chronicpoverty

Opportunity is not enough

The need to challenge conventional thinking and address the multidimensional nature of chronic poverty were recururring themes at the Staying Poor: chronic poverty and development policy conference, held in Manchester during April 2003.

Early research by CPRC suggests that between 300 and 425 million people globally are trapped in chronic poverty.

Chronic poverty is persistent. In many cases it is handed down from generation to generation. Whilst evidence from countries such as Uganda and India shows that the factors which contribute to chronic poverty are diverse, a common thread is multidimensionality. Individuals and families are not only income poor. Other factors, such as age, disability, remoteness or lack of assets make poverty intractable.

International efforts to achieve the Millennium Development Goals, and policies founded on broad based growth, offer scope to many people whose poverty is less embedded - the transient poor. But the clear message from speakers and papers at the Staying Poor conference was simple: **opportunity is not enough**.

Where people are burdened by multiple disadvantage, or where structures are such that people have no power or influence and negligible assets, opportunity based approaches are unlikely to match up to the need to tackle pervasive and persistent poverty.

The following pages outline some fresh evidence and challenging ideas:

- A rejection of the assumption that social transfers reduce incentive and undermine poverty reducing growth.
- The importance of rebalancing risk and responsibility for social protection in a globalised economy
- The need to reconsider sustainability and entertain the prospect of ongoing support for the poorest.

The Staying Poor conference was attended by 270 people from 37 countries. Participants included government ministers, academic researchers, NGO activists, aid agency and government officials. The wide range of papers produced for the conference can be found at www.chronicpoverty.org

Challenging thinking on transfers & safety nets Financing social assistance Globalisation: risks and responsibilities Research to policy - changing minds Delhi seminar on chronic poverty Millennium goals and chronic poverty Page 2 Page 3 Pages 4 & 5 Page 6 Page 7 Page 8











Chronic Poverty Research Centre

Rejecting conventional wisdom

'Income transfers to the poor, and safety net policies more generally, are at at best a shortterm palliative and at worst a waste of money'.

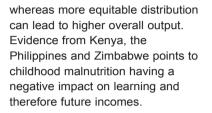
Arguing that conventional development policy wisdom, summarised above, deserves a 'confident rejection' in the light of emerging evidence, Martin Ravallion underlined two major themes of the Staying Poor Conference. The first is that tackling chronic poverty demands a preparedness to challenge habitual thinking. The second is that improved social protection for people in chronic poverty, can be both redistributive and a productive investment.

In his paper Targeted Transfers in Poor Countries: Revisiting the Trade-Offs and Policy Options, Ravallion examines critiques of payments to the poor that are provided to promote a measure of redistribution or social protection. Mainstream criticisms of transfers suggest that they reduce the incentive to work and save. This in turn reduces economic efficiency and the growth that is seen as essential to poverty reduction. But surveying recent evidence, Ravallion argues not only that limited redistribution can be achieved through carefully targeted payments, but that the assumed tradeoffs between equity and growth may have been overstated.

Inequality hampers growth

There is increasing evidence that growth (and the prospects for long term poverty reduction) can be held back by inequality.

• People cannot be productive unless their food intake is enough to ensure that they reach their basal metabolic rate (BMR). Where unequal distribution leaves many undernourished, there can be massive involuntary unemployment -



- · The absence of widely accessible credit means that some people are unable to invest in opportunities that can lead to increased growth and the higher the proportion of poor people, the lower the aggregate output.
- · Evidence from South Africa shows higher poverty and inequality leading to increased crime and therefore reduced efficiency.

The link between shocks and chronic poverty

Evidence shows that poor people have a high exposure to uninsured risk, and that in the absence of some form of insurance protection, a shock can result in people decending into a cycle of chronic poverty - or dynamic poverty trap - from which there is no escape.

Uninsured risk means that individuals can fall into chronic poverty as the result of a shock. But taken together, do the decisions poor people take to avoid risk hold back the growth that can reduce poverty?

