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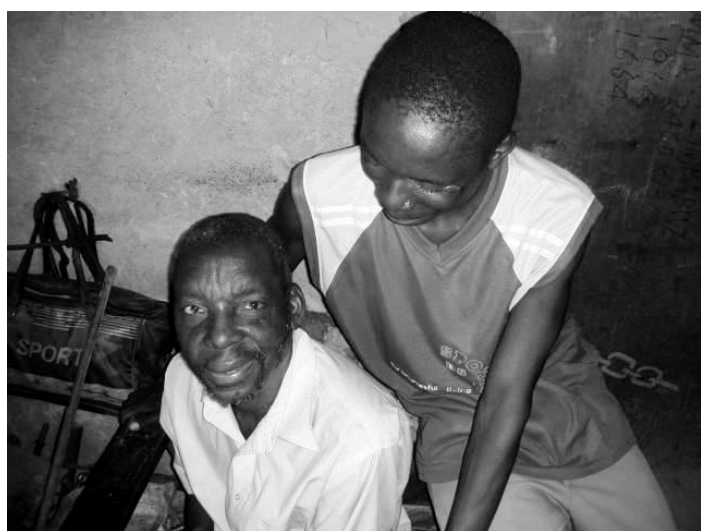
**Chronic Poverty  
Research Centre**

# Intergenerational Transmission of Poverty

# Research Brief

## INTRODUCING THE RESEARCH BRIEF

The Intergenerational Transmission of Poverty Theme at the Chronic Poverty Research Centre promotes research and discussion on the drivers, maintainers and interrupters of intergenerational and life-course poverty. This second Research Brief reviews the findings of several recently commissioned papers, drawing out their implications for understanding, explaining and developing policy against childhood, life-course and intergenerationally transmitted poverty. Details of these papers and where to find them on-line can be found at the end of this brief.



Looking after his stroke-affected father means that this young Zimbabwean man cannot go out to work or get married, affecting both his life chances and status within his community. © Kate Bird 2006.

assets to draw upon, they turn to their **social assets**, including networks of extended kin and community-based institutions, in order to cope and to protect investments in their children's education and health.

In her recent paper, Agnes Quisumbing develops a conceptual framework for understanding the role of transfers from parents to children of physical and human assets in the intergenerational transmission of poverty. She takes a life-course approach, noting,

Most of the decisions taken while children are young are related to investment in human capital—not only investment in schooling, but also in child health and nutrition. As children marry and form their own households, decisions are taken regarding transfers of assets that enable them to form a new productive and social unit. Finally, as parents age and die, decisions are taken regarding old age support and the transfer of remaining assets to children.

Four core assumptions act as building blocks to Quisumbing's framework: **preferences, returns, constraints** and **bargaining**. First, parents care about the well-being of their children, though this often varies across children based on gender, age and other factors. Second, parents take into account the extent to which any investment will make both their children and themselves better-off in the future – expected returns in labour markets and marriage markets matter, as does the extent to which parents can expect to be supported in old age. Third, parents' ability to undertake investments in their children is constrained by the resources – money and time – available to them, the prices they face, and their ability to trade off present versus future resources. Fourth, parents may disagree about these decisions, so the capacity of an individual parent to make household decisions will also affect these investments. Each of these processes can both facilitate or act as a 'stumbling block' to effective and egalitarian intergenerational transfers; when resources are scarce, choices become stark.

Drawing on data from several developing countries, Quisumbing focuses on three key issues: (1) the role of **credit constraints** in preventing optimal investments in human capital and asset transfers; (2) the role of **gender differences** in schooling and assets in perpetuating unequal lifetime incomes of men and women; and (3) the role of the **marriage market and assortative matching** in perpetuating asset inequality across families and intergenerationally. 'Assortative matching' refers to an individual's characteristics, such as wealth or educational status, mattering in terms of the type of partner s/he marries, so that in order to gain a better match for their child (and potentially improve their own social networks), parents make strategic intergenerational transfers.

