

Frameworks for understanding the inter-generational transmission of poverty and well-being in developing countries

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Abstract

Initial work done by the Chronic Poverty Research Centre (CPRC) suggests that the tightest possible definition of chronic poverty would be intergenerationally transmitted (IGT) poverty. However, while this concept has been widely used in a 'developed' country (particularly American) context, focussing particularly on issues of state-benefit dependence, it has rarely been applied to the 'developing' world in a holistic manner. In this paper, a framework for understanding IGT poverty in developing country contexts is developed, focussing on bringing together literature on the intergenerational transfer, extraction, and absence of transfer of different forms of capital: human, social-cultural, social-political, financial/material and environmental/natural. It is important to note that while the concept of IGT poverty is primarily used to signify the 'private' transmission of poverty from older generations of individuals and families to younger generations (especially, but not solely, from parents to children) – and therefore has special relevance to issues of childhood poverty – poverty-related capital can also be transmitted from younger generations to older generations, and within and between the 'public' spheres of community, state and market. It is suggested that of the range of structures, processes, and livelihood strategies that can affect IGT poverty, a few are particularly important in developing countries: HIV/AIDS, migration patterns, socio-legal entitlement norms, labour market structures, and the presence or absence of social safety nets and social services. The paper concludes with a discussion of the policy implications of IGT poverty. It is hypothesised that policy interventions will differ depending on the type of capital transmitted, as well as on the general approach to poverty reduction – whether an approach targeted at particular individuals or groups within one generation, or a strategic and instrumental approach focussing on intergenerational structures and relationships.

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I. Introduction

The Chronic Poverty Research Centre (CPRC)¹ was founded on the premise that there is an inadequate understanding of the characteristics of, and processes surrounding, the 900 million people who will be living in poverty in 2015 if the international development targets are fully achieved – those likely to have benefited least, or suffered most, from contemporary development efforts, and for whom emergence from poverty is therefore most difficult. There is evidence that the majority of these people live in Sub-Saharan Africa and South Asia, especially in rural areas, and that a significant proportion are *chronically poor*. While ‘chronic poverty’ represents a range of durations, dimensions and levels of severity of poverty (see Hulme, Moore and Shepherd 2001), arguably the tightest possible definition of chronic poverty is *intergenerationally transmitted (IGT) poverty*. Poverty that spans generations can be seen as both a characteristic and a cause of chronic poverty. As part of a broader CPRC effort to better understand the processes that underpin chronic poverty, this paper is an initial effort at exploring the phenomenon of IGT poverty within a developing country context.

While the meaning of IGT poverty seems intuitively clear – the transmission of poverty from older to younger generations (especially from parents to children) – upon closer examination the concept is far less straightforward and can usefully be understood in a much broader manner.