The evidence on the impact of this aggregate uninsured risk is mixed. On the one hand, studies have shown households sticking to outmoded agricultural practices to avoid risk, or holding cattle that could be sold in

time of hardship rather risking in potentially more productive investments. Other evidence however

suggests that risk may not substantially jeapordise long term poverty reduction. But in the absence of a conclusive case on the net long term poverty

impact of risk, Ravallion notes that given the human impact of shocks, the welfare case for insurance remains.

From evidence to policy: challenging thinking on transfers

What policy implications might be gleaned from finding that inequality and uninsured risk are more likely to harm growth than help it? Ravallion urges caution in drawing lessons. He highlights the pros and cons of targeting on the basis of indicators, considers the linking of transfers to conditions (such as school or health centre attendance) and the strengths and weaknesses of community based and self targeting approaches.

Taking the caveats into account, Ravallion's overall message is that in some instances 'there is no obvious alternative to targeted transfers, barring unacceptable neglect' - and that more generally, the challenge of chronic poverty calls for 'a pragmatic and open-minded approach' including interventions to foster credit, to enforce property rights, supply-side interventions in schooling and healthcare, and even untargeted transfers.

Martin Ravallion is Research Manager in the World Bank's **Development Research Group.**

The first major chronic poverty report will be published by CPRC in early 2004. It will be available in full on the web printed copies can also be requested. For details email Judith Randel at cprc@devinit.org

Financing social assistance

Most OECD donor countries have domestic social assistance strategies which recognise that some individuals and groups within society need ongoing financial support. Non-contributory benefits within OECD countries remain widespread, seen not only as affordable, but the right thing for society to do.

But when similar plans are proposed for developing countries, they are often dismissed as unaffordable, unsustainable, even undesirable. Evidence from the Staying Poor conference suggests it is time for a fresh look at financing social assistance. This page picks out some key points - more detailed arguments and evidence can be found at www.chronicpoverty.org

Affording social assistance in Nepal

Despite being a least developed country with a 2002 GDP per capita of just \$220, Nepal established three benefits during the 1990s, to assist groups vulnerable to chronic poverty: Nepal's universal pension for men and women over 75, established in 1995-96, was increased from 100 to 150 rupees per month in 1999. The pension is administered by village development committees and municipalities.

Research by S. Irudaya Rajan puts the number of beneficiaries at 192,000 so the pension reaches between 83% and 86% of those eligible.

The disabled persons allowance and the assistance for helpless widows over 60, are both set at 100 rupees per month. Whilst only 3,600 receive the disability benefit, almost 230,000 widows over 60, with no other sources of support, were receiving a pension in 2001-02.

The old age pension, which is noncontributory, provides those over 75 with an income equivalent to 11% of the average Nepali income - enough to buy 10Kgs of rice or wheat a month. Rajan estimates that it absorbs from 0.4% to 0.6% of government spending.

Elsewhere in South Asia, there is evidence that such pensions can make a signifcant impact. Rajan's research in Kerala suggests that a pension of 150 rupees 'can do wonders for the poor and destitute elderly', enabling the purchase of

basic food requirements. Though the Kerala pension is not adequate for those living alone and having to pay rent and pay for services such as water and power, where the elderly are living with families, the pension makes them less of a burden and enhances their position in the community.

Oldage Allowance Program in Nepal see www.chronicpoverty.org Social Assistance for the Poor Elderly: How Effective? Economic & Political

Weekly, Feb 2001.

The 'Right' to basic income security

No summary can do justice to a speech quoting thinkers ranging from Confucius, through Thomas Paine to George W. Bush! So here are a few points from Guy Standing's detailed argument in favour of Basic Income Grants - more can be found at www.chronicpoverty.org

Standing argued that deregulation and the shift to globalised production makes more people vulnerable, in terms of both income and control over their own lives

Having sketched out his understanding of the current global development context, (the 'new paternalism'), Standing outlined options for social protection. The list ranged from food vouchers, through social insurance and assistance, to wage subsidies, tax credits, workfare and public works.

