

# Staying Poor: Chronic Poverty and Development Policy

April 2003, Major International Conference: press release

## Why do people stay poor?

Hundreds of millions of people will live poor and die poor. They will pass on their poverty to the next generation. Their numbers are uncounted and their needs unattended to.

300 policy makers, researchers and NGOs will meet in Manchester from 7 - 9 April for a major international conference: Staying Poor: Chronic Poverty and Development Policy hosted by the Chronic Poverty Research Centre.

The meeting will bring high level representatives of government such as Gerald Ssendaula, Minister of Finance in Uganda and Pronab Sen, head of India's powerful Planning Commission, together with NGOs and researchers working with chronically poor people at grass roots level.

It is individuals who experience the deprivations of poverty - not countries or regions. David Hulme, Director of the Chronic Poverty Research Centre, has worked with a chronically poor household in Bangladesh. In the early 1990s, Maymana and her husband Hafeez had three children, three rickshaws and an acre of paddy land - in other words a secure income and some assets to fall back on. The girls married, but Maymana and her son were driven into chronic poverty when her husband Hafeez became ill and died.

*"While Hafeez was ill the family had to pay for medical expenses and better food. When he died, they not only lost the breadwinner but their land was seized by Maymana's father-in-law. Maymana sees this as an act of God. At the Chronic Poverty Research Centre we see it as a failure of healthcare provision, a lack of social safety nets, a weak labour market and institutions that fail to protect the rights of the most vulnerable - in other words, something can be done about it"*

People affected by Chronic Poverty live in many situations: in remote rural areas or urban ghettos. Many are older or disabled or marginalised through caste, ethnicity or social status. Such people are, literally, the uncounted - left out of censuses and surveys and invisible to policy makers.

The Millennium Development Goals, endorsed by most nations in 2000, made global commitments to halve the proportion of people in poverty by 2015. Most policies designed to achieve the goals rely on poor people taking up the opportunities of a global market. But many people face so many barriers that opportunity based policies alone will never enable them to escape from chronic poverty. The chronically poor need different policies. As Hulme says

"While earlier ages sought to help the 'deserving poor' the contemporary focus is on the 'easy to assist poor'. Of course it makes sense to target those who are 'easy to assist', but we can't wait until 2015 before planning to meet the needs of families entrenched in poverty from one generation to the next."

**Conference Speakers include:**

**Gerald Ssendaula, Minister of Finance, Uganda**

Ssendaula will argue that governments must prioritise improving the conditions of chronically poor people through effective social safety nets, free education and pro-poor growth.

**Pronab Sen, Chief, Planning Commission India**

Sen will examine how successful India has been in improving the condition of its chronically poor. While progress has been made in reducing the poverty of the scheduled castes, the scheduled tribes still languish in extreme poverty.

**Ravi Kanbur T. H. Lee Professor of World Affairs and Professor of Economics at Cornell University; formerly Principal Adviser to the Chief Economist of the World Bank.**

Kanbur will speak on poverty and death. The way that poverty is measured is by taking those who are currently alive. When a poor person dies, that, according to our current measurement systems, reduces poverty. Kanbur will argue that "It would be a monstrous assault on our fundamental intuitions if these deaths were not recorded on the negative side the ledger in any sort of social assessment".

**Martin Ravallion, Head of Research at the World Bank.**

Ravallion will address the conventional wisdom that sees income transfers to the poor and safety net policies more generally as, at best, a short term palliative and at worst a waste of money. He will point to a number of success stories in safety net policies and areas where publicly provided social protection can be good for pro-poor growth.

Other speakers on this theme are Dr Guy Standing, Director of the Socio-Economic Security programme of the International Labour Organisation (ILO) who will speak on basic income security as a right and Professor Francie Lund from Natal University who will talk about the development impact of the basic pension in South Africa.

**Janice Perlman, Trinity College, Hartford Connecticut**

Perlman has followed the livelihoods and experience of 750 individuals and households in fishing villages and squatter settlements in Rio de Janeiro from 1969 to 2002. She reports on the realities of their experiences against prevailing myths, described as "empirically false, analytically misleading and insidious in their policy implications"

**Binayak Sen, Bangladesh Institute of Development Studies**

Sen will address the situation of the chronically poor in Bangladesh. Whereas the country as a whole has seen dramatic improvements in levels of poverty over the past ten years, this has resulted in little benefit for the 20 - 25% of the population who remain in chronic poverty.

**Cobus de Swardt, CPRC Western Cape University**

De Swardt will report on research by CPRC in South Africa in an area of Cape Town with over three quarters of a million inhabitants highlighting the long term impoverishment of large communities where half the households suffer from food shortages and a third have seen the major breadwinner lose their job in the last year. De Swardt looks at the impact of the Universal Basic Income Grant proposed in South Africa. This would reduce the percentage of households below the poverty line by 17% and has the potential to triple the income of the poorest households.

**Selim Jahan, United Nations Development Programme (UNDP)**

Jahan will talk about the issues and prospects for financing for the Millennium Development Goals and beyond.

**Lloyd Sachikonye Institute of Development Studies, University of Zimbabwe**

Sachikonye will speak on the impact of Zimbabwe's land reforms on farm workers. The mixed outcome of the reforms has been that farmworkers face prolonged and severe poverty. They have lost jobs, access to housing, social services, health care and schools. At the same time small farmers and black commercial farmers have acquired land. The marginalisation of the farmworkers has profound social consequences.