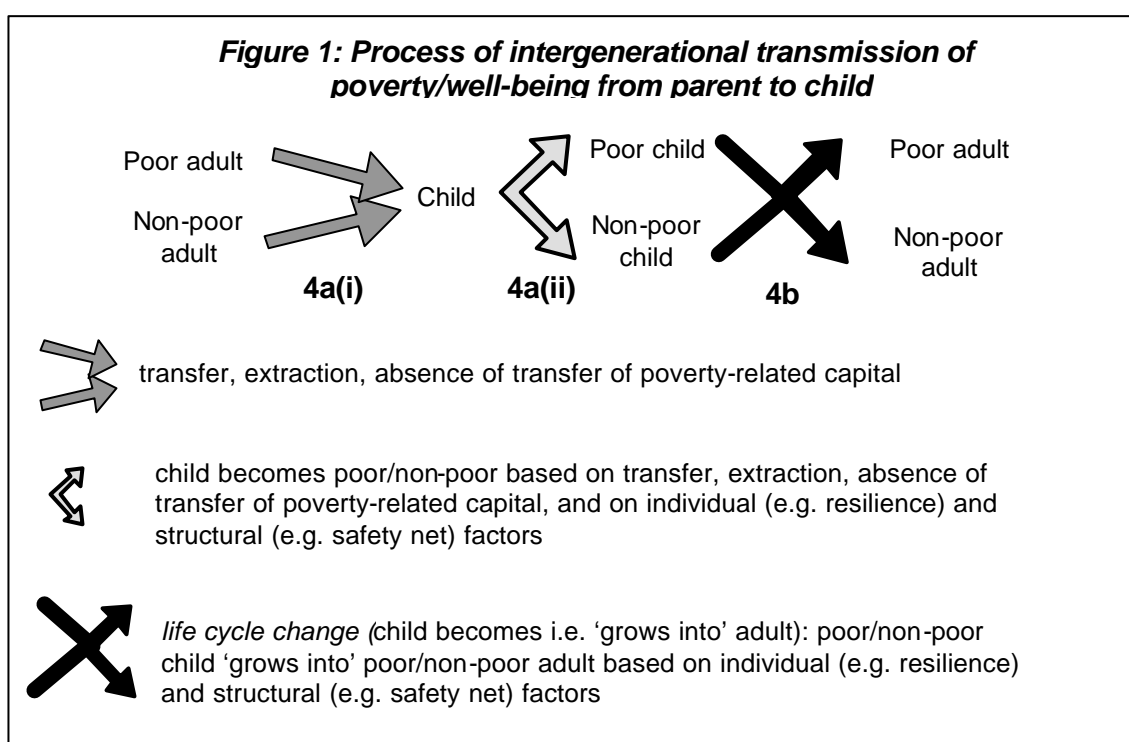
1. First, there is the issue of the *unit of analysis*. Are we talking solely about the ‘private’ transmission of poverty from individuals and families of one generation to those of another, or can poverty also be transmitted within, between or through the ‘public’ spheres of community, state and market?
2. Second, there is the issue of the *direction of transmission*. Is poverty transmitted exclusively from older generations to younger generations, or does IGT poverty also move from younger to older generations? Relatedly, are there instances when poverty ‘jumps’ generations from, for instance, grandparents to grandchildren, or vice versa?
3. Third, what exactly is being transferred? This paper suggests that IGT poverty can be best understood through focussing on the transfer, extraction, and absence of transfer of different forms of *capital* (human, social-cultural, social-political, financial/material and environmental/natural), which can result in poverty in both a multidimensional and in a narrow money-metric sense.
4. Fourth, is the transfer, extraction, or lack of transfer of any or all of these capitals necessary and/or sufficient to ensure IGT poverty? There are several ‘points of transmission’ where IGT processes can be affected by the external factors (e.g. individual vulnerability, resilience or intent; socio-economic trends and shocks) discussed in the paper, resulting in a range of poverty outcomes. The relatively straightforward example of parent-to-child transfers is described in **Figure 1** below, with numbered arrows corresponding to the following points:
 - a. What is the likelihood that a child born into a poor family will be a poor child? In part, this depends on:

¹ The Chronic Poverty Research Centre is an international collaborative activity of a group of universities, research institutes and NGOs (see <http://www.chronicpoverty.org> for details).

- i. The extent to which a poor or a non-poor person transfers poverty-related capital to his/her children (e.g. a poor person may sacrifice their own consumption order to ensure a child can remain in school, or a non-poor person may violently abuse a child); and
- ii. The extent to which a child is vulnerable, resistant or resilient to poverty.

- b. What is the likelihood that a poor (or non-poor) child will become a poor (or non-poor) adult (starting the cycle anew)?

How do we encourage so-called 'positive deviance' (i.e. when someone born into poverty does not become poor; see Engle, Castle and Menon 1996, and Zeitlin 1991 in Yaqub 2000a).



There seem to be several reasons for the lack of an overarching and comprehensive conceptual framework incorporating these factors. First, most work on IGT poverty – expressed in these or similar terms – has focussed on a 'developed' country (particularly American) context, focussing particularly on issues of income mobility and state-benefit dependence.² Work in a 'developing' world context, however, is much less common, and is rarely articulated in terms of IGT poverty. The primary focus here has been parental investment in children's education and health. Thus, while the processes by which parental status can lead to poverty outcomes for adult children in developed countries are increasingly well understood, the same processes remain unclear in other social, cultural, economic and political contexts.

Part of the problem is data. In order to extend analysis from intergenerational transmission of capital (IGT capital) to IGT poverty (points 4a(i) and 4(b) in **Figure 1**), longitudinal data of some form is generally required, such that the IGT capital can be correlated with welfare outcomes of children, throughout their life cycles. In the US and other developed countries, much work on IGT poverty has been undertaken through

² See, for instance, the *Bibliography of Publications, Working Papers & Government Reports Based on the Panel Study of Income Dynamics*.

the analysis of large-scale, household level longitudinal data sets,³ and a lack of such data has been a main obstacle to IGT poverty work in developing countries. Indeed, as Baulch and Hoddinott (2000) note, only twelve of the 110 low and medium human development countries (as per the UNDP's 1998 definitions) have household level data that allow poverty dynamics analysis. The majority of these studies span less than five years and/or have only two waves of data. In contrast, in the American Panel Study of Income Dynamics data was collected annually over the 21-year period from 1968 to 1989 and includes most of the adult children of respondents (Altonji, Hayashi, and Kotlikoff 1997). In order to facilitate the study of poverty dynamics in general and IGT poverty in particular, the CPRC will foster the expansion of static datasets into longitudinal panel and cross-sectional surveys, as well as develop innovative qualitative research methods, such as life histories.

