of parental cooperation, may have complex long-term effects on children's lives and livelihoods.

A range of factors increase the likelihood of an individual's poverty status being irreversible. Systematic discrimination based on ethnicity or gender, for example, has been shown to limit the beneficial impact of pro-poor policy interventions on some groups of people. An individual's aspirations, and how they are influenced by early life experiences, have also been found to play strong role in the extent to which s/he is able to extract maximum benefit from any policy or programmatic interventions that create new opportunities over the individual's life course. Highlighting ‘irreversibilities’ should not overshadow the importance of resilience which can allow some to ‘bounce back’, recovering from harm and moving out of poverty during adult life (see Yaqub, 2003).

In the sections below we explore these issues further, organising evidence on the intergenerational transmission of poverty into two main sections, household and extra household factors.

### 3.1. Household level factors

#### 3.1.1. Parental income

It is clear that parental income is a key correlate of IGT poverty. Parents’ access to material and social resources and their ability to deploy them in ways that promote child well-being is of fundamental importance. The children of poor parents are more likely to be poor adults than children who have not grown up in poverty. In Indonesia more than one in three poor children stay poor as adults (37 per cent) indicating the intergenerational transmission of poverty (Pakpahan, et al., 2009). Evidence from a range of countries shows that this is due to a number of factors: poor children are more likely to be undernourished; they will be more exposed to sickness and less likely to get good health care; they are less likely to be well educated; high dependency ratios may result in less attentive parenting; they are likely to grow up in poor neighbourhoods with few role models; their parents are less likely to be members of social networks that will help them to find good jobs; they are less likely to inherit substantial asset portfolios or savings. Many of these factors are discussed below.

#### 3.1.2. Demographics and household composition
Household composition matters because it can affect the material resources available to individual children and the extent to which adults are able, or wish, to invest time in child care. This relates partly to the distribution of resources within the household. The household is assumed by many to be a unit in which income is pooled and decisions are made for the benefit of all members. This definition is flawed, as households actually consist of separate, gendered spheres of economic responsibility, which intersect through a ‘conjugal contract’ which is fundamental in defining the terms of cooperation. The conjugal contract and the intergenerational contract are important institutions which help to determine differential outcomes.

Household composition can influence fertility rates, dependency ratios, access to productive assets, investment capital and public fora. These factors can in turn influence income; investment, savings and consumption; nutrition, health and education, and through these factors the likelihood that an individual will be chronically poor. High dependency ratios can contribute to the intergenerational transmission of poverty by limiting children’s human development and socialisation and their subsequent earnings. The costs of education, health care and food may be enough to ensure persistent severe poverty in high dependency ratio households and children with many siblings are also likely to be less well nourished. In large families resources may be directed to the youngest children or to older children and children are less likely to be well fed and to complete secondary school.

Evidence from around the world shows that the relationship between demographics and poverty is not always straightforward. One study looking at Uganda-wide panel data finds that larger households with a large number of children are more likely to be chronically poor (Ssewanyana, 2009), and that households that decreased in size are more likely to move out of poverty – particularly if the reduction was through the presence of fewer children. The same study found that the birth of a child is also more likely to pull a family into poverty than the death of one of its members. Children are associated with lower productivity and incomes (ibid.). A reduction in family size due to women leaving to get married is also more likely to lead to persistent poverty than the death of a family member, as these departures reduce the number of economically active adults and the earning capacity of the household (Ssewanyana, 2009). Dependency ratios obviously matter, as an increase in the number of older people was also associated with declines into poverty, whereas households that exited from poverty saw an increase in their supply of adult labour, but not to the point that they became large households (ibid.).

Changes in household type were also found to be associated with changes in poverty status. Becoming married and widowhood, separation or divorce all increase the likelihood of declines into poverty (Ssewanyana, 2009). This can be understood by observing that such shifts in household type are associated with changes in dependency ratio. When young couples marry, they are likely to have children, increasing the dependency ratio. Likewise dependency ratios change with the loss of an adult through death, separation or divorce.

Another study of rural Uganda presents apparently contradictory findings but with an important qualification. It finds that larger households with more land, diverse crops and above all access to off-farm income fare better than small households. It also finds that households that are unable to invest in skills development or education fare better with a larger quantity of children, as the household is more able to establish diversified household livelihood activities (Seeley, 2008).

In rural Bangladesh, demographic and life-cycle factors have been identified as important drivers of poverty (Quisumbing, 2007). Here high dependency ratios were also found to be important. Higher proportions of children and older people were significantly associated with lower per capita consumption (ibid.). Households containing older people (over 55 years) were found to be more
likely to be chronically poor and the probability of never being poor decreased with the proportion of household members in the younger age groups (Quisumbing, 2007). Having older household members was also found to make households vulnerable to shocks such as illness, death, and property division. The effects of life-cycle changes were found to have well-being effects as when property is divided upon the death of parents or children grow up and leave, the resources of the original household are often reduced, sometimes significantly (ibid.).

Many poor countries are concerned by ‘youth bulge’ with a growing number of young people struggling to find work (UN Commission for Social Development, 2001 in Cain, 2009). However, a study of rapid, unexpected fertility decline in Nyeri, in rural Kenya found that population pressures, land availability, inheritance norms, and educational opportunities had intertwined to influence the change (Shreffler and Nii-Amoo Dodoo, 2009). Land scarcity and diminishing farm size had influenced fertility decision-making and behaviour via preferences for fewer children. Interestingly in this context education did not appear to have been the driving cause of behaviour change around fertility, instead parents chose to invest more in the education of their children as a substitute for land inheritance when land resources scarce (ibid.).

Finally, nuclear families have, on average, been found to have higher per capita incomes than non-nuclear households. Belonging to a polygamous household is not necessarily negative, but such households are more vulnerable to internal conflict and income shocks, children may perform poorly educationally and unfavoured wives and their children may be negatively affected by the systematically uneven distribution of work and consumption.

3.1.3. Productive assets

Access to and control of productive assets is a clear determinant of individual or household income and consumption levels. Asset holdings are also vital contributors to the initial conditions of a household. In other words they are the building blocks for future wealth and those with more assets are often better able to improve their income levels. Asset holdings influence individual and household livelihood and investment options and therefore affect both short and long-run well-being. If they accumulate assets, people can move out of poverty and improve their livelihoods (McKay, 2009). Findings from Bangladesh show that long-run improvements in wellbeing are associated with people having had access to a range of assets (investment and productive). Holding tangible assets (shops, land, livestock, vehicles and agricultural machinery) had a direct effect on long run upward mobility. Less-tangible assets (investments in education, networks of relationships) and social status also had positive effects (Davis, 2010 forthcoming). Losing assets can lead to downward mobility and the lack of assets can be associated with poverty traps, risk aversion, vulnerability and an inability to cope with shocks and contingencies (Bird, 2007).

Selling assets is a key means of supplying short-term income and are an important component of coping strategies. The impact of shocks and contingencies in reducing consumption depends on the amount of land and assets owned by the household together with the schooling of the household head (Quisumbing, 2007). So, shoring up assets is integral to buffering against chronic poverty (Jones, et al., 2010 forthcoming). Better endowed households are likely to be more able to maintain their children’s food security and invest in their health and education. Collective and individual assets also increase the personal and collective agency of chronically poor people. The more assets – psychological, physical and social – the more leverage people have in social networks, transactions, and formal financial markets. Building such assets is affected by formal and informal institutional arrangements (e.g. inheritance practices, see below).
However, asset ownership and accumulation is not equally straightforward for all individuals. In many agrarian situations what you own as an adult will be determined to a very significant extent by inheritance. Accumulation of assets may be possible in theory, but will depend on returns to existing assets, freedom from shocks (or insurance against them) and the ability to save. This indicates that inheritance patterns are important, as are factors determining returns to assets, the ability to invest and save, factors influencing the nature and severity of risk and vulnerability and the impact of coping strategies on current and future asset holdings.

