





# Getting to zero

## Policies against Chronic Poverty

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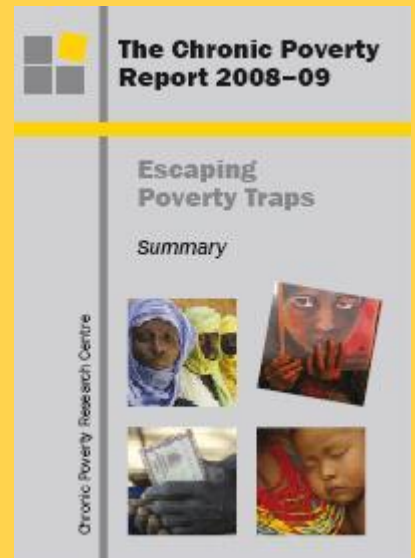
Andrew Shepherd – Director, Chronic Poverty Advisory Network



# Presentation Outline

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- What is chronic poverty and why are poverty dynamics important?
- The policy agenda:
  - social protection
  - pro-poorest growth,
  - human development for the hard to reach
  - Transformative social change
  - Politics, sequences and combinations
- Implications for the post 2015 development framework
- From 2008/9 Chronic Poverty Report
  - Poverty eradication central
  - Access to social protection for poorest and vulnerable
  - Universal post-primary education