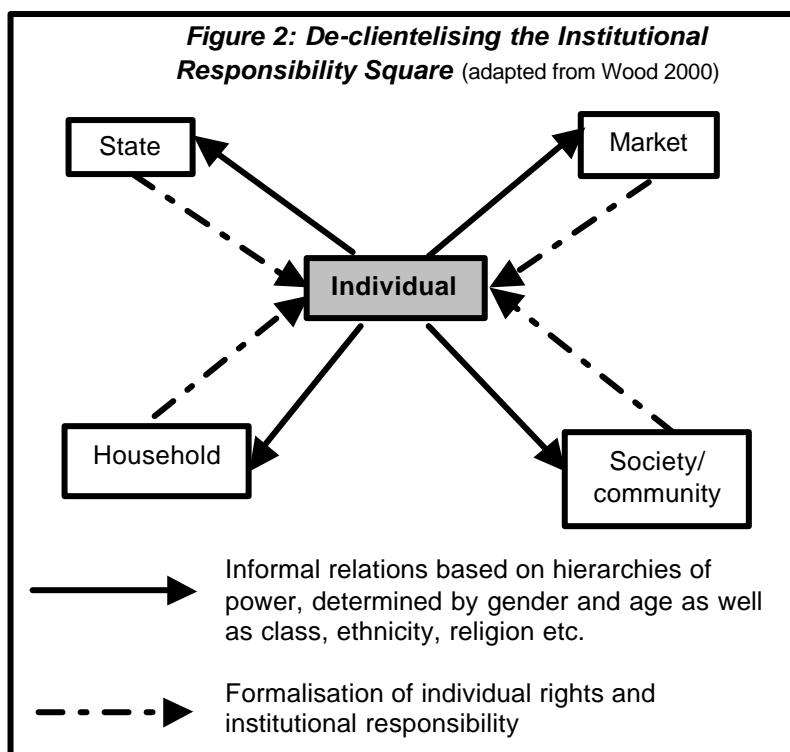
The lack of an overarching IGT poverty framework can also be traced to a lack of multidisciplinary work on the subject. Work in which researchers run regressions using large-scale datasets or attempt to model intergenerational transfers can be largely inaccessible to those without a background in quantitative methods, yet these models more often attempt to move beyond a standard uni-directional two-generation model (see e.g. Collard 1999). Environmental economists and policy analysts also often work with an extended time frame, beyond the usual two or three generations, and employ a broader set of unit of analysis – nations and the international community are as likely to be considered providers and recipients and of IGT capital as individuals and households.

In the remainder of this paper, the groundwork for a framework to understand IGT poverty in developing countries will be laid. A discussion of unit of analysis and direction of transmission flows is followed by a section focussing in more detail on the different types of capital that are relevant for IGT poverty. The paper concludes with a discussion of the policy implications of IGT poverty. It is hypothesised that policy interventions will differ depending on the type of capital transmitted, as well as on the general approach to poverty reduction – whether an approach targeted at particular individuals or groups within one generation, or a strategic and instrumental approach focussing on intergenerational structures and relationships. Throughout the paper, the structures, processes and livelihood strategies that are likely to be key forces in terms of IGT poverty in developing countries are identified. It is suggested that of the range of these structures, processes, and livelihood strategies, a few are particularly important in developing countries: HIV/AIDS, migration patterns, socio-legal entitlement norms, labour market structures, and the presence or absence of social safety nets and social services.

II. Units of analysis, inter-institutional relations, and directions of flows

In his 'Institutional Responsibility Square' (see **Figure 2**), Wood (2000) clearly maps the familiar idea that individual livelihoods are both facilitated and constrained by relations within and between the institutions of household, community, state and market. Each institution functions within broader social, political and economic structures – the state is marketised, markets politicised, households non-altruistic, communities clientelist, and all based on hierarchies of power determined by gender and age as well as class, ethnicity, religion, etc. Individuals often find their 'rights' undermined when institutional 'responsibilities' are unfulfilled.

³ Twin studies are also often drawn upon in developed country studies.



