
Ending Chronic Poverty by 2030: What is Required for Implementation?

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Do we ‘still’ have 15 years to 2030? No. We have ‘only’ 15 years. In order to eliminate extreme poverty, we need to take immediate actions to tackle chronic poverty. What are the potential challenges? How can they be overcome?

For the past decade, policy makers and researchers have paid great attention to pro-poor growth, focusing in particular on what types of growth would decrease poverty. With the post-2015 era approaching and with smaller poverty headcounts compared to the past, debates surrounding poverty have started seriously considering the elimination of extreme poverty in the coming decades, rather than just its decrease.

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The paradigm shift from reduction to elimination requires future growth to be aware of whose poverty counts. High growth and consumption increases are likely to benefit many of the poor, but what of the chronic poor who structurally remain in long-term poverty. The chronic poor are chronically poor because they could not benefit enough from the past growth. We need to think about specific measures that aim to remove their structural constraints. The latest Chronic Poverty Report calls for the implementation of a comprehensive set of protective and preventative measures for those living in chronic poverty, or those moving in and out of poverty over time.

Implementation is a key. At the country level, it is necessary to understand how many people are chronically poor, what their characteristics are, how they would be targeted, and what sort of measure they need. The answers must be realistic and practical. We do not have much time left. Getting zero poverty by 2030 requires immediate actions now that provide adequate environment for all the children living in long-term poverty to have good health and education, so that they will have income generation capacity to feed their families in 15 years' time.

For implementation, data is another challenge. The use of panel data is certainly useful to estimate chronic poverty. However, most developing countries cannot rely on panel data as they simply do not have one to estimate a national figure. The reality is without panel data they often need to fight chronic poverty. In such case, only measure left for policy makers is

to use existing sources to identify those kept in a vicious cycle of poverty.

In my recent research, I attempted to estimate a chronic poverty incidence and characteristics in rural Cambodia without panel data. Applying a blend of nationally representative qualitative (participatory poverty assessment) and quantitative sources (household survey), I primarily estimated chronic poverty headcount rates, based on multidimensional criteria defined by the poor.

Surprisingly, despite the excellent progress in economic development and the significant drop in consumption poverty by 40 percent, the chronic poverty headcount ratio little improved from 11 percent between 2004 and 2010. The result implies that rapid economic growth has successfully raised the consumption of chronically poor households but done little to help them accumulate productive assets and human capital to break a vicious cycle of poverty. Structural constraints are identified in their demographic and socioeconomic characteristics, including: limited asset ownership, low human development, female-heads of household, high child dependency, fewer economically active members, small household size and many young members.

From a policy perspective, one striking finding is that consumption measurements based on the current national poverty line cannot be used to identify a majority of the chronic poor. This is not merely a matter of different measurement applications

because the chronically poor identified in this study are just as deprived as the consumption-based poor in some other attributes like human development. The evidence suggests that poverty reduction programmes should take into consideration the multidimensional criteria identified here to avoid leaving the chronically poor behind in the country's development. This policy implication is particularly important for targeting mechanisms of social protection instruments implemented under the National Social Protection Strategy, which are key measures in ending poverty in Cambodia.

In the paper above, I demonstrated one practical way to better understand chronic poverty using widely available data, and illustrated characteristics that could be potential targeting criteria for social assistance and other targeted interventions. To design a tangible programme, development practitioners and policy makers will need such analysis, which does not require additional data collection, and begin interventions to combat chronic poverty sooner. We do not have much time left by 2030.

This post was written by Ippei Tsuruga and first appeared on The Povertist

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