Quisumbing ends the paper with a discussion of the ways that **public policy** can help the poor to accumulate assets and transfer them to the next generation. These include:

- ▶ strengthened and transparent property rights and laws pertaining to inheritance and common property;
- ▶ mechanisms to reduce initial costs for acquiring capital, such as "sweat equity" (labour contributions) and group guarantees;

## THE ROLE OF ASSETS AND RESILIENCE IN INTERGENERATIONAL POVERTY

We know that an insufficient quantity and quality of **assets**, broadly defined, are a central means through which poverty persists throughout the life-course of an individual or household, and is 'transferred' from one generation to the other. Equally, we know that for poor people, interrupting inter- and intra-generational poverty is largely a matter of accessing more and better assets. For children and young people, this largely means investments made by, and transfers from, older generations.

It is crucial to build **human assets** (or 'capital') through adequate nutrition, and access to quality health care and education, especially during childhood. Access to productive **physical, natural and financial assets** is necessary for building livelihoods able to generate enough income and consumption goods to support a household sustainably. And when poor families experience shocks and downward trends, in the absence of other

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- ▶ expanded microsavings programmes;
- ▶ safety nets so that the poor can maintain their asset base after a negative shock;
- ▶ scholarship programmes and conditional cash or food transfers to increase school and clinic attendance, and improved, affordable and accessible service delivery, to enable poor people to invest in the next generation's human capital and promote gender equality.

Quisumbing focuses on human and physical capital because there is a relatively robust evidence base about these assets, as they are among the easiest to measure. At the same time, there are those poor people with insufficient access to assets—a child unable to attend school, for example, or living without the nurture and protection of a parent—who do better than others in similar situations, both in the short and longer term. They seem able to draw on other resources—from social networks, to community traditions, to 'inner strength' and 'self-esteem'—to moderate their poverty and improve, or at least not worsen, their well-being. It is clear that these other assets—social, cultural and 'psychological'—are also important in the generation, persistence and transmission of poverty. But because these are harder to observe, it is harder to 'pin down' their precise role.

The role of psychological assets is increasingly investigated through the lens of **resilience**. Within development studies, livelihoods approaches to poverty and wellbeing have traditionally defined resilience simply as the capacity to bounce back after a shock, particularly without having to deplete other assets with long-term negative effects—for example, being able to rebuild a house destroyed in a storm without having to pull children out of school to save the money required. But resilience also has socio-psychological dimensions, and social and developmental psychologists now suggest a nuanced definition: 'the manifestation of positive adaptation despite significant life adversity'.

Resilience here means that an individual appears able to 'deal with' adversity, and 'come through' – survive, adapt, or even prosper, despite the poor hand dealt to them. It is thus unsurprising that for scholars and practitioners concerned with interrupting childhood, life-course and intergenerational poverty, the concept of resilience has special appeal: resilience research seems to promise the discovery of those factors that enable individuals to triumph over risk, adversity and catastrophe.

Research on resilience among children and young people, almost completely in industrialised countries, has suggested a wide range of individual attributes and social contexts associated with resilience, which may help or hinder a child in overcoming early disadvantage. These factors appear to operate at both the individual level (e.g. cognitive abilities, self-perceptions, temperament) and at the level of relationships (e.g. parenting quality, close relationships with competent adults, connections to pro-social peers) and community resources (e.g. quality education, social and health services; neighbourhood quality). Indeed, rather than being an asset in itself, it seems that resilience results from access to a broad range of assets, and that access is in turn determined by structural forces, from community gender norms to the global political economy. Personal characteristics matter, but by no means determine outcomes for children living in poverty.

Jo Boyden and Elizabeth Cooper's paper challenges us to take an even more critical look at the concept of resilience, particularly in terms of its use to inform interventions in poor children's lives in developing countries. While they note the empirical and political value in recognizing families', communities', and particularly children's competencies, rather than only their deficits and vulnerability, they also note that the resilience discourse, in part

because of its tangled and positivistic disciplinary origins, tends to encourage academics and policy-makers alike to focus on the individual rather than the structural inequalities behind poverty. As such, they suggest retaining the focus on particular factors that moderate and mediate poverty experiences and outcomes, while relinquishing the metaphor of resilience as a red herring.

- Karen Moore



A young Bangladeshi mother and her child enjoy a sunny spring afternoon, in the company of her neighbour's geese and goslings. Having access to small and productive yet liquid assets such as these can help women cope with small shocks in order to keep their children nourished and in school. © Karen Moore 2006.