These relations between individuals and institutions also have a generational aspect. The concept of 'generation' can be applied to these institutional structures as well as to individuals, in some cases through identifying a dominant cohort of people at a given time, in others through identifying a dominant paradigm. In either case, it is intuitive that poverty-related capital can be transmitted from one generation of individual or institution, to another generation of individual or institution. Individuals can be from within the same household or extended family, or extra-familial.⁴ The most obvious example of institutional to individual transmission occurs in the case of dependent children or older people without individuals that care for them (i.e. an absence of IGT capital from family), where the *state* assumes responsibility. However, poverty-related capital is also transmitted at the institutional level, in terms of social, economic, political, legal, cultural norms and institutional arrangements, including those that determine the nature of future intergenerational contracts. As noted by McGregor, Copestake and Wood (1999:447),

The basic idea of the inter-generational bargain is a simple one: in all 'communities', from family to globe, there are relationships for the transfer of resources between generations and these relationships carry with them often uncodified 'rights' and obligations.⁵

⁴ This approach can be compared to Bronfenbrenner's (1993, in Engle, Castle and Menon 1996:2) ecological theory, as applied to risk factors for children. Here several levels of interaction are considered important: between the child and his/her immediate family; between social systems in the child's environment (e.g. schools or community events); and larger forces that define the climate of the child's environment (government, cultural values, or legal systems).

⁵ McGregor, Copestake and Wood, the convenors of the 1999 DSA Conference *The Intergenerational Bargain* (hosted at the University of Bath), attempted to define a discourse that takes into consideration this broad conceptualisation of intergenerational relations, through including papers that focus on a range of units of analysis. Issues covered include child work, pensions schemes, ethical trade, and the global environment. See also Wood (1999).

The most fundamental of these responsibilities can be thought of as the obligation to care for those unable to care for themselves and to provide an 'enabling environment' for those who can. Intergenerational obligations can be fulfilled both publicly (through state or community mechanisms – e.g. social safety nets for older people) and privately (between and among individuals, households and communities, possibly employing market mechanisms – e.g. investments in the education and health of children).⁶

By their very nature, these responsibilities are intergenerational – changes in capabilities and access to resources, related to different life cycle stages, require that resources are transferred between generations as well as within them. For this reason, intergenerational transfers can 'flow' in both directions – the 'working' or 'middle' generation, which controls most capital, can make transfers to (or withhold transfers from) both the 'young' and the 'old' generations.

Further, IGT capital can be both provided or extracted. In both cases it is important to consider that IGT capital can influence the poverty or well-being of both the source and the recipient. For example, if a child chooses, is obliged, or is forced to provide labour to a family enterprise (controlled to a greater or lesser extent by the working generation), this affects both the labourer (e.g. health, education and skills, position in family) and the household/enterprise (productivity, income).

Socio-cultural and legal norms of entitlement that determine access to and control over various economic, political and social resources are also important determinants of the nature, extent, source and direction of transfers. Younger or older people, or cross-generational groups (i.e. kin groups with control over common property resources), may have relatively strong entitlements to certain resources (Collard 1999). Thus, resources can flow towards the working generation, or between old and young, skipping the middle generation altogether (as in the case of some child fostering, discussed below). These norms include those surrounding, for example, property rights, inheritance, debt, marriage, child-rearing and care of older people.

Norms of entitlement affect intergenerational transfers through determining who has access to and control over resources, and who is dependent on others. Often these norms of entitlement are articulated through the presence, quality and accessibility of public, private, and community-based social services and safety nets. However, it is important to note that the nature and extent of intergenerational transfers are determined by a combination of altruism and strategic interest, as well as by the norms and associated social services and safety nets themselves. Norms influence IGT poverty-related capital through affecting perceptions of what might be received in return; a common example of a 'strategic' transfer of resources is to a younger generation in order to ensure support in one's old age (see Kabeer 2000).

Intergenerational transfers of poverty-related capital are also influenced by the broader socio-economic environment. Suppose that in a given society the norm is for parents to educate all children up to at least primary level, and this norm is articulated through the public institution of subsidised public education. Yet, if the labour market is structured such that there is a market for children's work and for unskilled adult labour, but a limited market for semi-skilled labour offering limited improvements in returns in addition to poor quality education, poor families may see little value in educating children. Castañeda and Aldaz-Carroll (1999) note that for indigenous peoples in Latin

⁶ There is an important difference in terms of IGT obligations between state-funded pensions, through which there is an intergenerational transfer of resources from the working population to the older generation via taxes, and private contributory pensions, based on own contributions throughout one's working life.

America, discrimination in labour markets and opportunities for quality education mean that often education is not a good proxy for socio-economic well-being. Similarly, Lam's (1999) study comparing the relationship between economic inequality and educational inequality in Brazil and South Africa suggests that improvements in schooling may be associated with inertia in earnings inequality in the context of high social inequality. Corcoran (1995:258) believes that even in the US “the literature on how local labour market conditions affect the intergenerational transfer of poverty and dependency is profoundly unsatisfactory”, particularly on the theme of the relative importance of labour markets versus culture versus state welfare benefits.