**Transmitting assets from one generation to the next**

Mechanisms by which assets are passed from one generation to another are of key importance when trying to understand the replication of differential patterns of wealth, generation on generation. This may be through investments in human capital formation, *in vivos* gifts, brideprice or dowry or inheritance. Behaviour by the older generation in investing in the health and education of the younger generation are crucial but must be contextualised by exploring institutional norms, public service provision and other factors affecting health and education outcomes. Likewise, *in vivos* gifts and inheritance are of fundamental importance to the current and future wealth and wellbeing of the recipient and their families – particularly in agriculturally based economies in low income countries. Institutions and norms surrounding clan and tribal groups, patterns of inheritance in patriarchal and matriarchal systems, marriage and divorce matter when seeking to understand inheritance behaviour. For instance, women often do not have legal rights to own land independently or to inherit land and where they do, their rights are often partial. For example, many widows may have the right to use the land they cultivated when married, or they may have temporary right to the marital home. But they do not own it, and cannot use it as collateral. Also, they commonly lose both house and land and house. Gender in asset inheritance is important not only because of equity considerations, but also because of its implications for the transfer of wealth to the next generation: increasing evidence shows that assets controlled by women often result in increased investments in the next generation’s health, nutrition and schooling (Quisumbing, 2007a).

It is important to remember that while inherited land and assets help build a household’s asset base, but investments in human capital can be even more crucial in helping households move out and stay out of poverty (Quisumbing, 2008b).

### 3.1.5. Parenting Quality

The quality and type of parenting and nurturing by care-givers has an important impact on the life chances of children. Early childcare and nurturing, intellectual stimulation, and affection shape a child’s behaviour, intellectual and social development and educational performance, influencing their later economic performance. Care-givers need sufficient education, time and support from their family and community if they are to provide children with both positive aspirations and long-term emotional stability. Care-givers also need to be healthy and well-nourished, self-confident, autonomous and have control over resources and their allocation within the household (Bird, 2007).

Having uneducated parents is associated with household poverty and increased risk of malnutrition and disease (Soto Bermant, 2007). A study focusing on Guatemala explores the effects of mothers’ ‘intellectual human capital’ (cognitive skills as well as schooling attainment) and ‘biological human capital’ (long-run nutritional status) on children’s intellectual and biological human capital (Quisumbing et al., 2010). It finds that maternal human capital is more important than generally thought. Maternal cognitive skills have a greater impact on children’s biological human capital than maternal schooling attainment. However, having a well-nourished mother can be even more
important. These results imply that breaking the intergenerational transmission of poverty, malnutrition and intellectual deprivation through investing in women’s human capital may be even more important than previously recognised, but that we need to think about more than just women and girl’s schooling. Effective interventions to improve women’s biological and intellectual human capital need to begin in utero or in early childhood and so will take longer before they are effective than if it was possible to simply rely on increased schooling.

Other research shows that maternal malnutrition increases rates of infant mortality and leads to impaired cognitive and physical development in both mother and babies. Low birth weight babies are more likely to develop chronic illnesses or die from a common disease. They also have higher risks of being stunted and experiencing impaired cognitive development, which increases their likelihood of becoming poor adults (Bird, 2007).

3.1.6. Health and nutrition

Good health is a key asset. Malnutrition and illness are critical drivers of downward mobility together with the timing of shocks and interventions appear to be the main factors in determining the irreversibility of poverty transfers.

Health

Ill-health has been shown to be an important aspect of many people’s experience of poverty:

‘I am poor because I have nothing in my house; no husband, no blanket, no cooking utensils. I have to beg for food. I can’t pay fees for my child. Besides, I am always sick’

(a Ugandan woman, in Lwanga-Ntale and McClean, 2003 in Grant, 2005).

More than 200 million children under 5 years of age in developing countries do not reach their developmental potential due to a mix of ill-health and other factors (Engle et al., 2007). The scale of this problem illustrates the importance of health prevention and treatment in limiting the intergenerational transmission of poverty. We already know a great deal about the most dangerous risks to long term outcomes for child development, and therefore for that individual throughout their whole lifecourse. The four most important health risks to child development have been well documented: stunting, iodine deficiency, iron deficiency anaemia, and inadequate cognitive stimulation. Children also face four other potential risks to their development (highlighted by epidemiological evidence): maternal depression, violence exposure, environmental contamination, and malaria (Engle et al., 2007). The health of an individual in early childhood is also linked to their physical and mental health, disability and mortality later in their life course (Palloni, 2006). There is also as strong an association between child health and adult socio-economic achievement as found with educational attainment (ibid). This suggests that if more energy were directed towards addressing child nutrition, early child care, maternal mental health, childhood exposure to violence, environmental contaminants and malaria, that it would pay dividends.

Looking at the wider family context that children grow up in, we know that ill-health is the single most widespread hazard affecting poor households (see Figure 2, below). Ill-health can contribute to the intergenerational transmission of poverty. It does this through a number of channels: reducing household income; forcing the household to adopt adverse coping strategies (disposing of productive assets, reducing meals, reducing access to education and health services); reducing parenting capacity or resulting in the breakdown of the family unit.
Health shocks have been identified as a key driver of downward mobility due to the lost labour of the sick individual and their carer. Illness also alters household dependency ratios and imposes new demands on the household, through the costs of seeking treatment. At their most severe, health shocks do not just impoverish but lead to the breakdown of the household as an economic unit (Pryer et al, 2003 in Grant, 2005). The low capabilities of poor individuals (low nutritional status, hazardous living and working conditions, inability to afford to adequately treat illnesses) mean that ill-health shocks are more often repeated for poor individuals and they take longer to recover from (Grant, 2005). Long periods of illness increases vulnerability over time as income and accumulation are reduced, expenditure and indebtedness increases, children are withdrawn from school, malnutrition increases, as well as other long term impacts on social capital, such as stressed friendships and household relations (Grant, 2005). The psychological costs of poor health and poverty declines are unquantifiable, but are intuitively significant (ibid.). However, household resilience in the face of ill-health varies and depends on the type of illness (acute, chronic, contagious, sensitive/ stigma-inducing), costs of treatment, the nature of the household, decision-making norms within the household and who experiences the illness. When a household head is ill, this increases the likelihood that their household will decline into poverty, particularly if the household head is a woman (Lawson, 2008). If the household’s main occupation is agriculture and the head is suffering from long-term sickness, the household is almost 20 percent more likely of being persistently poor than similar heads who are healthy. This is probably because of the physical intensity of agricultural work (ibid.). Illnesses which are both severe and chronic can be particularly damaging to household consumption and well-being and illnesses which are chronic and terminal impose considerable distress on families which can disintegrate as social and economic units. (Bird, 2007).

In Laos heath shocks have been found have a worse effect on household well-being than other shocks (Wagstaff and Lindelow, 2010). Although they are less common than drought and pest infestation, they are more common than most other shocks such as floods, price changes, inability to find work, crime, and ethnic conflict. They are also more concentrated amongst poor people, more individual-specific and more costly. Health shocks are less likely to trigger government assistance and more likely to force families to resort to measures such as borrowing, asset sales and pawning possessions, but they are second only to drought in driving households to reduce consumption. Health shocks also result in a damaging loss of human capital, as people do not recover their former health status and instead lose an average of 0.6 points on a 5-point scale. The poor are especially disadvantaged in the way health shocks affect household wellbeing. The wealthier and the better educated are better at limiting the health impacts of a health shock, probably because they are closer to a health facility (ibid.).

The adjustments that households have to make to respond to illness may have negative effects for other members of the household. For example, when an infant becomes ill teenage girls within the same household are more likely to increase their participation in domestic work, decrease their participation in market activities and drop out of school (Pitt and Rosenzweig, 1990 in Soto Bermant, 2007).

In South Africa, the incidence, depth and severity of poverty are worse amongst HIV/AIDS affected households, especially affected households that have suffered illness or death in the recent past (Booysen, 2003). HIV/AIDS affected households, particularly those with higher levels of morbidity or mortality, are more likely to experience income variation and become chronically poor (ibid.). This suggests that children growing up in such households are more likely to grow up in poverty and thus more likely to become poor adults themselves.
In Uganda, the increased provision of ART has helped prevent mother-to-child transmission and has prolonged lives (Seeley, 2008). However, this has not been combined with policies that address the other challenges faced by households affected by HIV/AIDS, such as the hidden costs of accessing free medical healthcare. These costs, over a long period, can be responsible for pulling households into severe poverty which becomes chronic and is transmitted intergenerationally (ibid.).
Figure 2: Linking ill-health with chronic poverty.