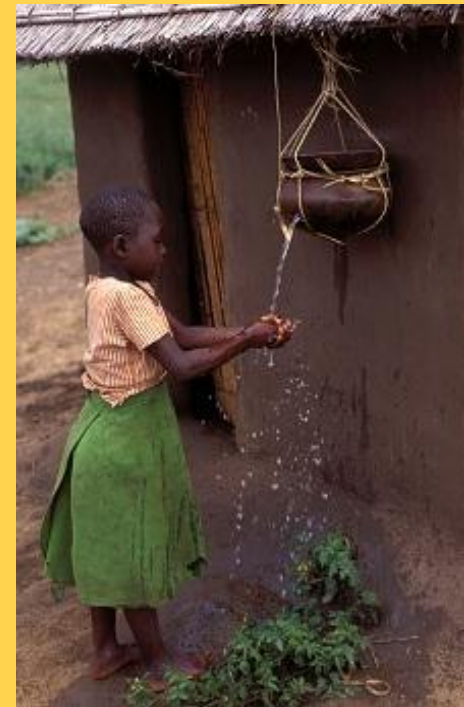




# Chronic Poverty and Poverty Dynamics

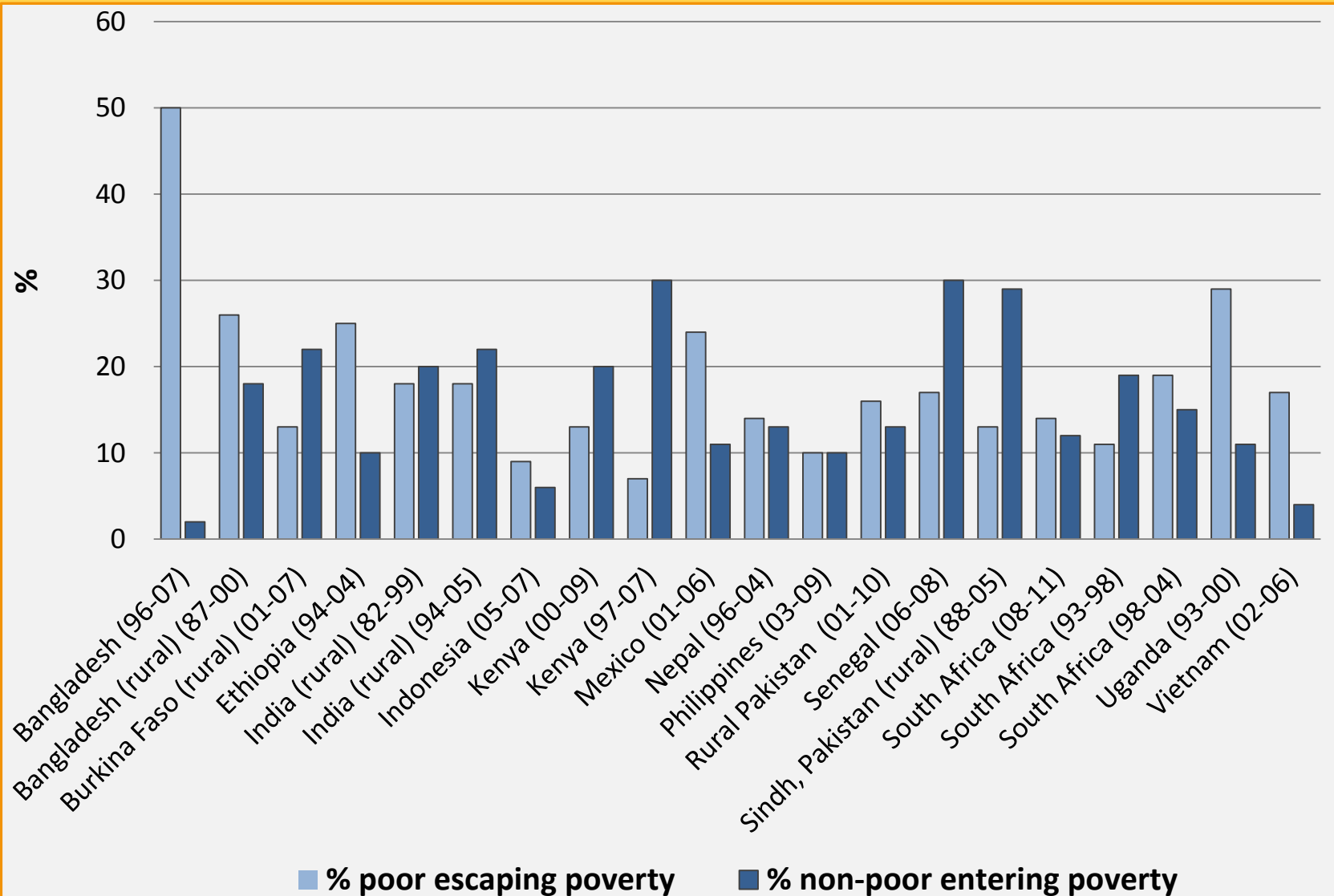
- What is chronic poverty?
  - Up to ½ a billion people are chronically poor – poor for many years, a lifetime, and/or transmit poverty to the next generation
  - Severely poor are usually chronically poor, but not vice versa
- Why are poverty dynamics important?
  - Impoverishment often cancels out progress
  - Health shocks most important in pushing people into poverty
  - Different policies for different trajectories