III. What is being transmitted?

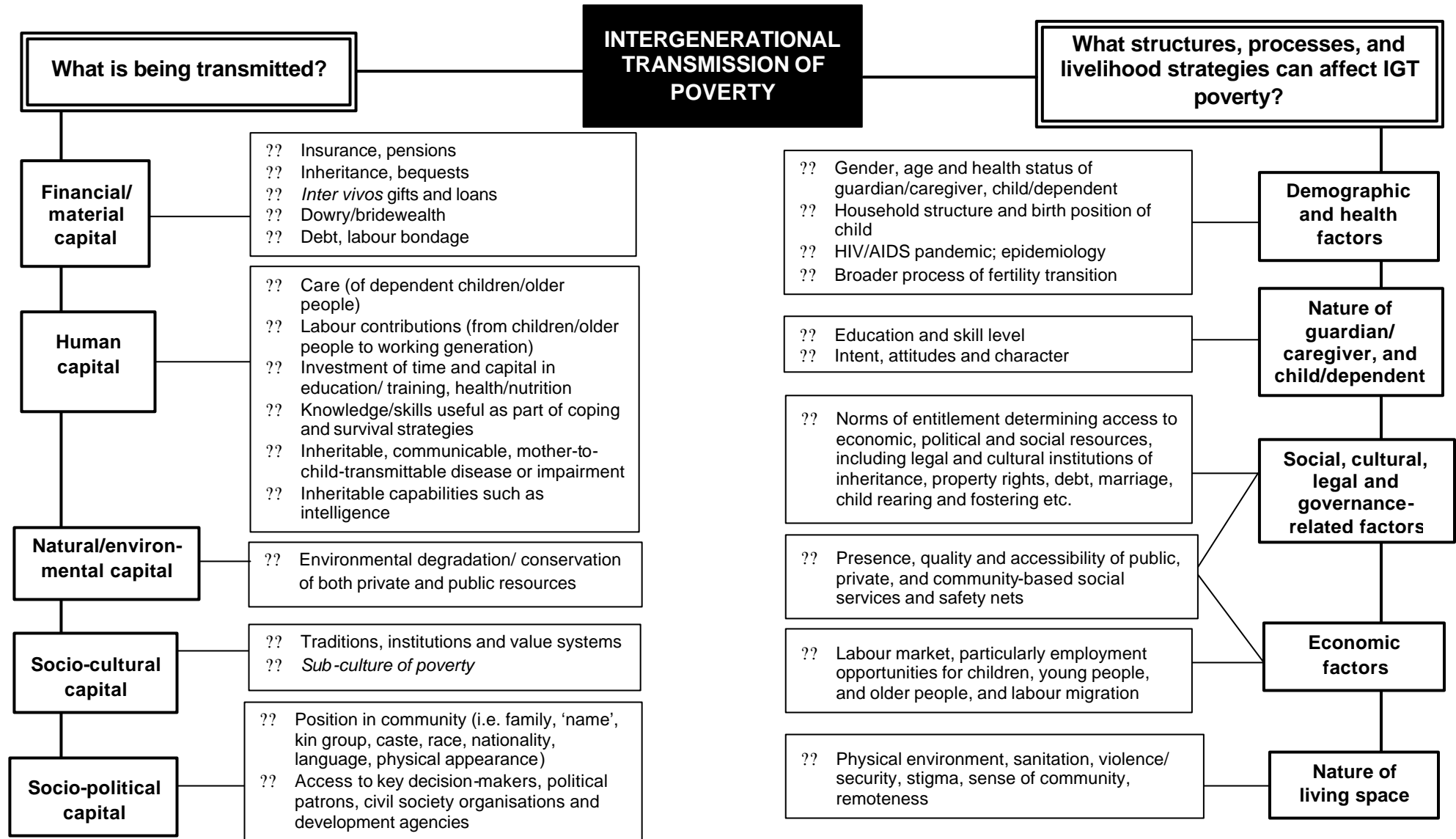
In this section, an initial exploration of the types of IGT poverty-related capital is presented, making links to the processes discussed above. **Figure 3** below provides a summary of types of capital transmitted and examples, as well as some of the key factors that seem to influence processes of IGT poverty, particularly in those developing countries in sub-Saharan Africa and South Asia. In most cases, different forms of IGT capital and these influential factors interact with each other to affect IGT poverty and well-being. For example, one form of human capital (health status) can positively influence another (educational achievement), and often one key factor (e.g. racial or gender discrimination, social safety nets) can affect the transmission of different capitals in common or contradictory ways. For this reason, **Figure 3** should be conceived of as a complex web of interactions (or ‘multiple vulnerabilities’) rather than a set of discrete factors. Note that some of the examples in this diagram (particularly inheritable capabilities and sub-cultures of poverty) should not be taken as fact; their inclusion implies only that these are significant themes, both as debates in the literature and as popular beliefs.