Source: Grant, 2005
Figure 3: Routes by which poor health impacts on child outcomes.

**Nutrition**

Child and maternal nutrition and health status are often cited alongside the timing of shocks and interventions as the critical factors in determining the irreversibility of poverty transfers. Maternal malnutrition contributes to higher rates of maternal, infant and under five mortality (Bird, 2007). Maternal nutrition and health have been found to be strong predictors of child nutrition in Bangladesh (Begum and Sen, 2005).

Poor in utero nutrition also leads to low birthweight babies with higher risk of the children being stunted, and experiencing a permanent limit to their physical and cognitive development affecting schooling performance and completion. These problems affect a very large number of children: over 200 million children are stunted worldwide; more than 150 million of pre-school children are underweight. Stunting and wasting have long term repercussions which can influence a child’s likelihood of becoming a poor adult. Undernutrition (low weight-for-age) contributes greatly to child mortality as it increases the risk of death from common illnesses. Malnourished children are also at greater risk of developing certain chronic illnesses in adulthood. Stunting is also linked to mental
impairment and at current rates of improvement by 2020 about 1 billion stunted children will be growing up with impaired physical and mental development. (Bird, 2007).

Parental education influences investments in child welfare and knowledge about nutrition significantly improves rates of malnutrition (Christiaensen and Alderman, 2004). However, intrahousehold resource allocation patterns are vital determinants of children’s health and nutrition. Evidence shows that women spend more on child nutrition and healthcare than men (Bruce, 1989; Quisumbing, 2003). But the main cause of child malnutrition is not parental neglect, but long-term structural patterns of economic inequality with many men and women having low and unreliable cash incomes which affect intrahousehold dynamics and can influence child health (Pfeiffer, 2003 in Soto Bermant, 2007).

Variations in health and nutrition by gender points to discrimination. However, situations vary across societies. For instance there is apparent gender equity in access to healthcare in most regions with the exception of South Asia (Quisumbing, 2003). Similarly, gendered variations in food allocations are not evident in most developing countries but are found in Northern India, Southeast Asia, and China (Choe et al., 1995 in Soto Bermant, 2007). Soto Berman shows that a gender bias in nutritional well-being in these regions is driven by:

- **Patrilocality and patrilineality**: where residence is patrilocal and inheritance patrilineal, males are expected to contribute to family income and lineage and male-biased investment is prevalent (Messer, 1997).
- **Family planning strategies**: as the means to ensure child survival and birth control are improved, there is a decline in fertility rates accompanied by higher investment in children (Kabeer, 2003). A variety of factors (age, gender, number of sibling and birth order) also matter. However, excess female mortality in North India and Bangladesh is not necessarily the result of arbitrary discrimination against girls but part of an explicit strategy by parents to achieve the family size and composition they desire and older girls may be particularly discriminated against (Das Gupta, 1987).
- **The dowry system**: Discrimination against daughters in South Asia is prevalent amongst upper strata households but less common amongst the lower strata. This may be explained by investments in sons being economically more efficient for propertied households, when the future costs of marriage are taken into account. Conversely, in sub-Saharan Africa where bride price is paid, daughters are reportedly favoured (Miller, 1997).
- **Prioritisation of older people**: Some societies such as Indian, African, and Mexican societies, often prioritise elderly males (India) or elderly of both sexes respectively (Messer, 1997). (Soto Bermant, 2007).

### 3.1.7. Education

In many countries schooling correlates strongly with adult income and other markers of socio-economic status Educated parents are less likely to be poor, more likely to educate their children, more able to help their children with their homework and have higher aspirations for their children. Household vulnerability (indicated by asset deficits, reliance on casual labour and female headship) blocks parents sending their children to school in Bangladesh (Kabeer and Mahmud, 2009). Kabeer and Mahmud (2009) argue that contextual factors have an important influence on how parents imagine their children’s future and how children themselves regard education. The hazards of daily life in slum environments, the limited range of job opportunities available and the absence of decent educational facilities all serve to undermine parental commitment and children’s motivation with regard to education.
Another study on Bangladesh shows that schooling provides important protection against chronic poverty in the context of a modernising Bangladeshi economy where non-farm enterprises become more important (Quisumbing, 2008b). Research from other developing countries tell us that the economic value of education will depend on the quality of the labour market and in many developing countries being literate will no longer get you better paid work: a secondary education is required. Children who complete secondary education are more likely to escape chronic poverty (Quisumbing, 2008b; Bhargava et al., 2005 in Soto Bermant, 2007). Even then, education on its own may not be enough. Other investments or actions might be necessary after leaving school, before education can be translated into higher income. These might include migration or drawing in favours from the household’s social network. Both may be more difficult for poorer households. Because of this it is difficult to establish a direct correlation between educational achievement and socio economic mobility (Moore, 2001 in Soto Bermant, 2007). This is because the extent to which education translates into increased earnings depends on labour market functioning and on an individuals’ access to the labour market. Education is also associated with better health outcomes and with reductions in both fertility and infant mortality (Castaneda and Aldaz-Carroll, 1999).

Uneven access to education reproduces social and economic inequality and can be structured by gender, class, race, caste and location. In Bangladesh, in an environment where women cannot realise monetary returns on their physical and human capital, girls are seen as a drain on the household’s resources rather than an asset. This contrasts with societies like the Philippines, where girls are better educated and act as the family’s insurers. If women become more able to participate in labour markets, the returns to their labour will rise and women’s education may deliver more in financial returns and movements out of poverty (Quisumbing, 2008b).

Children who fail to access education experience the negative transfer of low human capital and this is likely to be self-reproducing – their children are also more likely to be poorly educated and poor. Access to education is influenced by a number of factors (Soto Bermant, 2007):

1) *Income*: income poverty is a dominant factor limiting children’s ability to attend school. Demand for education is also lowest in areas with high poverty prevalence and where there are few jobs for literate adults (Kabeer, 2003). Households vulnerable to declining into greater poverty are most likely to rely on unskilled and child labour (ibid.). However, other factors such as gender, birth order, or parental education are also important.

2) *Parental Education*: parental education is generally positively associated with child schooling, as is parental income. In Latin America, children born to uneducated parents in low-income households face significant disadvantages in schooling enrolment and achievement (Castaneda and Aldaz-Carroll, 1999). In India, children whose parents did not receive education have lower schooling rates, particularly girls (Bhargava et al., 2005), and in Guinea improvements in parents education raises the schooling of both sons and daughters (Glick and Sahn, 2000). These correlations may be because educated parents value education and are able to encourage their children’s studies (Kabeer, 2003) or it may be that parental education is simply a proxy for parental wealth which then translates into nutritional and educational resources (Moore, 2001).

3) *Gender*: female education is important in interrupting the intergenerational transmission of poverty, partly because educated mothers are more likely to send their own children to school, but also because of ‘externalities’ including reduced fertility and infant mortality and improved family health. Improved education for girls has helped to reduce gender inequalities in employment opportunities and earnings. However, schooling rates in developing countries continue to be higher for boys than for girls. This is due to a number of factors including socialised gender roles, discrimination in labour markets, poor sanitation on school sites, domestic obligations and early
The death of a child’s mother, regardless of her level of education, is a strong predictor of poor schooling outcomes (Case and Ardington, 2004).

Parents may invest less in their daughters’ education than their sons’, limiting their girls’ capabilities and capping their future autonomy, earning potential and parenting capacity. This lower level of investment in girls may result from the limited household bargaining power of the mother, from the assumption that daughters are unlikely to be economically productive (Agrawal, 1997 in Jones, et al., 2010 forthcoming) and from patrilocal marriage where daughters move to their in-laws’ households on marriage (Haberland et al., 2004 in Jones et al., 2010 forthcoming). In these situations, parental investment in their daughters is considered lost on their departure (Bayisenge, 2009 in Jones et al., 2010 forthcoming).