*In October 2006, CPRC held an internal workshop at the University of Manchester at which experts from a range of disciplines shared concepts and methods that can be useful for analysing poverty dynamics and chronic poverty. The papers on which the preceding note is based were first presented at this workshop. See [www.chronicpoverty.org/news\\_events/ConceptsWorkshop-Oct2006.htm](http://www.chronicpoverty.org/news_events/ConceptsWorkshop-Oct2006.htm) for other papers.*

### Contributors:

**Jo Boyden** is a social anthropologist with the Department of International Development at the University of Oxford. In recent years, she has undertaken extensive research on children's and adolescent's experiences of armed conflict and forced migration, with a focus on the development of theory and empirical evidence on risk, resilience and coping in childhood, young people's economic, political and social roles and responsibilities, and social and cultural constructions of childhood and youth. Since 2005, Jo has been the director of the Young Lives Project, a longitudinal study of childhood poverty in Ethiopia, India, Peru, and Vietnam.

**Elizabeth Cooper** is a postgraduate student at the Institute of Social and Cultural Anthropology at the University of Oxford. Her doctoral research focuses on experiences of children orphaned as a result of AIDS in western Kenya.

**Agnes Quisumbing** is Senior Research Fellow in the Food Consumption and Nutrition Division of the International Food Policy Research Institute (IFPRI). She co-leads a multi-country research programme on the factors that enable individuals, households and communities to move out of poverty over the long term, focussing on the role of shocks, interventions and changes in the broader policy environment. Agnes' research expertise include poverty, intra-household resource allocation, gender, property rights, economic mobility and development policy.



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## QUANTITATIVE METHODS FOR UNDERSTANDING INTERGENERATIONAL POVERTY

CPRC's Intergenerational Transmission of Poverty Theme has commissioned a set of methodological papers on empirical approaches to measuring and understanding intergenerational poverty transmissions, in order to inform our own ongoing primary Q<sup>2</sup> (integrated qualitative and quantitative) research. The first 'batch' focuses on quantitative methods, drawing on expertise from industrialised countries and suggesting what might be possible in the developing world.

What is clear from the papers is that robust quantitative data collection and analysis on intergenerational poverty is challenging in the most well-resourced contexts; in developing countries, the challenge is greater. However, it is a challenge that can be met, and one that is worth meeting. As Jere Behrman notes, it is

important for improving the basis for both predicting what is likely to happen regarding poverty and for understanding what impact various changes, including policy changes, might have on the trajectory of poverty.

Stephen Jenkins and Thomas Siedler set out several criteria that quantitative data need to meet to be suitable for the empirical analysis of the intergenerational transmission of poverty:

- ▶ availability of appropriate measures of well-being and poverty;
- ▶ availability of measures of other factors relevant to intergenerational poverty processes (e.g. parental education);
- ▶ ability to link data within families across generations, so that individual outcomes can be linked with family background;
- ▶ availability of a large, representative sample that remains so over time;
- ▶ availability of repeated observations on key variables (e.g. income) over time, to facilitate 'longitudinal averaging' to reduce the potential impact of measurement errors and transitory variation, and to enable researchers to investigate issues such as whether the timing of poverty during childhood matters.

Behrman's paper presents a formal model for analysing individual and familial decisions related to intergenerational poverty, and in doing so identifies a complete range of useful variables—e.g. capacities and endowments of the 'child' (human, physical, financial and 'genetic' assets), and the factors that determine and affect these—parental background; asset transfers and resource allocations at different points in the life-course; 'sharing rules' (distributional norms); and contexts of community, market and service (education, health) provision.

Jenkins and Siedler argue that household panel surveys can meet these data requirements relatively well. Examples from industrialised countries are presented, but the authors also suggest that Family Life Surveys from Indonesia, Malaysia and Mexico are among the developing country panel datasets that can be used to investigate intergenerational poverty. Other longitudinal study types, such as retrospective surveys, cohort panels, rotating panels and linked data from administrative records, are not generally in use in developing countries, but have strengths as well as weaknesses.

Expertise in statistical analysis is required to make sense of the data gathered, particularly to distinguish between correlation and causation. Jenkins and Siedler present a toolbox of statistical methods for analysts to employ, including parametric regression models with 'level', 'sibling difference' and 'instrumental variable' estimators; non-parametric bounds estimators; and propensity score matching methods.