A. Human capital

At the most basic level, human capital is transferred intergenerationally whenever someone cares for someone younger or older, or provides labour, goods or services. A significant proportion of academic, policy-oriented and activist literature focuses on the perceived trade-offs between child work and education. The negative – and, increasingly, the positive – outcomes for children, both within childhood and over their lifespan, have long been identified as significant processes in IGT poverty (Boyden, Ling and Myers 1998; Marcus and Harper 1997; Moore 1999).

This is related to broader issues of parental investment in children, generally understood as determined by the trade-off between child ‘quantity’ and ‘quality’, an idea popularised by Becker and Lewis (1973). Parental investment is strongly affected by localised norms of entitlement surrounding gender, age and birth order, among other factors. Many studies focus on differential parental investments in girls and boys of time and capital in education and training, health and nutrition, and general care. Particularly in South Asia, investments in girls are often significantly lower, although this varies both intra- and internationally (Bouis *et al.* 1998; Filmer 1999; Miller 1997). Further, the impact of women’s education and resource control on children’s (often particularly girls’) welfare is often much more significant than men’s. A negative intergenerational impact of gender-discriminatory investments clearly emerges – a vicious cycle of low investment in women and low investment in girls (Engle *et al.* 1996;

Figure 3: Intergenerational transmission of poverty



Kabeer 1998) Relatedly, female household-headship has been a key focus of IGT poverty and education research (see e.g. Buvinic *et al.* 1992; Cheng and Page-Adams 1996; Engle *et al.* 1996), but the structure of households more generally (e.g. dependency ratios, absence of breadwinning males or females, migrant members) clearly affects IGT capital and will be a key research topic.

The extent to which parental education and wealth is associated with children's educational enrolment and achievement has been a topic of studies on both the developed and developing world. Although there are significant differences between countries and regions,⁷ there is generally a high association between parental and child education (Castañeda and Aldaz-Carroll 1999). In a study of the rural Philippines, Quisumbing (1997) takes the analysis to the level of the impact of grandparental education, proximity and wealth on children's education and land allocation. Weir (2000) looks at the impact of neighbourhood education levels on child enrolment in Ethiopia, finding that women's education has a positive effect on the enrolment of children in the neighbourhood, particularly girls.

However, the association between parental and child educational status can work through several routes, many of which are poorly understood even in developed world contexts. Similarly, it is difficult to disentangle the various means by which educational achievement and correlated factors are translated into socio-economic mobility. In fact, Yaqub (2000) cites three studies (Trzcinski and Randolph 1991; Scott and Litchfield 1994; Baulch and McCulloch 1998) in which education levels had an ambiguous or negative effect on income levels or income mobility. Educated parents may be more likely to desire educated children, to understand the potential benefits of education, and to be able help with studies. Parental education also may be a proxy for parental wealth. Educated parents are more likely to be able to afford schooling and educational resources, nutritious food and a suitable home environment. They are less likely to require their children's labour, and less likely to have to pull children out of school during lean periods (Behrman, Birdsall and Székely 1998; Tabberer 1998). Behrman (2001:34) also notes that in Latin America "informal evidence suggests that borrowing constraints, discrimination, spatial segregation and marital sorting⁸ are among the principal mechanisms" of the intergenerational transmission of educational status.

While it is probable that the genetic inheritance of intelligence or cognitive abilities also plays a role (Bowles and Gintis 2001), the relative significance of genetics continues to be debated in both scientific and sociological circles.⁹ Guo and Harris (2000) identify five non-genetic key factors that mediate the effects of poverty on children's intellectual development in the US (cognitive stimulation, parenting style, physical environment, and child's ill health at birth and in childhood), and Engle *et al.* (1996) also examine the effect of experiences of domestic and political violence on 'psycho-social' development. Other studies suggest that all these factors are particularly important during early childhood (Glewwe, Jacoby and King 1999; Waldfogel 1999). Early childhood nutrition in particular has been noted as crucial for a child's long-term health and educational status, with under- and malnutrition having a significant impact on children's physical,

⁷ See Behrman, Gaviria and Székely (2001) for a comparison between intergenerational educational and occupational mobility between the US (relatively high mobility) and several Latin American countries.

⁸ 'Marital sorting' can be thought of as the propensity to choose a marriage partner from a similar background, or with similar skill levels, to oneself. Fernández, Guner and Knowles (2001) use the degree of correlation of spouses' education as an indicator.