Girls’ domestic responsibilities are important barriers to school attendance. In many countries, girls are responsible for collecting water and firewood. In Morocco, for example, a World Bank Rural Water Supply and Sanitation Project has succeeded in increasing girls’ school attendance by 20 percent over four years, in part by reducing the traditional burden on them to fetch water (Jones et al., 2010 forthcoming).

Another barrier to girls completing their education is pregnancy. Many pregnant teenagers drop out of school, often hoping to re-enrol following their pregnancy, but the costs of bringing up a child and the need to find daytime care means that many must work. This blocks their ability to finish their education, limiting their future livelihood options and increasing the likelihood that they will live in poverty and pass that poverty on to their children (ibid.).

(4) Social exclusion and marginality: children of poor families often grow up with little encouragement to study. Role models and employment opportunities may be limited and social and economic exclusion is a reality (Kabeer, 2003). In India, caste rules limit the future that parents can imagine for their children. Discrimination in classrooms is frequent, reproducing hierarchical social relations and ensuring an intergenerational transfer of social inequality (Bhargava et al., 2005; Kabeer, 2003).

Conflict and insecurity has also been found to limit both the provision of education and its uptake, with negative implications for the life chances of people who grow up in such environments (Bird et al, 2010 forthcoming). Education is a ‘portable’ asset, unlike other assets that are lost or compromised during conflict and insecurity. As such it takes on even greater importance than normal during conflict, when it limits declines into poverty and also following conflict and insecurity, when it supports resilience and enables a speedier recovery (Bird et al. 2010 forthcoming).

3.1.9. Fostering, adoption and orphanhood

Fostering children outside their natal family is common in many parts of the developing world and is becoming more common as a result of HIV/AIDS and labour migration. Fostering by the extended family is common in Sub-Saharan Africa even when both biological parents are still alive. ‘Purposive’ or voluntary fostering may be for socialisation, strengthening extended family ties, redistributing child labour, making life-cycle adjustments of household size and composition, schooling, taking advantage of an informal insurance mechanisms and providing care for children whose biological parents have separated and formed new relationships where the child cannot be accommodated (Seeley, 2008). The impact of fostering on child well-being depends on the resources available to the fostered children, the bond between the fostered children and their carers and the reason for fostering – whether it was requested by an older person or a childless family or forced by death or
migration. Orphans may not get much adult attention or nurturing, affecting educational outcomes, nutritional status and health (Suryadarma, et al., 2009).

Where biological parents are still alive, they often contribute in some way to the upkeep of their fostered child (even if the contributions are not regular). However, children who have lost their main provider or both parents may be affected economically as well as psychologically and socially by their loss (Seeley, 2008).

Turning to orphanhood, the death of a parent has a differential effect on child well-being, dependent on which parent dies, living arrangements and whether children were in school at the time. Maternal death can result in stunting and lower educational attainment, while paternal death has an impact on educational attainment, but only for particular groups. Children in Indonesia who had recently lost a parent were found to have a 50 percent higher school dropout rate than non-orphans (Gertler et al., 2004 in Suryadarma, et al., 2009), but a cross-country study of 51 countries found that the effect of being an orphan on a child’s schooling is country specific (Ainsworth and Filmer, 2006). Low education outcomes may be driven by household poverty rather than orphanhood and these phenomena should be examined separately (Suryadarma, et al., 2009).

The future wealth of a fostered orphan is dependent on the size and relative prosperity of the family they are taken in by, influencing inheritance, education and health care (Seeley, 2008).

3.1.10. IGT and older people

Older people can have an important role in the intergenerational transmission of poverty, and in mitigating its transmission, through their ownership of assets, transmission of technical and other skills to younger generations, their role in setting community and family norms, by contributing income to the extended family and by altering dependency ratios and as carers. In South Africa older people in receipt of a pension have been found to prioritise spending on children’s health and education: girls living in a household with a female pensioner are 3-4 cm taller than girls in households with older women who do not receive a pension; and in rural Brazil pensions are strongly associated with increased school enrolment, particularly of girls aged 12-14 (HAI, 2004).

However, elder-led households tend to have higher than average dependency ratios and lower levels of per capita income. Households including both older people and children are, on average, the poorest households in Africa (Kakwani and Subbarao, 2005 in Cain, 2009) and children in these households are more likely to either fail to enrol in school or to drop out early and are more likely to grow up to become poor adults. Elder-led households are increasing in number due to HIV/AIDS, and in sub-Saharan Africa 6 million children are cared for by their grandparents in ‘skipped generation households’ (HAI, 2004).

Although most analysis of the intergenerational transmission of poverty focuses on transmission from parents to their children, transmission from the younger to the older generation can be important. This transmission may be from children to adults and from younger adults to older adults within or outside the extended family. Transfers made from one generation to another are made in response to an implicit contract. These contracts are shaped by norms in society and link children, to adult parents to aging (grand)parents.

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3 This finding was confirmed by Suryadarma, et al. (2009), who found that maternal orphans in Indonesia have lower educational attainment than non-orphans. Beegle et al. (2007) find that maternal orphans are two centimetres shorter than their counterparts and have one year less schooling, while paternal orphans were found not to have experienced any long-term effects.
3.1.10. Child labour

Children from poor households are widely assumed to be more likely to work. However, the empirical evidence is contradictory. Children are more likely be child labourers if their parents have limited education and worked as children. It is also related to the child’s age and gender, school characteristics (cost, quality, distance), the size and structure of the household, household composition (ratio of boys to girls in the household), social and cultural norms and religious beliefs household landholdings, parental education and social expenditure by the state including on education. In some countries there is also a link to ethnicity, where this contributes to household poverty (Bird, 2007).

Other than the most hazardous forms of child labour, the extent to which work during childhood has long-term negative effects on children remains hotly debated. Most agree that where actual alternatives for households to earn sufficient incomes and for children to study exist, full-time work in childhood should be delayed as long as possible. Working as a child leads to lower education outcomes, particularly if the child works regularly and tends to lead to children taking on adult roles prematurely. The earlier an individual enters the labour market the lower his or her earnings are as an adult. This can be mitigated if the work develops skills the child can continue to use as an adult and work in middle childhood (6-12) can support a child’s cognitive development, support their socialisation and the development of vocational and leadership skills (ibid.).

3.1.12. Teenage pregnancy

Around 16 million adolescent girls aged 15-19 give birth each year around the world – or one in ten of all births worldwide (Mathur et al., 2003 in Jones et al., 2010 forthcoming). This is associated with the IGT of poverty through a number of mechanisms. Teenage mothers are commonly unable to complete their education. As a result they have lower life-long earnings than those of comparable women who had children later. Teenage mothers are also less likely to be the recipients of positive economic or educational policy or programmatic interventions than older mothers, so the teenage girls, their children and their wider family miss out (Mathur et al., 2003 in Jones et al, 2010 forthcoming). In addition, younger teenage mothers are more likely to have health complications during and following pregnancy than women in their twenties, with negative implications for their children. However, the numbers of teenage pregnancy are likely to remain high in societies where marriage and child bearing are the only way in which young girls can obtain identity and status in their families and as adults in society. The more important the role of wife and mother to women’s identities—and the fewer social and economic alternatives— the earlier girls will tend to marry (Okonofua, 1995 and Gage, 1998 in Jones et al., 2010 forthcoming).

3.2. Extra-household factors

The intergenerational transmission of poverty is strongly driven by the structure of a society and economy; the political economy; the effectiveness of service delivery and the willingness and ability of a society to tolerate inequality in opportunities and outcomes. Discrimination, social exclusion and adverse incorporation are forces which act to replicate patterns of poverty. Conflict and insecurity within and between nations are powerful drivers of transitory poverty and in many cases create conditions where poverty becomes entrenched, chronic and intergenerationally transmitted.
Low levels of social mobility can allow strongly different cultural norms to develop in particular socio-economic groupings, which then act with other factors to further limit social mobility.