The many challenges to robust longitudinal research include:

- ▶ **Attrition** (respondent drop-out over time), always a problem in longitudinal research, particularly with highly mobile populations and complex family and household structures. In order to maintain data representativeness over time, there need to be strict 'following rules' prescribing which members of the base sample are to be interviewed in successive rounds, and forward planning on how to keep in touch with these respondents.
- ▶ **Estimation issues** due to unobserved variables, measurement error and endogeneity. The papers suggest ideas on how to confront each of these through survey design and statistical methods. Having data about all siblings within a family, for example, in order to control for unobserved within-family factors that may affect outcomes is useful.

('Unobservable' genetic factors are becoming more measurable, although the financial and technical resources required likely will remain out of reach and ethically problematic.)

In their companion paper, Jenkins and Siedler review the evidence emerging from these methods and data on the links between parental poverty during childhood and later life outcomes in several industrialised countries. John Hobcraft's paper—commissioned as part of the 'Concepts and Methods' workshop mentioned above—does the same for on the intergenerational transmission of disadvantage in the United Kingdom, based on longitudinal studies of 1958 and 1970 birth cohorts. Although it is difficult to generalise over countries, variables and time periods, both papers find that growing up disadvantaged has a pervasive and deleterious influence on a wide range of adult disadvantages, and that this impact is not wholly explained by other factors themselves correlated with childhood poverty.

- Karen Moore

*Papers on qualitative methods, including family histories and the use of recall, are forthcoming. Also see Peter Davis' CPRC Working Paper #69 on life history approaches to life-course poverty.*

### Contributors:

**Jere R. Behrman** is the W. R. Kenan, Jr. Professor of Economics in the Department of Economics of the University of Pennsylvania. He has researched and written extensively on household economic and demographic behaviour, in both developing countries and the United States, making core contributions to understanding how a range of factors, including schooling, health, nutrition, family background, social networks, and policies, affect demographic and economic outcomes over the life course and across generations.

**John Hobcraft** is Professor of Social Policy and Demography in the Department of Social Policy and Social Work at the University of York. He has undertaken extensive policy-relevant research in the United Kingdom and internationally. His current research focuses on intergenerational and life-course pathways to adult social exclusion; reproductive and partnership behaviour; the role of gender and generations in behaviour; population policies, especially sexual and reproductive health and rights; and the interplay between genetic, evolutionary, mind, brain, and endocrinological pathways and behaviour.

**Stephen Jenkins** is Director of the Institute for Social and Economic Research (ISER) at the University of Essex. His extensive research has focussed on the applied microeconomics, measurement and policy implications of poverty dynamics, inequality and income mobility across generations, particularly in the United Kingdom and Europe.

**Thomas Siedler** is Senior Research Officer at ISER. He has recently been awarded a PhD for his work on the intergenerational links between parents and children using data from the German Socio-Economic Panel Study (SOEP).



## NOTICE BOARD

### Recent and forthcoming conferences and workshops

27 March 2007 – **Background and Opportunities – One Day of Discussion about Intergenerational Mobility.** The Department of Economics, University of Essex. Four presentations on intergenerational mobility in Europe. For further details, see [www.essex.ac.uk/economics/workshops/GBO/GBO-wkshp.shtm](http://www.essex.ac.uk/economics/workshops/GBO/GBO-wkshp.shtm).

16-17 May 2007 – **African Development and the Next Generation**, International Development Centre, Open University, Milton Keynes, UK. This conference examined the challenges for development in Africa from the perspective of the younger generations' place and potential role, raising key questions towards a research agenda. Themes included education and health, HIV/AIDS, governance and conflict, and economic development. For further details, see [www.open.ac.uk/idc/news/current/africandevconf.html](http://www.open.ac.uk/idc/news/current/africandevconf.html).

11-13 September 2007 – **Going for Growth? School, Community, Economy, Nation**, Examination Schools, University of Oxford, UK. Metaphors of growth have continually informed debates on the role of education in the development of children, schools, communities, economies and nations. The 9<sup>th</sup> UKFIET International Conference is an invitation to explore the educational implications of 'Going for Growth' in the contemporary world. Convened by the UK Forum for International Education and Training and managed by CfBT Education Trust. For further details see [www.cfbt.com/UKFIET/default.aspx](http://www.cfbt.com/UKFIET/default.aspx).

