



Chronic Poverty
Research Centre

The Chronic Poverty Report 2008-09

Escaping Poverty Traps





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Who are we?





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Chronic Poverty Report 2008/09

**Aimed at national-level
policymakers**

**Offers solutions to five
chronic poverty traps**



**The Chronic Poverty
Report 2008–09**

**Escaping
Poverty Traps**

Summary



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Why is tackling chronic poverty important?



Giacomo Pirozzi/Panos

What about the other half?

Increasing incidence of chronic poverty: more than 440 million people

It's about multi-dimensional deprivation



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Why tackle chronic poverty now?



Dermot Tatlow/Panos

Long term effects of poverty traps

Climate change

Demographic window of opportunity

Fairness and justice



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What are the five chronic poverty traps?





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Chronic poverty traps

1. **Insecurity and poor health** – chronically poor people live in insecure environments, have few assets or entitlements, and limited capacity to cope with shocks and stresses
2. **Limited citizenship** – chronically poor people have no meaningful political voice. Their basic needs and rights unrecognised by their societies and governments
3. **Spatial disadvantage** – chronically poor people live in areas (both rural and urban) characterised by remoteness, certain types of natural resource base, political exclusion, weak economic integration



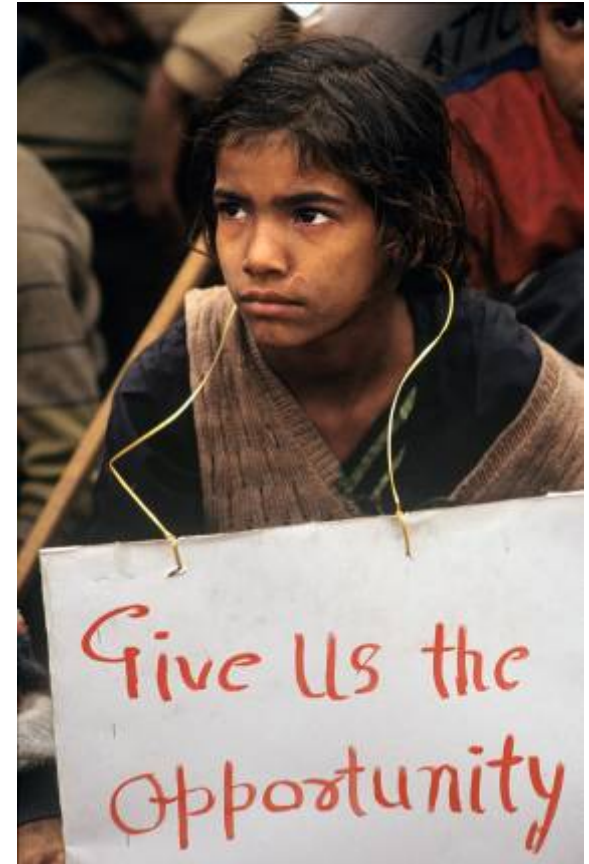
Sven Torfin/Panos



Chronic poverty traps (cont.)

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4. **Social discrimination** – chronically poor people experience social relations (based on class and caste systems, gender, religious and ethnic identity, age and other factors) that trap them in exploitative relationships or deny them access to public and private goods and services.
5. **Poor work opportunities** – where there is limited economic growth, or where growth is concentrated in enclaves, work opportunities are very limited and people can be exploited. Such work permits day-to-day survival but does not permit asset accumulation and children's education.