After surveying the pros and cons of each, Standing focused on the case for and against Basic Income Grants in South Africa. On the issue of affordability, the net cost of the BIG would be just 2% of GNP - equivalent to 2 years worth of recent tax cuts.



Are the obstacles financial or political?

During a session on financing assistance at the Staving Poor conference, Mark Gorman, Director of Development at HelpAge International, explored how thinking on universal, non-contributory pensions had evolved since the early 1990s.

Gorman acknowledged the need to ensure effective management and financing of social protection. noting for example steps by Namibia and



Mark Gorman

Botswana to reduce administration costs by making pensions universal. But he argued that the main obstacles to more widespread establishment of universal social protection mechanisms were not technical, but questions of political will and motivation.

Looking back to the debate on pensions in the early 1990s, Gorman recalled that discussions centred on whether the state or market should play the key role. Following the 1994 publication by the World Bank of 'Averting the Old Age Crisis', all of the focus was on radical reform of 'unsustainable' public pensions - with little attention to the many older people for whom formal pension provision, and assumptions about family support, were unrealistic.

Recently however, evidence of the capacity of non-contributory pensions to reduce old age poverty, more open attitudes to the role of government in less developed countries and practical experience of schemes in countries such as India and Bangladesh, is resulting in a more open debate.

Noting that most existing protection schemes fall well below the 5% of GDP affordability level suggested by Robert Holzmann of the World Bank, Gorman argues that the extent to which governments feel obliged to provide protection for groups vulnerable to chronic poverty is a key factor. In this regard, the attitude of donor agencies and options on funding - including bilateral funding and options such as the ILO's Global Social Trust Initiative are very relevant. Visit HelpAge International at www.helpage.org

Globalisation, poverty

The benefits of globalisation to consumers in OECD countries are clear - year round access to a wide variety of high quality, low cost fruit and vegetables at the local supermarket. But what evidence is there that the opportunity to sell produce to northern markets - to engage in the global economy offers a route out of chronic poverty for families and communities in the south?

Katriena hardly exists.

Katriena Sym is 39. She lives in the Ceres region near Cape Town in South Africa. Her husband Isak has work, picking some of the fruit that appears on supermarket shelves in countries such as the UK. But Katriena herself is now medically unfit for work.

In theory, Isak's job should earn R150 to R200 a week. In practice, a good week will see Isak bringing home just R50, which Katriena has to apportion between their water debt and necessities, such as feeding her 5 year old child.

Like her neighbours who depend on seasonal labour as part of the global fruit market, Katriena is 'income poor'. But what keeps her in poverty is not just lack of money, but being at the margins of society, politically invisible and dependent on those for whom Katriena 'hardly exists, except as a source of labour'.

In his paper Hunger in the Valley of Fruitfulness: globalization, "social exclusion" and chronic poverty in Ceres, South Africa, Andries du Toit argues that it is not helpful to see people such as Katriena as being socially excluded. It is better to see Katriena and Isak as being 'adversely incorporated', because then, policy responses to the chronic nature of poverty in regions like Ceres, can take into account the systemic inequalities which entrench poverty.

The legacy of slavery in the Cape was a clear divide in wealth and power, between those who worked the land and the small, wealthy, white elite who owned it, and controlled agriculture and the regions institutions. Post-Apartheid policy change and legislation have had a mixed impact. For skilled and permanent farm workers there have been benefits. But the response of farmers to some empowerment initiatives - and to the requirements of a globalising market - has often been to shed labour.



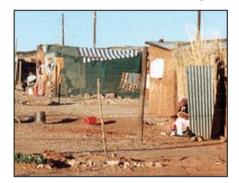
For landless workers relying on seasonal and temporary demand for labour, dependence on a paternalistic farmer has often been replaced by dependence on a contractor who acts as a labour broker. One consequence of the casualisation of labour is that half of the farmers in Ceres are moving away from providing on-farm housing for their workers

Survey work in Ceres illustrates another kind of dependence - the need for cash. With few assets such as savings (to tide people over illness or unemployment), access to land and or ownership of livestock (to produce extra food or gather fuel), the increased monetisation of life in Ceres intensifies reliance on cash income. Only 11% of Ceres households have access to land where they can grow food. 96% of households have no livestock. 39%

have no work of any kind.