5-7 November 2007 – **Adolescent Poverty: Institutional Relations between Education, Poverty and Work**, Bergen, Norway. Workshop organized by CROP at the Norwegian Association for Development Research (NFU) conference 2007: **'Making Institutions Work for the Poor?'** Papers to focus on the institutional relations between education, work and poverty; their capacity to give young persons stable and respectable jobs with room for creativity and social mobility; the limitations of education institutions/systems, public policies and NGO-based education; and the role of teaching. For further details, see [www.cmi.no/nfu/2007/?workshops](http://www.cmi.no/nfu/2007/?workshops).

22-24 November 2007 – **VIII<sup>th</sup> International Conference on Asian Youth and Childhoods 2007**, Lucknow, India. The International Sociological Association's research committees on childhood and youth are jointly convening a conference with the goal to bring together a multi-disciplinary and internationally diverse network of scholars to advance the study of Asian youth and childhoods. For further details, see [www.ayc2007.com](http://www.ayc2007.com).

### New Course

**MA Children, Youth and International Development, Brunel University.** New for 2007. This course is intended to equip students with the conceptual understanding and breadth of empirical knowledge needed to critically evaluate policy and practice in the area of children, youth and development, and to provide the skills necessary to design and undertake research relating to children, youth and development. For further details, see [www.brunel.ac.uk/courses/pg/cdata/c/Children%2c+Youth+and+International+Development+MA+\(Approved+in+principle\)](http://www.brunel.ac.uk/courses/pg/cdata/c/Children%2c+Youth+and+International+Development+MA+(Approved+in+principle)).



Young children in rural Bangladesh mind the shop while the adults are busy elsewhere. While work can be a learning experience for children, and helping out can foster their sense of self-esteem, it can also disrupt their formal learning and, depending on the nature of the work, endanger their health during a developmentally sensitive period. © Karen Moore 2003.

## PUBLICATIONS

*Since our last newsletter, several papers with a focus on issues relating to the intergenerational transmission of poverty have been commissioned and published by CPRC.*

Baldwin Orero, M., Heime, C., Jarvis Cutler, S. and Mohaupt, S. (2006) *The impact of conflict on the intergenerational transmission of chronic poverty: An overview and annotated bibliography.* CPRC Working Paper 71/Annotated Bibliography 4. Available at: [www.chronicpoverty.org/resources/cp71.htm](http://www.chronicpoverty.org/resources/cp71.htm).

Boyden, J. with Cooper, E. (2007) *Questioning the Power of Resilience: Are Children Up To the Task of Disrupting the Transmission of Poverty?* CPRC Working Paper 73. Available at: [www.chronicpoverty.org/resources/cp73.htm](http://www.chronicpoverty.org/resources/cp73.htm).

Hobcraft, J. (2007) *Child development, the life course, and social exclusion: Are the frameworks used in the UK relevant for developing countries?* CPRC Working Paper 72. Available at: [www.chronicpoverty.org/resources/cp72.htm](http://www.chronicpoverty.org/resources/cp72.htm).

Jenkins, S. with Siedler, T. (2007) *Using household panel data to understand the intergenerational transmission of poverty.* CPRC Working Paper 74. Available at: [www.chronicpoverty.org/resources/cp74.htm](http://www.chronicpoverty.org/resources/cp74.htm).

Jenkins, S. with Siedler, T. (2007) *The intergenerational transmission of poverty in industrialized countries.* CPRC Working Paper 75. Available at: [www.chronicpoverty.org/resources/cp75.htm](http://www.chronicpoverty.org/resources/cp75.htm).

Quisumbing, A. (2007) *Investments, bequests, and public policy: intergenerational asset transfers and the escape from poverty.* Forthcoming as CPRC Working Paper; draft conference paper available at: [www.chronicpoverty.org/pdfs/2006ConceptsConferencePapers/Quisumbing-CPRC2006-Draft.pdf](http://www.chronicpoverty.org/pdfs/2006ConceptsConferencePapers/Quisumbing-CPRC2006-Draft.pdf).

**FOLLOWING UP** This **Research Brief** will be produced twice a year. Contributions are welcome. Please send your short opinion pieces, notices, comments and suggestions to [karen.moore@manchester.ac.uk](mailto:karen.moore@manchester.ac.uk). See [www.chronicpoverty.org](http://www.chronicpoverty.org) for copies of this Research Brief and other resources. To contact us, join the CPRC mailing list, or receive this newsletter by email or post, email us at [karen.moore@manchester.ac.uk](mailto:karen.moore@manchester.ac.uk).



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