

Chronic poverty: a way out of the trap

Ursula Grant

Between 300 and 420 million people are presently trapped in chronic poverty. They have experienced deprivation over many years, many of them for their entire lives. Their legacy to their children is likely to be lives of similar poverty. This is the estimate of the **Chronic Poverty Report 2004/05** launched at the House of Commons in May 2004 by Hilary Benn, Secretary of State for International Development, and Gordon Brown, Chancellor of the Exchequer.



The Chronic Poverty Report 2004-05 was launched on the 12 May at the House of Commons, by Hilary Benn and Gordon Brown (left to right: Aasha Kapur Mehta, Charles Lwanga Ntale, Hilary Benn, Gordon Brown and David Hulme)

The report pulls together three years of work within the Chronic Poverty Research Centre and sets a bench mark for subsequent work. The Chronic Poverty Research Centre is directed from University of Manchester, with Andrew Shepherd as Deputy Director, at ODI. CPRC partners are based in Bangladesh, Kenya, India, South Africa, Uganda and UK.

Chronic poverty is not simply about having a low income. It is about multi-dimensional deprivation: being hungry, being poorly nourished, having access only to dirty drinking water, not being literate, having no access to health services and being socially isolated and often economically exploited.

The report shows that the long-term poor are not a homogeneous group, but include many different types of people such as those who are discriminated against or stigmatised, or simply invisible to their neighbours and outside agencies. Others may be socially marginalised because of ethnicity, gender or religion. They may be nomadic or members of indigenous groups or castes that suffer low status. Across the developing world, migrants and bonded labourers and tens of millions of refugees and those displaced within national boundaries are also vulnerable to chronic poverty, as are disabled people and those with severe health problems, notably, in recent years, those affected by HIV/AIDS.

The chronically poor live in all world regions but are concentrated in certain places. South Asia has the largest number – estimated to be between 135 and 190 million people. However, the highest incidence of chronic poverty is found in sub-Saharan Africa, where 30-40 per cent of all those living on US\$1/day or less are both extremely poor and are trapped in poverty. They number an estimated 90-120 million.

Why are so many millions unable to climb out of poverty? Sometimes the causes of chronic poverty are the same as those of transitory poverty, just more intensely experienced, affecting a larger number of people and lasting longer. In other cases, there is a qualitative difference. Chronic poverty seldom results from one clear cause. Rather, it tends to follow an accumulation of events or influences operating at different levels from the household to the global.

The Chronic Poverty Report highlights the factors that help trap communities, families and individuals:

- Economic stagnation, low or narrowly based growth.
- Social exclusion and adverse incorporation – people are often discriminated against and stigmatised, and then forced to engage in economic activities and social

ODI OPINIONS are signed opinion pieces by ODI researchers on current development and humanitarian topics.

The views expressed are those of the author and do not commit the Institute.

ODI OPINIONS may be cited or reproduced with due acknowledgement.

For further information contact ODI Public Affairs office on +44 (0)20 7922 0394 – opinions@odi.org.uk

relations that keep them poor (poorly paid and insecure work; minimal access to social protection and basic services; dependent upon patrons).

- High levels of deprivation, particularly during childhood.
- Spatial chronic poverty traps – poor and disadvantaged agro-ecological areas, where there are low resources, weak economic integration with the national economy, and commonly social exclusion, and political marginalisation, creating log jams of disadvantage.
- Governance failures, particularly problems associated with conflict and ‘weak’, ‘failing’ or ‘failed’ states where economic opportunities are few, health and education and social protection services are usually not available and people can easily fall into desperate poverty.
- International factors, including failed and limited international cooperation for poverty reduction.

Some chronically poor people are born into long-term deprivation; but many slide into poverty after a shock or a series of shocks from which they are unable to recover. These might include ill-health or injury, environmental shocks, natural disasters, violence, the breakdown of law and order, and market and economic collapse. When such shocks are severe or repeated (or both), those who have neither private assets to fall back on nor collective or institutional support structures they can rely on, may slide into irreversible poverty.

The Chronic Poverty Report argues that although many policies aimed at the poor can equally benefit the chronically poor, there is a particular need to focus on the needs of the latter.

Government and international development policies need to place greater emphasis on preventing and mitigating the shocks and insecurities that create and maintain chronic poverty. Chronically poor people not only need opportunities to improve their situation, they also need targeted support and protection, and they need political action that directly addresses the social exclusion they



Children, Kisoro District, Uganda (© Kate Bird)

often face. Social protection policies may well demand greater attention and more resources.

The rhetoric of ‘empowerment’, ‘participatory approaches’, and of decentralisation and human rights, needs to give way to more difficult political questions of how to challenge the different layers of discrimination that keep people trapped in poverty.

The chronically poor are often perceived in the popular imagination as dependent and passive, a prejudice that has had an influence on development policy. However, nothing could be further from the truth. Most people in chronic poverty are striving to improve their livelihood and the prospects for their children. They do it in circumstances that they have not chosen. Supporting their efforts to attain their rights and overcome the obstacles that presently trap them in poverty requires a level of commitment from those who seek to help, matched by action and resources.

Such poverty cannot be tackled without actual transfer of resources and predictable financial support. If we intend to attempt such a task, then we must first challenge the political indifference of many governments to meeting their national and international obligations on poverty eradication.

www.chronicpoverty.org