The immediate human cost of dependence on seasonal employment in Ceres is clear. Some 70% of households report a food shortage in the previous 12 months. Over a quarter of children show evidence of stunting. whilst almost 14% are underweight. The availability of cheap seasonal labour in the orchards of Ceres, may make for an economically efficient farm to supermarket shelf chain, that links even the poorest to the global market. But it is people like Katriena who bear the risks. It is the seasonal workers who have no income when consumer tastes shift, or a cheaper source of fruit becomes available, or even when the weather changes.

Whilst social exclusion may help explain chronic poverty in Ceres, du Toit argues that policy approaches aimed at inclusion will not be enough to



break the mutually reinforcing links between poverty and lack of power. Seasonal workers like Katriena are not excluded from the (global) labour market. As du Toit points out, their poverty is not best understood as the result of market failure. From the point of view of landowners the market is working fairly well. But the cost of this

worth repeating...worth repeating...

History and statistical analyses show that over the longer term, growth is the only abiding antidote to poverty. But the long-term may often be too long in coming.....many of the poor may be needlessly dead by that time.

Professor Anirudh Krishna: Sanford Institute of Public Policy, Duke University, USA.

and export agriculture

reduction.

'adverse' incorporation is poverty, hunger, powerlessness and marginality.

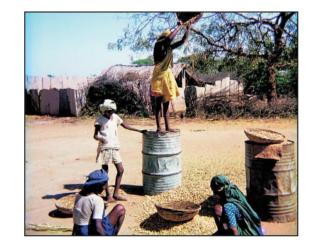
From a policy perspective, this analysis points to the need for action at micro and macro level. Support for food gardening can increase food security and reduce peoples' dependence on the retail food sector. Effective interventions will need to recognise the need for the provision of long term subsidies for seeds and water, as well as technical advice and support for community organisation, to tackle a long term problem. Independent sustainability should not be the be-all and end-all.

Steps to address power relations should promote self-help associations, to build the social capital in poor communities that can challenge entrenched patron-client structures.

Positive steps since 2000 - involving increased subsidies for basic social goods such as energy and water - need to be sustained and extended to reduce the cash-dependence that reinforces chronic poverty.

Welfare reform in South Africa is currently more effective than income generation schemes in addressing poverty. South Africa's Taylor Commission on welfare has argued that the broadening of child support and abolition of means testing will remove major obstacles that chronically poor people face in accessing welfare.

The full text of Andries du Toit's paper Hunger in the Valley of Fruitfulness is available on the CPRC website



the insecurity and workers is a global www.wiego.org

Who bears the risks?

Many of the risks arising from agricultural production and competitive global markets, are borne by a growing number of poorly paid informal workers, linked to the global economy. As employment becomes flexible and therefore precarious, the insecurity and vulnerability of poor workers and their households grows. Rising vulnerability not only has an immediate human cost - it also perpetuates poverty by reducing peoples' assets and capabilities, inhibiting long term poverty

Social protection can reduce the human cost of vulnerability. In so doing it may help break the cycle that perpetuates poverty and give people the confidence to risk new ventures which can contribute to broad based growth.

But how can some of the world's poorest countries afford the social protection which a globalised economy, with its inherent insecurities requires?

One approach is to identify the global value chain linking agricultural workers in the developing world to consumers in richer countries. Once a value chain has been mapped, the rights and responsibilities of everyone linked to the chain can be considered.

In a recent paper, Armando Barrientos and Stephanie Ware Barrientos consider the export of fruit from areas such as Ceres in South Africa to the

> The articles on this page focus on South Africa. But powerlessness of informal phenomenon, which also affects the farm workers pictured left in south India. The impact of a globalising economy on women in informal employment is a central focus for WIEGO a global research and policy analysis network established in 1997. See

UK (Social Protection for Workers in the Informal Economy: Case Study on Horticulture [2002] Social Protection Discussion Paper 0216, Washington: World Bank. Available at http://www.worldbank.org/sp).