Targets/indicators focus on bottom 5/10/20%, compared to average





# Impoverishment can Cancel Escapes





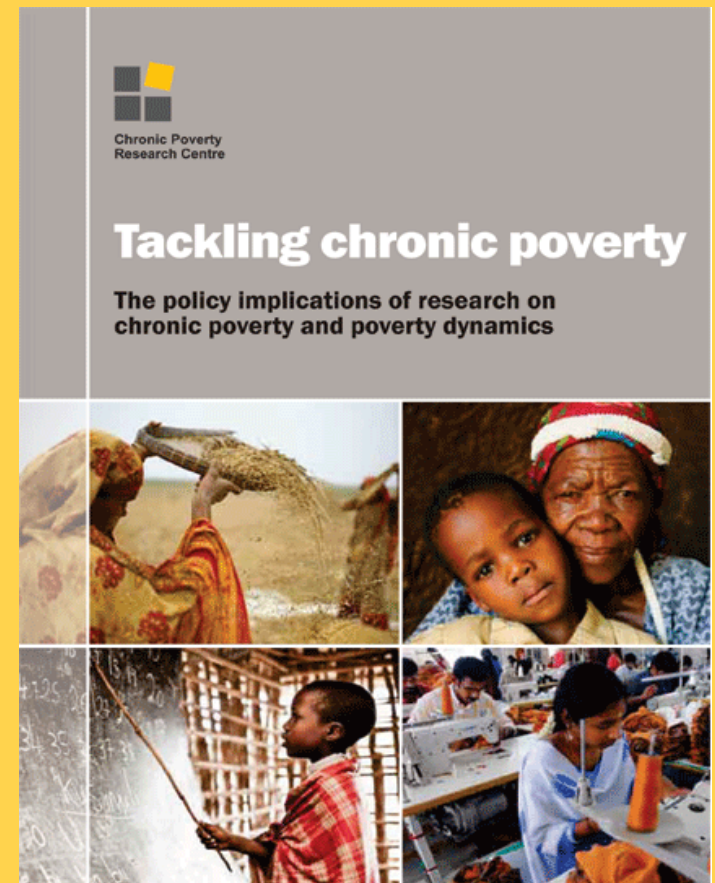
# Tackling Chronic Poverty

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Tackling Chronic Poverty: spells out a generic policy agenda for robustly addressing chronic poverty, supporting escape, preventing impoverishment

- Social protection
- Pro-poorest growth
- Human development for the hard to reach
- Transformative social change

Policy and political contexts vary: national vision and targets



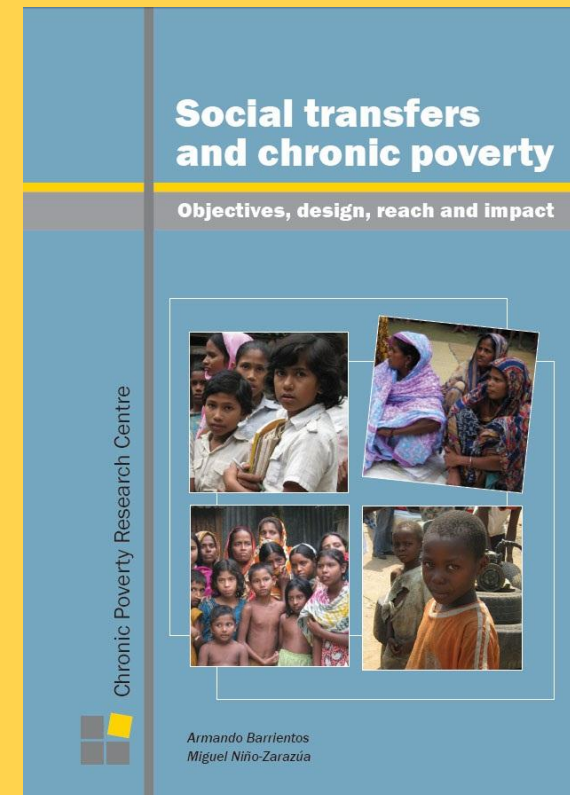


# Social Protection

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- Typology of social assistance programmes:
  - Income transfers
  - Income transfers + human, financial, physical assets promote long term human development, protect assets and facilitate asset building
  - Integrated poverty reduction
- Nearly 900 million people covered
- Targeting severely poor is a good starting point
- Good evidence on health and schooling impacts
  - Protection; promotion
- Systems are critical to building confidence

Implications for post 2015: systems target universal coverage by social assistance, poorest first, extend to vulnerable





# Pro-poorest Growth

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- Tackling chronic poverty agenda:
  - Pattern of growth important (industrial policy)
  - Generational and regional distribution of growth
  - Taxable growth
  - Quality of jobs to raise households out of poverty
  - Post-conflict economic growth as the basis for new (selective) social contract
- CPAN policy guides:
  - Employment
  - Agriculture
  - Energy
  
  - Education...