Macro-economic policy
and macro shocks
Social capital and networks

3.2.1. Conflict

Conflict can intensify the likelihood of poverty being transmitted intergenerationally either directly through its effect on children or indirectly through its impact on their care-givers, their household and their future livelihood options. The violence of war and terrorism can result in composite negative life events including the loss of loved ones, displacement, lack of educational structure, and drastic changes in daily routine and community values. Trauma from exposure to violence, sexual violence, loss and dislocation can have long-run impacts on both parents and children. The fragmentation of social networks and the abrupt change to cultural norms can have a profound impact on the degree to which people feel themselves to be located within a protective and known environment. The disruption to income generating activities and the loss of productive and household assets can have short-run impacts on consumption and food security and longer run impacts on livelihood options, well-being and inheritance. (Bird, 2007).

3.2.2. Cultural and psychosocial issues

Cultural and psychosocial issues are a controversial area, which can seemingly blame the poor for their poverty. As a result, liberal researchers have tended to avoid such issues, leaving the terrain open to the right wing (Bird, 2007). In this section of the paper we discuss cultures of poverty, the underclass and aspirations.

Cultures of poverty: Proponents of this approach suggest that the poor have a different culture to the rest of society which is characterised by deviant attitudes, values and behaviours. They argue that poverty is perpetuated through low levels of education, a lack of participation in mainstream society and the inherent socio-psychological, political and economic traits of the poor themselves. In other words much if not most poverty is based upon the ‘innate’ characteristics of the poor, sometimes called the ‘underclass’. This approach can be linked to concepts of the ‘deserving’ and ‘undeserving’ poor. The opposing view suggests that poverty emerges and persists solely because of socio-economic structures external to the value systems and behaviours of poor people, for example racial discrimination and a lack of opportunities that affect individuals in each new generation. In between these two approaches lie those who believe that ‘cultures of poverty’ have emerged over generations to enable poor people to cope with their situation. Their values, beliefs and behaviours were once an appropriate response to the social, economic and political barriers that they faced but have become ossified and now limit the current generation’s ability to respond to opportunities (Bird, 2007).

Aspirations: Aspirations are influenced by early life experiences and they have been found to play strong role in the extent to which an individual is able to extract maximum benefit from new opportunities. Low aspirations probably contribute to reduced income and asset formation and may influence parenting patterns and investment decisions (including in children’s human capital formation) thus contributing to the IGT of poverty (ibid.).
Individual aspirations are an important ingredient in individual mobility, however, their effectiveness is strongly influenced by the degree of meritocracy or distortion in a society’s labour markets. Discrimination and stigma contribute strongly to economic outcomes as individuals internalise their statistical chances of success or failure and transform them into aspirations and expectations. Despite children’s inventiveness in coping with poverty, poor children experience a gradual narrowing of their economic and social horizons which limit their expectations of life (Bird, 2007).

3.2.3. Social capital and networks

The role of assets in coping with shocks, preventing adverse coping and the development of irreversibilities and the IGT of poverty have all been explored above. Being well networked is crucial for poor people, who may not have many other forms of capital. The extended family and other kinship networks, neighbours, age-mates from the community or from school, members of the same church or mosque – these groups and others can be crucial to poor people facing a negative shock. In some places this need for protection is formalised through membership of rotational savings and credit societies or burial societies but in other places people build and cement social capital through a range of social practices including reciprocal gift giving and inviting people to weddings, funerals and other major events.

A qualitative longitudinal study of female headed households in South-West Uganda, where the HIV prevalence rate is high, found that having the support of a large network of kin and associates provides an effective safety net for many poor families in times of need (Seeley, 2008). However, members of poor families who prosper often find themselves with additional mouths to feed, and this can place a strain on their resources. So, while the kin network remains a vital safety net in the absence of other social support, it can also function as a levelling force: keeping poor adults and their children poor, as resources are stretched, shared and traded (ibid.).

3.2.3. Discrimination

The paper shows that discrimination limits the beneficial impact of pro-poor policy interventions on individuals with particular characteristics. People who are discriminated against will be poor (Bird, 2007).

Gender

We know that rigidities in labour markets that exclude women, or provide them with lower returns to their labour have profound impacts on economic productivity and on the women and their households. Discrimination in accessing education and health services result in skewed literacy, morbidity and mortality. The uneven distribution of power and resources within households compounds these problems, leading to uneven well-being within households. These inequalities contribute to adult ill-being and to both child poverty and the intergenerational transmission of poverty.

In Bangladesh, evidence shows that women exercising their agency affects well-being both within and outside the household through the influence they have on health care access and the adoption of improved health care practices. They are also able to influence child nutrition (Begum and Sen, 2005).
In Peru, when women gained more access to cash and credit through a microfinance programme, their families ate more and better quality foods and increased investment in their children’s education (USAID Peru, 2006). Similarly, in the Philippines the consumption of calories and protein has been found to increase with the share of income accruing directly to women (ibid.). In Bangladesh, one study showed that for every 100 taka lent to a woman, household consumption increases by 18 taka, as opposed to an 11-taka increase in consumption for every 100 taka lent to men (USAID Peru, 2006).

Caste, class, ethnicity and religion

The IGT of poverty in OECD nations commonly accompanies the replication of socio-economic class. The increased economic competition of market economies might be expected to encourage employers to recruit on an increasingly meritocratic basis. This would end socially ascribed bias in appointments based on class, sex or ethnicity and increase opportunities for both upward and downward social mobility. However, this assumes effective meritocracy in a free market and ignores historical, cultural, political and institutional factors and ingrained patterns of social mobility (Bird, 2007). Similar factors are at work in developing countries around the world.

Caste: In India, being low caste or from a tribal or non-caste group is strongly associated with poverty. People are born into a particular caste, and so the IGT of poverty is likely to be powerful.

Ethnicity: Ethnicity has been shown to be a powerful driver of the IGT of poverty in the US. It is also important in Latin America.

Religion: Religion is another important element of social identity and can be strongly correlated with wealth, as it can help to determine levels of inclusion and access to opportunities.

3.2.4. Macro-economic shocks

Macro-economic management is important for poverty and the intergenerational transmission of poverty. This is because of the way that it shapes the pace and pattern of the economic growth process and influences the resources available for public expenditure for example in education and health. It sets the context for whether any economic growth that takes place provides employment and other opportunities for poor people. Where an economy is poorly managed it can have harsh implications for poor people, some which will be felt immediately but others which will have a long-run effect. For example, high inflation damages poor people because it increases the cost of their food basket, with implications for food security now and for the potential creation of irreversibilities if children become malnourished. However, measures to drive down inflation can slow economic growth and drive up unemployment. This could also have implications for the IGT of poverty as periods of unemployment of the main breadwinner can act as a major shock, plunging households into poverty. So, inflation hurts poor people more than anyone else. This suggests that policy makers need to compromise – aiming for an ‘optimal level’ of inflation, given context and growth objectives.

Macro-economic policy includes a focus on fiscal policy and public spending. This is clearly important for poor people and the IGT of poverty through the way in which public spending can deliver public services, including education and health as well as creating an enabling environment for more jobs and higher incomes. Public spending depends on money being made available through increased borrowing, aid or tax revenue and a the right kind of public expenditure priorities being set and it is
important that the balance between public revenue and expenditure is kept, to avoid a budget deficit. However, deficits do not necessarily destabilise the economy if this does not get too large, is financed carefully and is used to improve productivity.

Changes in the value of the domestic currency versus other currencies also matter. This is because poor people in trade-related sectors are directly affected (positively or negatively) by any fluctuations. They may see profits and incomes rise or fall and employment levels may change. Prices of the goods and services people (and enterprises) consume will change as a result, too. These impacts can directly affect poverty incidence and severity.

Macro-economic policy and management may seem a long way from the IGT of poverty but the recent global financial crisis has shown that where macro-economic issues are mishandled, macro-economic shocks can have a profound impact on not just business profits, employment and current incomes but on both public and private investments. Evidence from previous crises suggests that this current crisis will result in increases in child mortality and morbidity, increases use of child labour, greater child exploitation, increases in violence against children and women and other forms of abuse, alongside declines in school attendance and the quality of education, nurture, care and emotional wellbeing (Harper et al., 2009). Vulnerability to harm will depend on both gender and age, and are multidimensional. As household coping mechanisms are overwhelmed and government and aid spending are reduced it is likely that children will experience irreversible damage as a result of being pulled out of school, receiving inadequate nutrition or poorer health care. These irreversibilities will be felt through the life course of that child and will imply much greater future poverty, probably higher inequality and lower prospects for economic growth (ibid.).