The paper explains some of the risks to workers arising from a globalised horticulture sector: insecure employment, low and variable wages, health risks from strenuous labour, pesticides and fungicides, minimal insurance for disability and old age beyond limited state provision, lack of labour organisations and poor knowledge on rights and entitlements.

Stakeholders in the value chain linking producers and consumers, include the companies in the global market, governments, communities, households and civil society actors. Looking at broad figures on employment and value in the horticulture sector. UK supermarkets employ over 100,000 people and some 283,000 people are employed in South Africa. UK supermarkets take 35-40% of the final price and labour costs take 13% of the final price.

A wide range of institutions could play a part in the provision of social protection: the state, the private sector, trades unions, the household and community. The Barrientos' paper incorporates stakeholders into a social responsibility matrix which includes both domestic and international actors.

Together, the value chain and responsibility matrix help to illustrate the constraints and opportunities for extending social protection in the global economy. In order to reach the most vulnerable workers, a wide range of policy instruments and actors need to come together. International labour standards, state policy, company codes of conduct, trade unions, NGO lobbying and consumer awareness all play a part. Noting that in the horticulture sector, risks are generally offset down the supply chain (towards the most vulnerable), the paper highlights the importance of linkages between markets, state, community and household - and the need to empower workers in the informal sector.

Making policy relevant. Is it all talk? **Pressing the case**

A key objective of DFID in establishing long term Development Research Centres, was to make the link between research and policy more effective. The Manchester Staying Poor Conference was one element in CPRC's effort to broaden engagement on poverty issues. The aim being to move beyond dissemination within the research community, to wider communication.

Addressing the conference. Uganda's Minister of Finance, Planning and Economic Development, the Hon, Gerald M. Ssendaula noted the limited human and financial capacities that developing country governments had to deploy.

The Minister stressed the role of research institutions in providing evidence and proposing effective



Ugandan Minister of Finance, Hon. Gerald M. Ssendaula discusses the issues at the Staying Poor conference.

policy interventions. Unlike many senior figures who stay at meetings only long enough to deliver their speeches, the Minister and several colleagues from the Ugandan government stayed throughout the conference, to engage substantively with the issues being discussed.

The need for engagement on chronic poverty at a political level and not just as a technical issue was highlighted at the conference very directly in Julian May's appropriately named paper "Talking to the Finance Minister about Poverty": Pro-Poor Policy and the Political Economy of Information.

May argues that steps to reduce poverty ultimately depend on translating research into policy. The use - not just the provision - of information is critical.

Because chronic poverty is multidimensional. the information that needs to be communicated to policy makers goes well beyond data on the standard \$1 a day measure of poverty. Looking at Lesotho, the Maldives and South Africa, May argues that poverty measurement and analysis in each country is well developed. Factors such as vulnerability and lack of assets that can trap people in persistent poverty are documented and recognised. But there is often a disconnect when it comes to translating available evidence into policy. This may be for several reasons:

- The evidence may not be sufficiently clear or beyond dispute
- It may be presented in a way that non-specialists (and many politicians are generalists rather than specialists) just do not understand or empathise with
- The evidence may be clear but the conclusions for policy action may remain unclear
- The policy actions that flow naturally from the evidence may not be politically acceptable or may not fit with prevailing orthodoxy

As well as identifying specific actions that will help evidence to inform policy - such as further investment in statistical capacity -May notes that making solutions accessible and useable for decisionmakers is vital. He argues for a broadening of debate beyond aid technocrats and finance ministries. For PRSPs to make a contribution to policy making on chronic poverty, the process would need to build national confidence and capacity on information usage, enabling

on chronic poverty in South Africa

MPs set for battle against starvation





'BIG could bust poverty

bock findings, most residents live on R200 a mon Poverty, starvation haunt **Cape Town's townships**

effective participation in debate on the winners and losers resulting from government policy. Poverty would also need to be seen, not as a simple matter of people being currently either above or below a money metric poverty line, but as a lifetime experience whose legacy carries over to the next generation.