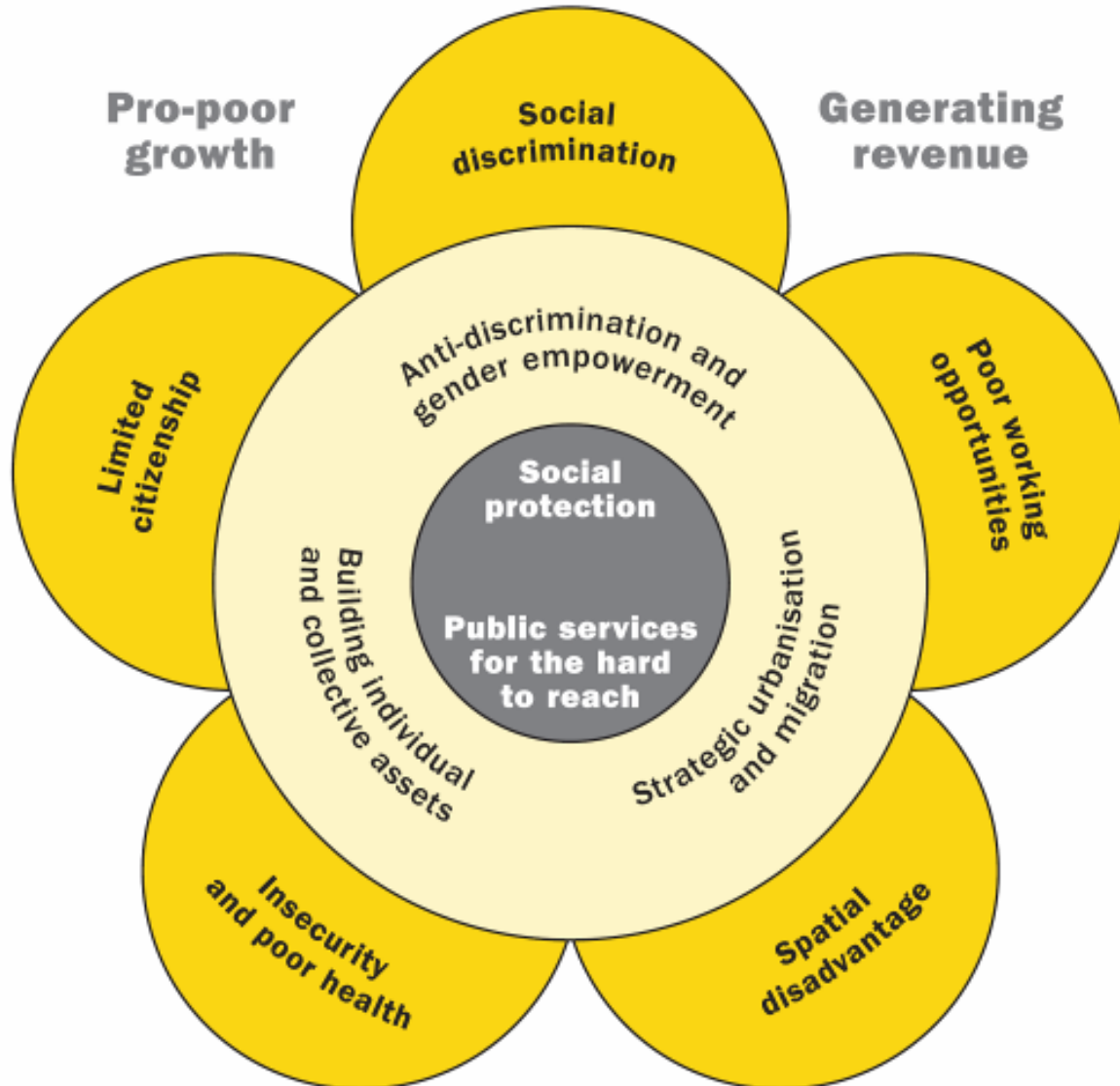


Paul Smith/Panos



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What are the solutions?





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Policy response is more than the sum of its parts...