3.2.5. Bad governance and regressive government policies

The political economy and government policies in a country set the conditions for much else. If the government establishes a regressive tax regime, cuts public services or fails to deliver them and is unresponsive to its citizens it fails to set the conditions for human development and pro-poor economic growth. In such a situation inequality may be high, poverty may be severe, chronic and prevalent and low levels of social mobility combined with poor provision of health and education may well lead to poverty being commonly passed intergenerationally.

3.3. Resilience

The livelihoods literature shows that households respond to covariate and idiosyncratic shocks by drawing down sequentially on their assets to develop coping strategies. Their ability to cope is therefore largely dependent on their access to and control of assets, including social networks and their own capabilities but is also influenced by the political, economic and social context and policy environment. Households may face sequenced and composite shocks where, for example, harvest failure is followed by the illness of a family member, reduced off-farm income employment and increases in the children’s school fees. Resilience is a household’s ability to ‘bounce back’ from a single shock, measured by bringing income and consumption back to pre-shock levels in a given time period. The idea can similarly be applied to a household’s ability to respond to composite and sequenced shocks without seriously compromising well-being or moving into non-preferred or adverse forms of coping (Bird, 2007).

As we have shown above, even a relatively short period in poverty can have a critical impact on a child’s development by creating irreversibilities. However, difficult beginnings do not necessarily
determine outcomes. People from disadvantaged backgrounds succeed in life and children resist and bounce back from harmful experiences, indicating ‘resilience’ in their functionings. The extent to which children experience long-term physiological and socio-economic damage from parental poverty depends on when the child experienced poverty and how resilient the individual child is to the effects of poverty, how resilient the child’s environment is and the extent to which the damage is functionally reversible. Different forms of damage are more or less functionally reversible. Resilience is limited and children are most vulnerable to the non-reversible effects of poverty in utero and in early infancy, although youth is also important. Resilience is also influenced by environment, a child’s social interactions, their personality and their self esteem (Bird, 2007).

4. Conclusion and policy recommendations.

In this paper we have shown that poverty passed from one generation to the next through a range of household and extra-household transmission mechanisms. Some of these mechanisms are not unique to the intergenerational transmission of poverty as they also drive persistent and chronic poverty. However, exploring the intergenerational transmission of poverty provides us with a useful lens with which to explore which poverty drivers are particularly likely to generate poverty which will persist throughout the life course and be transmitted intergenerationally.

We see that key points in the life course are while a baby is in utero and during infancy, followed by early childhood. The teenage years are an important transition period, and investments made in human capital at this point can be important for life-long earnings and also for the health and well-being of subsequent generations. Other important transition points are marriage, when in vivos gifts may be given, providing the new household with an important bedrock around which future livelihood activities and investments can be built and upon the death of the older generation, which is another point in the life cycle when asset inheritance may take place.

We have shown that livelihood resilience occurs and can help protect individuals from transitory poverty becoming chronic and intergenerational. Research suggests that resilience can protect some children and young people from developing irreversible damage, under some circumstances, despite experiencing risk factors.

Unfortunately our research has not been able to identify which bundles of assets are in protecting individuals from intergenerationally transmitted poverty. Nor do we know what mix of assets or what absolute amounts are necessary. And, while we know that agency is important in enabling people to move out of poverty, we have not been able to explore its role in the intergenerational transmission of poverty or how it interacts with assets to influence poverty outcomes.

We now turn to explore how policy makers should respond to the intergenerational transmission of poverty. The intergenerational transmission of poverty sets may be immediately visible as child poverty. The features of this may range from stunting and wasting through to exclusion from education. These problems must be addressed, and so too must the underlying drivers of intergenerational transmission. Some of these are within the control of the household but, as we have shown, many are structured by the institutions and norms of society, related to strongly entrenched distributions of wealth, assets and power. This suggests that policy innovations to reduce the intergenerational transmission of poverty will require attempts to reduce inequity and inequality, through building support for equity irrespective of gender, race, class, caste, or religion. This may involve anti-discrimination legislation and action and work to empower marginalised and adversely incorporated groups, coupled with support for political freedom and voice.
In the section below we discuss individual policy areas.

4.1. Wealth creation

Because parental income is a key correlate of IGT poverty, policies that support sustainable livelihoods, employment and pro-poor growth are likely to be significant in supporting the interruption of IGT poverty. What these policies should be will vary from country to country but are likely to include improving agricultural productivity, investing in infrastructure and human capital formation, ensuring that both taxation and regulation are effective and pro-poor and enabling small producers and entrepreneurs to move up the value chain.

4.2. Supporting resilience

Interventions to build resilience must intervene throughout the life course. They must start prior to conception with interventions to help support the health and nutrition of mothers and are likely to stay focused on nutrition, health and nurturing during the in utero and infancy stages. Efforts to support parents build their children’s cognitive skills should begin pre-school and then continue through education policy (and other complementary policies) to ensure that children have access to quality education which they are able to and encouraged to attend. Equal efforts to ensure that children are well nourished and healthy will build a strong foundation for later life. Effective action during these early phases of life will help to prevent the irreversible damage that is associated with poverty and that can go on to increase the likelihood of poverty being transmitted intergenerationally. However, a sustained positive environment (or action to mitigate any damage) is necessary throughout the remainder of the individual’s life course. Without this, there is a danger that the individual will be unable to cope with a shock or negative event and will experience a decline into poverty which may become chronic.

4.3. Improving health and nutrition

In the paper above we show just how important health and nutrition are for the intergenerational transmission of poverty. Ill-health can influence the IGT of poverty both directly and indirectly. Direct effects can be felt by reducing a child’s ability to absorb nutrition or learn, by reducing nurturing and influencing psychological well-being. Indirect effects can be felt if another household member is ill and household coping strategies mean that a child is withdrawn from school, receives less nutrition or health care or has few assets to inherit later in life.

This suggests that policies, programmes and practices that support good health will help not only prevent or treat illness and the negative repercussions of health shocks but also are a potent force in limiting the intergenerational transmission of poverty.

Limitations of space mean that we must be very selective in identifying priority health- and nutrition-related policies and interventions which will help limit poverty being transmitted intergenerationally. These are:

- Supplementary nutrition for teenage girls from low income families: maternal health can have a major impact on the health and cognitive capacity of the next generation. This suggests that interventions which improve the health and nutrition of teenage girls will result not just in healthier young women but also in the potential for healthier children.
- Supplementary nutrition for pregnant and lactating mothers, where necessary
• Supplementary nutrition for children under 5, where necessary (macro and micro nutrients, including high calorie protein rich supplements, enriched with – in particular – iron and Vitamin A)
• Require staple food stuffs to be iodised (e.g. salt, maize meal)
• Family planning – to ensure optimal child spacing and both maternal and child health and well-being
• Free (at the point of delivery) health care for pregnant and lactating mothers
• Free (at the point of delivery) health care for children under 5
• Free or subsidised Anti-Retroviral Treatment4
• Health insurance/ fee exemptions and free medication for low income households

4.3. Widening and deepening education provision

Education is a fundamental building block of human development and helps individuals to respond with resilience to livelihood shocks. Having an education enables greater mobility and supports both agency and diversity in livelihood options. Evidence suggests that attendance at a pre-school supports later enrolment and retention in education, particularly for children from poor families5. Pre-schools are either unavailable or unaffordable for most poor families, but this is an area where wise governments would invest some of their scarce resources. However, the story does not – of course – end there. Poor families across the world struggle to keep their children in school. Governments need to battle to improve both access and quality, reducing barriers to both. Education budgets are being stretched to breaking point - in many low income developing countries having a primary education no longer acts as a passport to higher social status and earnings and this suggests that barriers to secondary education must also be reduced.