Communicating chronic poverty

CPRC is trying to communicate the idea of chronic poverty to different groups of people - to politicians, policy makers, journalists, academics, nongovernmental organisations, poor peoples' organisations, field workers all those who have a part to play in raising awareness of, and making the changes, that will eliminate poverty.

So CPRC aims to produce a variety of materials, and collaborate with a wide range of agencies.



CONTENTS

SPECIAL ISSUE

B. Sen 513 Drivers of Escape and Descent: Changing Household

CPRC believes that as well as reaching

specialist audiences, it must get the

idea of chronic poverty over to the

wider community - not just in donor

where CPRC partners are based.

country capitals, but in all the countries

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PERGAMON

A large number of experts have of the papers being presented by them are given below. Work in and Ms Kate Bird from the UK.

> Prof M. S. Swaminathan Dr. P.V. Thomas

Prof. Sheila Bhalla

Prof. N.C.B Nath

Prof Radhakrishna

Ms Ratna Sudarshan

Dr. Irudaya Rajan

Dr. Alakh Sharma

Dr. Mahendra Dev

- Dr. S.K. Thorat
- Ms. Asmita Kabra
- Dr Rohini Nayyar

In 2004, a special issue of UNDP's agenda setting Journal of Human Development, edited by Aasha Mehta, Cobus de Swardt and Judith Randel, will focus on chronic poverty.

In early 2004 the first major Chronic Poverty report will be published. Bringing together CPRC's research to date, the report will argue that even if current poverty-reduction strategies are very effective, they will not be enough to reduce levels of chronic poverty in an acceptable timeframe. For details see www.chronicpoverty.org

Delhi seminar: putting chronic poverty on the agenda in India

The Chronic Poverty Research Centre India, headquartered at the Indian Institute of Public Administration, is organising a seminar on Chronic Poverty and Development Policy in India on 4th & 5th November, 2003 at IIPA. New Delhi, The Director of IIPA, Dr. P.L. Sanieev Reddy, will welcome the delegates. The keynote address will be given by Dr S.P. Gupta, Member of the Planning Commission.

agreed to write papers, which will be presented at the seminar. The names of the resource persons and the titles progress will be presented by CPRC partners from India and the UK - Prof David Hulme. Dr Andrew Shepherd

Prof Aasha Kapur Mehta, Prof Amita Shah, Prof Shashanka Bhide and Prof Anand Kumar. the core India CPRC team, will present work in progress.



Prof Aasha Mehta of IIPA

be provided on the work of Prof Sah from MPISSR. Ms Shubha Suneia from Helpage India, Kanchan Mathur the leader of the CHIP team from IDS Jaipur, Dr Ittyerah and Dr

Updates will also

Sujata Singh from IIPA.

A large number of academics, government officials, NGOs and media persons will be invited to participate in the discussions.

Technological change and food production: Implications for vulnerable sections Reducing Chronic Poverty in Rural Areas: The Role of Government Policy

Casual Labourers in Rural Areas

Political Perspectives on Chronic Poverty

Chronic Poverty, and Persistent Food and Nutritional Insecurity -Incidence and Linkages

Intrahousehold allocation of resources and chronic poverty.

An Overview of Chronic Poverty among Older Persons and the Disabled

Chronic Poverty in Rural Bihar: A Study Based on a Longitudinal Survey

Safety Nets for the Chronically Poor.

Persistent Inequality and Chronic Poverty - Why do Scheduled caste Scheduled tribe households stay chronically poor? Chronic Poverty among Scheduled Tribes: A Rights Based Approach to Poverty Alleviation.

Planning for Development of Backward Areas.

lournal of HUMAN DEVELOPMENT

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The Millennium Development Goals and chronic poverty

Will people in chronic poverty be left behind in progress towards the MDGs?