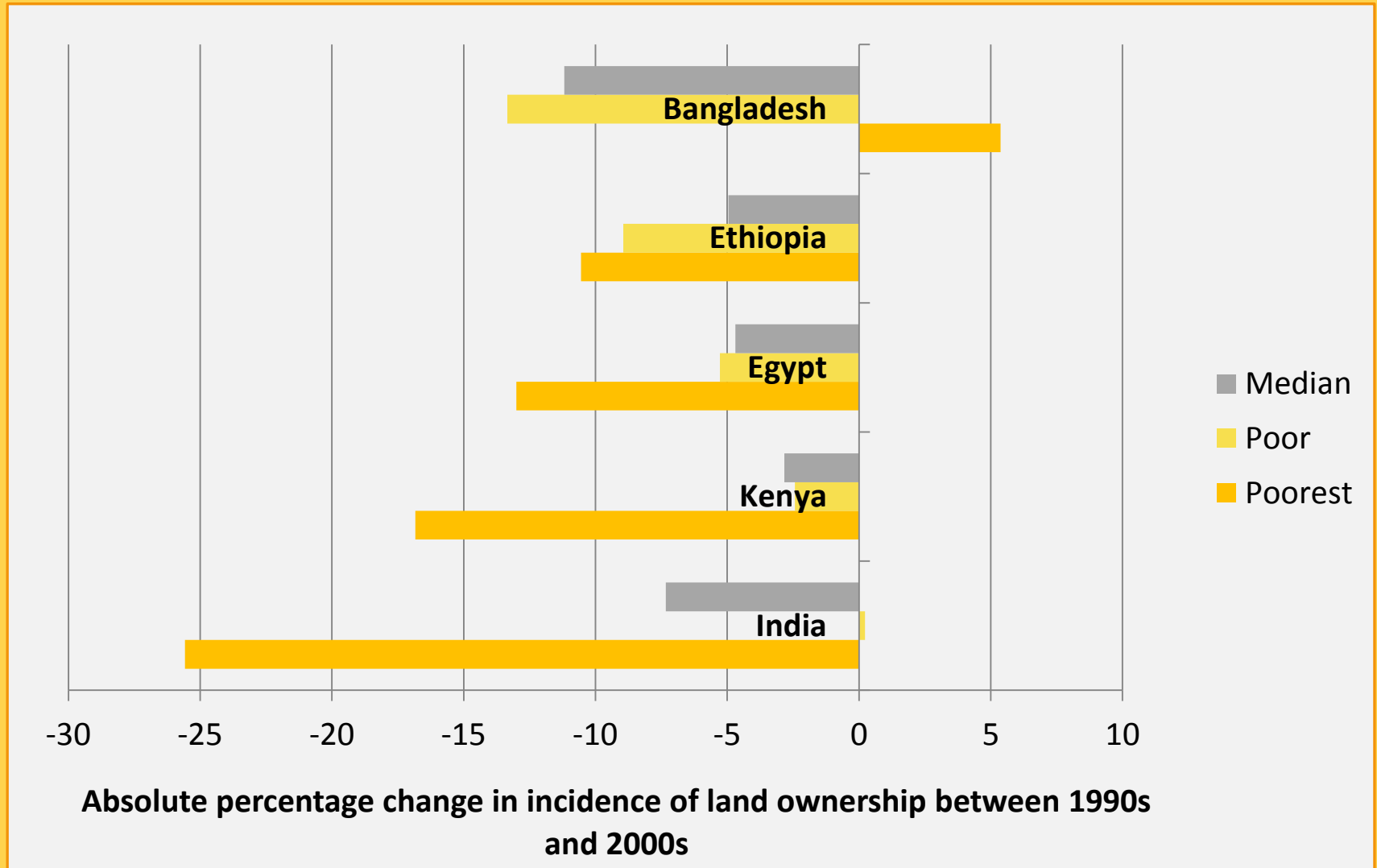
# Pro-poorest Growth & the post 2015 agenda

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- Employment
  - Incremental application of protective laws &/or voluntary codes
  - Create supportive environment for internal migrants
  - Implications for post 2015: extension of protection to poorest, informally employed (eg agricultural, construction, domestic workers). Include labour contractors, casual labour
    - Indicator: % of informal workers on minimum wage/accessing social security
- Agriculture: assets/markets and labour
  - Assets – land, livestock, soil and water conservation
  - Markets – fair returns to labour
    - Targets/indicators: land tenure security; % small farms covered by SWC measures, by fair price schemes
- Energy
  - Assets again – energy using equipment
  - Financial support for up front costs
    - Target/indicator: coverage of poorest 5/10/20 %
  - Reliable supplies including remote regions – renewables (target)