Governments should also do more to enable poor people to invest in education. Targeted scholarship programmes and conditional cash or food transfers can increase school attendance and reduce the effective price of education for poor parents (Quisumbing, 2007a). Conditional cash transfers not only provide income transfers to poor people, but may also provide a safety net to prevent them from withdrawing children from school in case of shocks. The Red de Protección Social in Nicaragua was an effective intervention that increasing school enrolments for poor children. The benefits of such programmes are felt by girls in particular and these benefits can be reinforced by creating greater incentives to educate girls. Governments can also promote gender equality in education by reducing prices and increasing physical access to services; improving the design of service delivery, and investing in time-saving infrastructure (Quisumbing, 2007a).

Social protection following shocks can also play an important role in enabling parents to keep their children in school. Households coping with a shock or struggling with cash flow are often unable to borrow to smooth income. Adverse coping strategies may include withdrawing children from school. Even short disruptions may mean that the child never returns to full-time education, harming their

4 Anti-retroviral treatment needs to be accompanied by a broader social support system (Seeley, 2008), to support newly well people back into employment and to help protect incomes, assets and investments from erosion.
5 The most effective early child development programmes provide direct learning experiences to children and families, are targeted toward younger and disadvantaged children, are of longer duration, high quality, and high intensity, and are integrated with family support, health, nutrition, or educational systems and services (Engle et al., 2007). However, despite convincing evidence, programme coverage is low. To reduce the IGT transmission of poverty and ensure primary school completion for both girls and boys, evidence shows that governments and civil society should expand high quality early child development programmes (ibid).
future life chances. In such cases, social protection would enable the family to keep their children in school.

This is a challenging agenda for developing countries. It becomes even more challenging when we ask that governments and international development agencies do more to provide continuity of education in difficult circumstances – during conflict and insecurity and following humanitarian disasters, and to provide gap-filling and catch up education services afterwards. Evidence shows that education plays a vital role in supporting individuals and their families maintain well-being during conflict and insecurity (Bird et al. 2010 forthcoming). It protects households from the irreversible effects associated with chronic and IGT poverty that result from conflict. It also enables them to recover more quickly once the conflict is over (ibid.).

4.4. Securing and building poor people’s assets

Assets are critical to both resilience and escaping poverty. Having the right complementary assets, an enabling policy and market environment, and the right social, economic, and political relationships are all necessary if assets are to provide pathways out of poverty. Public policy interventions are important in connection with assets as they can enable poor people both to accumulate a secure portfolio of assets (physical, natural, financial, social, political and human) over time and preserve them in the face of unexpected shocks. Such policies must also enable the poor to transfer wealth to the next generation in an efficient and equitable manner (Quisumbing, 2007a). This requires a mixed set of policies.

Enabling poor people to accumulate assets over and above the value of their lifetime consumption by developing flows of resources that can be saved and reinvested is part of the story. Strengthening property rights can contribute to this, as can mechanisms to reduce initial costs for acquiring capital, such as “sweat equity” and group guarantees as collateral substitutes for acquiring capital (Quisumbing, 2007a). A range of financial services can be provided by governments and the private sector that enable poor people to save (Quisumbing, 2007a).

Protecting poor people’s assets through reducing risk both ex ante (appropriate livestock policies, integrated pest management and water management programmes, micro-insurance, preventative and curative health care, education, disaster risk reduction, conflict resolution and social protection) and ex post (humanitarian assistance and social protection) is vital. Once households have drawn down on assets through sequential coping. Evidence from research in Bangladesh suggests that asset accumulation is gradual and incremental, but that the depletion of assets can be rapid (Quisumbing, 2007a). Rebuilding them is a hard and slow process. Safety nets (health insurance, micro-credit, food-for-work) can help poor people maintain their asset base and well-targeted food assistance following emergencies has been found to enable poor households restore their asset base (ibid).

Asset holding is rarely equitable. Unevenness in their distribution reflects current the pattern of poverty distribution but is also a key ingredient in future poverty. The way in which the adult generation builds (or transmits) assets to the younger generation – including investment in human capital assets and inheritance practice around land and housing - reflects cultural and institutional norms, including legal practice. And gender disparities in human and physical asset inheritance persist in part because the legal framework supports systems that are biased against women (Quisumbing, 2007a).

We show in the paper above that women and girls commonly lose out in asset inheritance and may not be compensated through higher investments in human capital. We have shown that this limits
women’s agency, their capabilities and their livelihood options, making it more likely that women will be poor. This has implications for their children and the intergenerational transmission of poverty.

Because asset holdings are so important, enabling poor people to transfer assets to the next generation through legally sanctioned, transparent and equitable mechanisms is important for social justice (Quisumbing, 2007a; Cooper, 2010). It also helps maximise the economic potential of heritable assets.

Where there is inequity around ownership of land, efforts around land titling can be important but only where land rights are sufficiently individualised - and they require careful implementation (Quisumbing, 2007a). Land titles can be jointly awarded to spouses and men and women should be equally qualified to acquire titles (ibid.). However, this will not be enough on its own as the effectiveness of legal reforms, particularly in inheritance rights, will depend on women’s knowledge of the provisions of the law and their ability to enforce their rights in court (Quisumbing, 2007a).

Reforms should focus on upholding the inheritance rights of those most vulnerable to alienation from heritable property and consequently chronic poverty – most notably women and children (Andy McKay, pers comm.). Legal reform and improving practice to ensure claims are fairly upheld can protect the property rights of some of the most vulnerable individuals, such as widows and orphaned children, who may otherwise find themselves stripped of their heritable assets and plunged into poorer economic situations (ibid.). In the paper above we show how important inheritance is to the IGT of poverty. However, an exclusive focus on inheritance upon the death of a parent neglects the importance of physical and human capital transfers made inter-vivos, particularly to daughters (Quisumbing, 2008b).

Action around improving the equity of inheritance practice is likely to require both legal reform and efforts to shift cultural practice. Registration of all marriages and co-registration of property appears to have a positive effect on protecting women’s status and heritable rights (Cooper, 2010). Legal reform can include harmonising national laws in line with international legal instruments that prohibit gender discrimination. (ibid.). However, legislation to make the transfer of property more equitable requires attention to improve implementation by reforming regulatory frameworks and procedures; ensuring that information about the reform is widely known (particularly by women) and by addressing corruption. Land information systems need to be decentralised so that rural populations can easily access them (Cooper, 2010). Access to legal aid needs to be improved, so that poor people have recourse to the law.

For changes in practice to become embedded, male community members need to accept women’s heritable rights (Cooper 2010). This would require quite a change in the power relationship between men and women in many communities. A cooperative and participatory supported by networks and coalitions may aid the process as building social legitimacy for progressive practices requires a long and sustained engagement (ibid.). Community based work might help to speed this process, where activists engage with community members to attempt to influence behaviours and norms (Cooper, 2010). Changes in practice also require engaging local power brokers and capacity building for local government and traditional leaders, who are commonly involved in dispute resolution around inheritance (ibid.).

It is important to recognise that such legal and cultural changes are only part of the process. Transferring land ownership to women is unlikely to raise productivity while access and use of other inputs remain unequal (Quisumbing, 2007a). Preventing the IGT of poverty may require a two-

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6 Inter-vivos - while parents are alive.
pronged solution of making opportunities to acquire and transfer assets more equitable across households, as well as reducing inequality in the control of resources within the household (ibid.).

4.5. Eradicating discrimination

We outline above the importance of countering discrimination, exclusion and adverse incorporation. Evidence shows that anti-discrimination measures and policies can have tangible benefit. Measures that improve labour markets’ functioning can enable socio-economic mobility (Bird, 2007).

If we look at the evidence provide above we see that differential access to and control of resources between women and men remains, and neither education, marriage nor migration for work ensure a route out of poverty (Seeley, 2008). Efforts to enhance gender equity across a range of dimensions will deliver improvements for women and girls, it will also ultimately improve the health, education and life chances of their children. So, in this section we outline – very briefly – a number of measures which may be effective in enhancing gender equity.