⁹ Bowles and Gintis (2001) also note empirical work which suggests that inherited physical traits such as height, obesity and 'good looks' are significant determinants of earnings in the US labour market.

mental and social development. Indeed, girls' poor physical development can negatively affect the health of her own children. Engle *et al.* (1996) note that as well as a physical risk factor, malnutrition can be a risk factor for cognitive development, via its effects on caregiver behaviour towards a malnourished child (e.g. more frequent carrying or holding, but no increase in social interaction with child).

In southern Africa in particular, patterns of labour migration and more recently the HIV/AIDS pandemic have led to increases in child fostering, both temporarily and permanently, by grandparents, other relatives and community members. Children are also fostered out in order to provide company and labour (particularly in response to environment stress and as insurance against crop failure; see Barrett and Browne 1998, and Serra 2000), and in order to receive an education or training. Child fostering inescapably affects the manner in which human capital is transferred, but not always negatively. Citing contrasting cases from Nigeria and Mali, Engle *et al.* (1996) suggest that outcomes for children in terms of their health and nutrition depend on the reason for the transfer of the child – i.e. whether it was requested by an older person or childless family, or forced by death, divorce or migration – as well as the number of children in the receiving household.

Inheritable or communicable disease or impairment also comes into play in IGT poverty. Tuberculosis remains an important intergenerationally communicable disease in the developing world, with significant effects on the health and productivity of poor people. Factors that influence its transmission within households, particularly to children and older people, include the nature of the living space (in terms of crowdedness and sanitation facilities), ability to acquire nutritious foods, and adult education levels (in terms of capacity to follow and administer treatment regimes).

Mother-to-child-transmission (MTCT) of HIV, which occurs *in utero*, during delivery and through breastfeeding, has contributed significantly to rising child mortality, particularly in sub-Saharan Africa where about 90% of 5 million infected infants have been born since the beginning of the pandemic. UNAIDS (2000:3) notes that 'in a growing number of [sub-Saharan African] countries, AIDS is now the biggest single cause of child death'. In addition to causing ill health and death among children, like other illnesses MTCT-HIV increases poverty among already poor families as they spend time and money on care and as substitutes for lost labour, affecting the well-being of other dependent household members. An AIDS-orphan that is HIV-positive, and the household that fosters her, have received perhaps the worst possible bequest in terms of effect on poverty. Further, UNAIDS notes that it is important not to undermine breastfeeding as a 'cornerstone of child health and survival strategies' among HIV-negative women, while it attempts to foster safer (though also problematic for poor African women with limited access to clean water) feeding practices among HIV-positive mothers.

B. Financial/material capital

Of course, money and assets can also be transferred between generations, most obviously through *inter vivos* gifts and loans, and inheritance and bequests.¹⁰ Like human capital, socio-cultural and legal norms surrounding financial and material capital, based on gender and birth order in particular, tend to facilitate its transmission to some and hinder its transmission to others. Dowry and bridewealth is an important form of *inter vivos* IGT capital in many parts of the world, both because of the assets

¹⁰ Very generally, property is *inherited* in accordance with legal or cultural norms, generally by family members, whereas property is *bequeathed* in accordance with the expressed wishes of the deceased, and usually can be willed to any individual or institution.

that are available for the immediate or eventual establishment of a new household, but also because of the intergenerational pressures and disputes that can emerge based on dowry and bridewealth norms. For example, South Asian brides who do not 'bring' enough dowry to their husband's family often risk marginalisation and even violence. Also, throughout South Asia and across religious and ethnic communities, women are discriminated against in terms of inheritance, both through *de jure* laws and *de facto* practices; women themselves often forego their rightful inheritance in order to secure support from male relatives (MHHDC 2000).

Effective mechanisms that transfer assets across generations are likely to be important approaches to chronic poverty reduction. In South Africa, a non-contributory (and therefore intergenerational) universal state pension system has proven to be a very important mechanism of support, not only for older people but for their households, especially the quarter of black South African children under age five that live with a pension recipient (Aliber 2001; Duflo 2000). Duflo's research suggests that pensions received by women, but not by men, had a large impact on the anthropometric status of girls, but not boys. Forms of employment or military insurance that 'pay out' to relatives when a worker is seriously injured or killed can also be considered as IGT financial capital.

Debt – a 'negative inheritance' – is also often transferred in the absence of effective laws, and cycles of debt and bonded labour (particularly in parts of South Asia) remain effective mechanisms of IGT poverty.