Some countries are making rapid progress towards the Millennium Development Goals (MDGs). Others are far behind. But there has been little analysis of how different groups within countries are faring.

Better understanding of chronic poverty can help efforts to achieve the MDGs. It will also help ensure that attention is given now, to the needs of those who will remain in poverty, even if the MDGs are met in 2015.

In their paper "Are the Chonic Poor left out of progress towards the MDGs", Howard White and Edoardo Masset find that four groups who are strongly represented among the chronically poor - older people, orphans, people with disabilities and households headed by single women - are usually worse off, and making less progress towards the MDGs.

These are no minor population groups which can safely be ignored. About 10% of households have a disabled member; between 5% and 10% of the population are older people; between 7% and 11% of children are orphans in most countries and 15% - 20% of households are headed by unsupported women.

Universal means universal - orphans and education

Universal primary education by 2015 is the second MDG.

Orphaned children are less likely to attend school, receive health care and are less well nourished than other children. The proportion of orphans aged 10 - 14 who are attending school is lower than for children with both parents living, in all countries for which there is data. In Mozambique for instance, enrollment is 24% for orphans compared with 68% for other children. What is more, these figures are likely to overstate attendance by orphans, since children who live on the street will not be included. There is some optimism that the gap may close - when enrollments grow, growth is fastest among orphans - but the paper points out that these gains are not secure. Where enrollments are falling, as in Ghana, the decrease is more rapid amongst orphans.

Disability and the MDGs

Findings from the analysis of data on four countries show the strong association between age and disability. While there is not much difference between the median age of the poor and non-poor, the median of the disabled is much higher than that of the able-bodied.

The conclusion from this is not just that disability increases with age, but that it is a product of the low survival rates among disabled children - particularly those of the poor. Data from Ghana, Nicaragua and Andhra Pradesh clearly indicate that disabled children 'go missing', providing clear evidence that disabled poor children are dying more rapidly.

Seeing the MDGs through the lens of chronic poverty demands changes in policy and analysis. It means collecting data on the missing groups, which, the researchers argue, is both possible and important. It means recognising the systems of interdependence and support on which many of the chronically poor depend. It also means recognising the fact that these traditional systems cannot generally cope with large shocks, such as HIV/AIDS or conflict.

Masset and White conclude that their evidence points to the fact that "many of the MDGs will not be met without utilising redistributive mechanisms".

You can access the full paper via the chronic poverty website or contact Howard White on h.white@ids.ac.uk

The case for a 'Right' to basic income security

.....continued from page 3 column 2.

Amongst the arguments in favour of the BIG are its administrative simplicity, its tendency to reduce poverty and employment 'traps', and its positive macroeconomic benefits, such as the increased demand for locally produced goods, which would boost employment and reduce imports. Aside from equity considerations, there would be short term gains in areas such as labour flexibility and education, as well as the long term productivity gains of improved health and nutrition.

Referring to the approach being taken by the ILO's Socio-Economic Security Programme, Standing argued that a just society offers equal 'basic security', which must involve basic income security and basic representation security (a meaningful degree of self determinsation).

Basic security includes:

- · Equal protection against morbidity
- · Equal dignity
- · Control over own development
- Sustainable self-respect avoiding the poverty of indignity

Rights should be:

- unconditional in behavioural terms
- not insurance-based or charitable or discretionary once granted

Standing's argument is that recognising basic income as a right, not only addresses peoples' income requirements, but also counteracts some of the wider insecurities and inequalities apparent in an increasingly globalised world.

You can read about the ILO's socioeconomic security approach on the ILO website at http://www.ilo.org/

To read about the basic income network visit http://www.bien.be/

chronic poverty update is a publication of the Chronic Poverty Research Centre.

For more information on CPRC, to download working papers and for details of projects and partners, see the website: www.chronicpoverty.org or contact cprc@devinit.org, tel. + 44 1749 831141. **chronic poverty update** is produced by Development Initiatives.