Crispin Hughes/Panos

Builds a *social compact* between the state and its people

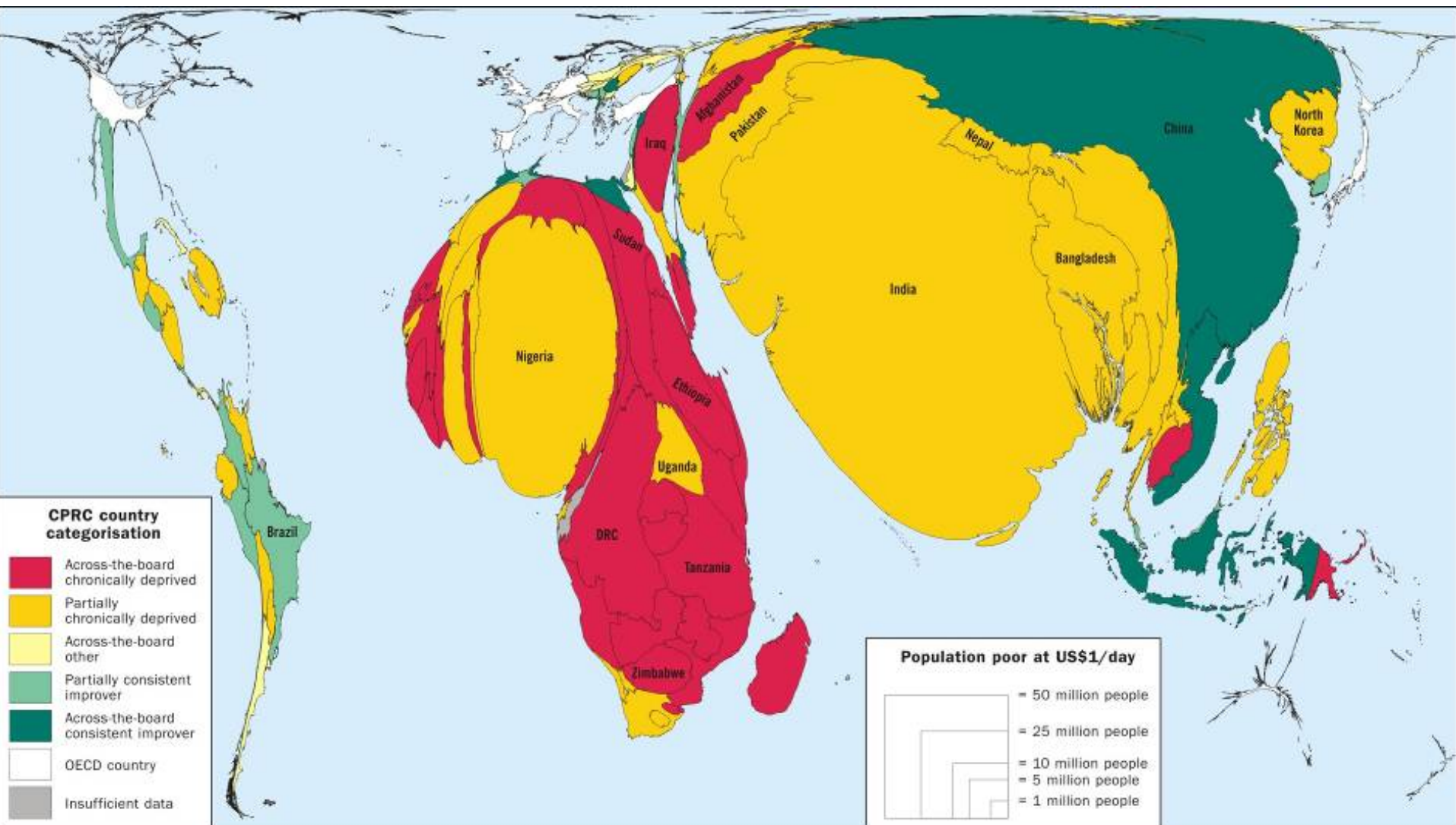
Primary function of the state is to reduce individual risk

Policies reduce risks in return for commitment and revenue (through taxation)



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Tailoring policy responses to country context





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What are the policy and political challenges?



Ami Vitale/Panos

Need to get the politics right

Vital role for social movements

How to mobilise pro-poor elites and middle classes?

Introducing social protection policies can be part of engineering pro-poor political constituencies



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Addressing insecurity through social protection

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



Sean Sutton/MAG/Panos

- Can protect poor and chronically poor people from shocks, and allow them to reduce their extreme vulnerability.
- Can help them conserve and accumulate assets, promoting their livelihoods, and protect the human capital status (health, nutrition and education) of their children.
- Can transform their socioeconomic relationships and help construct a **social compact** to further improve their longer-term livelihood prospects.
- May also play a role in stimulating pro-poorest growth, through a range of pathways.



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What should happen now?

Poverty Reduction Strategies should remain a vital tool, but a third generation of PRSPs need to:

- Shift from being donor-owned documents, to being embedded in national societies and polities;
- Be based on national political projects
- Open up formal and informal spaces and networks for the voices of the poor



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What should happen now?

The *Millennium Development Goals* need extending beyond 2015

- Goal of extreme poverty elimination by 2025
- Renewed attempt at a global partnership for poverty reduction linked to managing global climate change

A **Global Social Protection Strategy** must be put in place by 2010

- Goal of access to basic social protection for all poor and vulnerable people by 2020



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www.chronicpoverty.org



Abbie Traylor-Smith/Panos