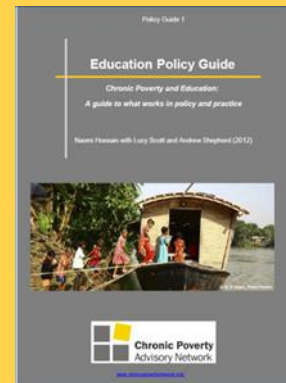
# Changes in Land Assets





# Human development for the hard to reach: CPAN Education Policy Guide

- Education reaching the poorest associated with faster more equitable growth, more inclusive and cohesive societies
- Build a new consensus around a life cycle approach to education
  - Pre-school: early childhood care and development
  - Transfers to carry poor children right through, and/or free universal education to 9+ years
  - Quality improvements – especially teachers
  - Tackle constraints to poor girls' learning
  - Inclusive education
  - Second chance programmes
  - Skills development linked to employment/employers
- Making school governance accountable to parents and communities takes time
- Post-2105 implications: measures to increase poor children's demand for education. Target: increase demand in bottom 5/10/20%





# Transformative Social Change

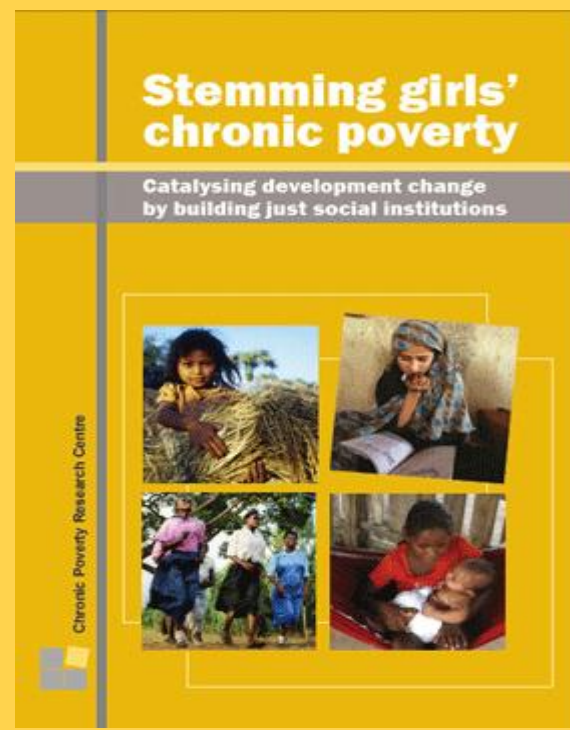
‘Good society’ to challenge the discrimination, limited rights and citizenship, poor working opportunities which prevent the poorest escaping poverty

- Policy levers: Tackle discriminatory social institutions; strategic urbanisation and support for migration; equitable demographic transition; space for social movements

Tackling girls’ chronic poverty:

- legal provisions
- rights to be heard
- strengthen services across geographical, age and gender specific barriers
- support access to resources
- promote physical integrity and control over bodies

Post-2015 implications: anti-discrimination; SRH...





# Lessons from successful MICs

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## 1 Three types of political regime which work for the chronically poor:

- the Latin American social democratic redistributionist model (Brazil, Ecuador, possibly Nicaragua);
- the East Asian elite led growth with education model (South Korea, Taiwan, China, Vietnam);
- and a populist 'third way' combining elements of both (Cape Verde since 1991, Tunisia pre-Arab Spring, Thailand in the 2000s).

## 2 Substantial investment in universal post-basic education critical across all successes, with measures to include the hard to reach, from as early in the process as possible

- Leaving the health and social protection investments till 'later' (Asian growth model) does not deal well with impoverishment
- Countries escaping LDC economic vulnerability should be able to make a start
- Role for development co-operation



# A dynamic post 2015 goal: eradicate extreme poverty

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**Target 1B:** Improve the quality of escapes from absolute poverty

**Target 1A:** Promote escape from absolute poverty

**Target 2:** Stop descent into absolute poverty

Extreme Poverty Line

**Target 3:** Reform institutions, eliminate social discrimination and norms which maintain people in poverty





The role of the Chronic Poverty Advisory Network (CPAN) is to increase awareness of chronic poverty, ensuring that chronically poor people are not forgotten by policy makers, and to use evidence to improve the effectiveness of policies and programmes at reducing chronic poverty.

The views presented here are those of the speaker, and do not necessarily represent the views of ODI or our partners.

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