- **Address discrimination.** Favourable attitudinal changes (ranging from conscious encouragement of women’s autonomy to fighting social taboos and restrictive customs) can help to address pockets of ‘health-darkness’ and the modest pace of progress in reducing maternal and child malnutrition (Begum and Sen, 2005).
- **Improve women’s bargaining power** within the household by improving their income earning opportunities and access to assets such as land, capital and property (see “Securing and building poor people’s assets”, above). Greater involvement in decision making enhances women’s agency. It also has instrumental value through a positive impact on the nutrition, health care, and education of their children (Jones, et al., 2010 forthcoming).
- **Protect women’s property rights** (see “Securing and building poor people’s assets”, above)
- **Allow women to own land in their own right.** This supports women’s bargaining power within the household (see above); it enables women to borrow and invest and provides women with greater autonomy. Women’s control of assets is also associated with higher investments in children, with direct implications for the IGT of poverty.
- **Support co-registration of land (by both spouses)** (see see “Securing and building poor people’s assets”, above)
- **Reform marriage laws**, so that women can expect a share of assets and/or a flow of income on separation or divorce to reflect marital assets and to cover child-rearing costs.
- **Build girl’s human capital.** This benefits for the girl herself. It also benefits her future children. A study on Guatamala shows that the impact of maternal biological and intellectual human capital (nutrition and cognitive ability) has a stronger and more multi-dimensional impact on the women’s children than was previously thought (Behrman et all., 2010). Effective interventions to improve maternal biological and intellectual human capital are long-term, beginning in utero or in early childhood. Returns to the investment are realised over the longer-term (Behrman et all., 2010). Improving women’s human capital has important impacts on the human capital of the next generation and both their pre- and post-schooling intellectual capital formation is important, suggesting that opportunities to invest in the women’s human capital exists at different stages of their life course (ibid.).
- **Enhance girl’s access to education** through free primary education, bursaries for secondary education (with an aim to make secondary education free for all).
- **Provide teenage girls with nutritional supplements** (see 'Improving health and nutrition', above).
- **Provide tailored vocational training, skills development and livelihood promotion programmes for women** (Jones, et al., 2010 forthcoming).
• **Increase women’s knowledge about nutrition, hygiene and improved health care practices.** This benefits their families and can also strengthen female agency by supporting behavioural change and improved communication (Begum and Sen, 2005).

• **Improve women’s control over their own fertility** by providing advice and free or low cost contraceptives. This provides women with greater agency. Enabling child spacing also has the potential to improve maternal health, child health and the ability of mothers to both parent effectively and invest in their children, raising ‘child quality’ and reducing the intergenerational transmission of poverty.

• **Allow women to access credit and other financial services,** without the permission of their husband. This treats women as independent adults, with the normal economic rights of any adult. By doing so it returns a woman’s dignity to her. It also increases the likelihood that women will be able to save and invest increasing opportunities for livelihood diversification and enhanced productivity.

### 4.7. Social protection

Evidence shows that social protection interventions at critical stages in an individual’s life-course can have important implications for the IGT of poverty. Social protection aims to combine short-term livelihood protection with poverty reduction which is sufficiently long-term and sustained that it reduces the intergenerational transmission of poverty (OECD, 2009). Poor people in receipt of social protection may be less vulnerable, more able to save and accumulate assets and more able to invest with a predictable income ‘floor’. Cain (2009) suggests that this could be achieved through a package of predictable social protection composed of:

- Child support grants
- Disability grants
- Non-contributory pensions, often referred to as social pensions
- Unemployment/working age support
- Free access to healthcare services

Regular, predictable incomes allow households to maintain consumption, save, build assets and invest (including in human capital). The positive impact of these measures is derived from the way in which the different instruments interact with and support one another, so that the benefits are cumulative (Cain, 2009). See Table 2, below, which provides a summary of the way in which the instruments listed above work to address vulnerability to specific risks at different stages in the life-course, and across generations.

There is a large and growing body of evidence that child-oriented social transfer programmes increase the nutritional, health and educational status of children with long-term developmental benefits. Both conditional (e.g. in Brazil and Mexico) and unconditional cash transfers (e.g. the South African child support grant) demonstrate impressive human capital gains (ibid.). These are likely to have life-long implications and evidence suggests that recipients are more likely to escape the intergenerational transmission of poverty. The long-term impact of developmental gains in childhood are likely to result in large increases in adult earnings. In Malawi, child recipients of the Malawi Social Cash Transfer Scheme reported dramatic and widespread changes in their lives resulting from the cash transfer. They had better access to food, healthcare and medicine, school

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7 75% of the world’s women cannot currently get bank loans (Jones et al., 2010 forthcoming). In Uganda, female entrepreneurs face clear gender biases and receive just 1% of available credit in rural areas and female-headed households are unable to expand their agricultural activities due to lack of financial capital (ibid.).
supplies, clothing, blankets, housing, and livestock. They worked less, allocating more time to schooling. They also reported having better mental health and were more optimistic about the future. These changes all have the potential to interrupt the intergenerational cycle of poverty (Miller et al., 2009). In South Africa, the benefits will outstrip the investment by an estimated 160%-230% (Aguero et al., 2007 in Cain, 2009).

Table 2. Evidence of impact of different instruments across the life-cycle

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<th>Risk</th>
<th>Evidence of impact of different instruments across the life-cycle</th>
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| Hunger/ negative impact on child development       | • Social transfers improve nutritional status among both adults and children (Sridhar et al., 2006) and encourage food production while stabilising local demand for food and encouraging higher-risk/higher-return market enterprise.  
• There is evidence that spending on food is prioritised, including social pensions being spent on providing food to all members of the household (Samson et al., 2007).  
• Providing cash transfers direct to mothers is an effective strategy to improve child nutrition (DFID, 2005).                                                                                   |
| Poor individual/ intergenerational health          | • Free access to health care have a positive impact on long term health of all household members, especially children. As life-long poverty and poor nutrition/diet leads to early ageing/frailty, access to free health care in old age is crucial to reduce disability and suffering from chronic illnesses.  
• Improvements in nutrition lead to immediate and intergenerational health improvements, e.g. improved maternal health, reduction in child malnourishment and stunting with positive impact across the life-cycle.  
• Improved education of girls as a result of families being enabled to invest in education also has positive impacts for future health and well-being.  
• Social protection instruments which provide free access to ART can keep mothers alive and improve child health/ well being as well as contributing to reduction of mother to child transmission.  
• Access to health services for older people and provision of medication for ageing related health problems enable older people to remain active and contributing to households income / needs.                                                                 |
| Exclusion from education contributing to poverty across life-cycle | • Regular and predictable household income through cash transfers supports parents and carers to make a long term investment in their children’s education.  
• Reduced pressure on children to contribute to household income through work enables them to attend school regularly.  
• Learning benefits accrue from improved child nutrition (see above).  
• Cash transfer schemes can increase school attendance as carers tend to prioritise spending on children’s education. In Namibia a significant proportion of old age pensions is spent on children’s education (Devereux, 2001).                                                                 |
| Risks relating to employment                        | • Improvements in child health and education improve future opportunities for employment.  
• There is some evidence that the Social Cash Transfer Scheme in Malawi has reduced the need for female and child headed households to resort to ‘risky behaviour’ (i.e. transactional sex) to survive (Schubert and Huijbregts, 2006). |
| Discrimination and dis-empowerment | • Regular income through cash transfers and the knowledge that social assistance/access to services are received as a right can improve dignity, self-worth and status within the community among those who tend to be socially excluded, e.g. older widows – with long term impact on their dependents.
• Legislation to tackle discrimination as part of a comprehensive social protection programme can have positive impact on empowerment and status of socially excluded groups such as disabled people (e.g. disability rights legislation) and women (e.g. inheritance and land ownership).
• Women and girls are disproportionately represented among the most excluded: cash transfers such as child support grants made direct to women can increase their status and bargaining power, while increased opportunity for girls to access education can bring gender equity benefits across the life-cycle. |

Source: Cain, 2009.

This outlines an ambitious policy agenda which may feel beyond the reach of any developing country. However, policy makers and practitioners would do well to note that it is less costly and more effective to intervene to interrupt poverty early in an individual’s life than later. In addition, such early life interventions tend to have beneficial multiplier effects. So, for example improving the nutrition and education of a young girl will increase her life-long earnings, reducing the likelihood that she and her family will be poor. It will improve her long-run health and well-being and increase the likelihood that her children will be both educated and prosperous, helping to interrupt the cycle of poverty.
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