C. Social-cultural capital

Parental investments in children are undoubtedly related to the characteristics and intentions of parents as well as children. For instance, investment in education can be affected by parental perceptions of children's intelligence, diligence and interest (Behrman 1997), as well as by parents' own experience of education. However, the extent to which IGT poverty is influenced by individual traits is related to the much more controversial and complicated 'culture of poverty' literature.

The intergenerational persistence of wealth is not explained simply by bequests but reflects as well parent-offspring similarities in traits influencing wealth accumulation, such as orientation towards the future, sense of personal efficacy, work ethic, schooling attainment, and risk-taking. Some of these traits covary with the level of wealth: less well off people are more likely to be risk averse, to discount the future and have a low sense of efficacy, for example. (Bowles and Gintis 2001)

Originally put forward by Oscar Lewis in the late 1950s, the 'culture of poverty' theory is essentially that people become, are and remain poor because of their beliefs, attitudes and behaviours. According to the theory, these beliefs, attitudes and behaviours not only affect the way in which capital is transmitted intergenerationally, but are themselves a form of IGT capital. Poverty that spans generations is relatively intractable because those that are born into a 'culture of poverty' are unable or unwilling to take advantage of any emergent opportunities.

There are many on-going debates regarding 'culture of poverty' theory. **Table 1** summarises these approaches as well as the policy implications of each. At one end of a continuum, there are those (e.g. Edward Banfield) that believe that much if not most poverty is based upon the 'innate' characteristics of the poor, sometimes called the 'underclass'. This approach is linked to familiar notions of the 'deserving' and 'undeserving' poor, and tends to have highly racist and classist overtones. Within this

view, any attempt to eradicate or alleviate poverty among the 'underclass' is doomed to fail. At the other end, there are those that believe that poverty emerges and persists solely because of socio-economic structures external to the value systems and behaviours of the poor.

In between lie those, like Lewis, who feel that 'cultures of poverty' exist based upon the ways in which the poor have adapted to and coped with poverty over years and generations. These values, beliefs and behaviours may have been useful and appropriate in the context of the structural impediments faced by earlier generations, but remain as obstacles to development among new generations although structures may have changed. The 'culture of poverty' becomes a poverty-related structure in itself. Because policy focuses on changing the behaviour of the poor, the role of poverty-related social, economic and political structures is underestimated and largely ignored. Based on an analysis of Lewis' work, Rigdon (1998:17) states:

My conclusions are consistent with Lewis' own conviction – despite what the thesis purportedly claims or what others have tried to make it say – that both systemic and idiosyncratic factors play strong roles in the perpetuation of poverty, and that it is very difficult to make any comprehensive cross-cultural generalisations about the poor other than that they lack money and are often socially and politically marginalised.

Table 1: Different perceptions of the cause of poverty and policy implications

Perception of the cause of poverty	Policy implications
?? <i>Culture causes poverty:</i> some poor people (the 'underclass') are and remain poor because of innate/genetic characteristics (e.g. laziness, ineptitude, dishonesty, criminality, lack of intelligence).	?? Focus efforts on the 'deserving' poor (i.e. those poor because of external factors, such as widows, orphans, disabled people, and some unemployed). Poverty among the 'underclass' can never be overcome.
?? <i>Poverty causes culture which limits escape from poverty:</i> people are and remain poor because of their beliefs, attitudes and behaviours (e.g. short time horizon, poor work ethic, risk aversion, unstable families, welfare dependence, substance abuse, fatalism, low expectations). 'Culture of poverty' emerged in response to poverty in earlier generations.	?? Focus efforts on changing the beliefs, attitudes and behaviours of the poor. Poverty will go when behaviours change.
?? Poor people are and remain poor because of socio-economic structures.	?? Focus efforts on changing socio-economic structures, and providing social safety nets in the meantime. Behaviours will change when poverty is removed.

Much of the 'culture of poverty' debate has emerged in the US, where it has focused on the perverse incentives poor people derive from dependence on welfare – reluctance to supply their labour at low wages; teenage out-of-wedlock births; and the general low levels of aspirations associated with continued welfare use, as well as with discrimination based on poverty, race and neighbourhood (Corcoran 1995; Gephart, M. A. and Brooks-Gunn, J. 2000). While not a theme of much work on developing

countries, assumptions related to ‘culture of poverty’ arguments are often made; for instance, Gaiha (1989) has suggested that the chronically poor exhibit certain ‘innate’ characteristics such as poor management skills.¹¹

There are indeed socio-cultural traditions, institutions and value systems that seem to perpetuate poverty and hinder its eradication, such as gendered inheritance practices in South Asia or African traditions that encourage investment of profit in social rather than financial or physical capital. Rather than a sub-culture of poverty, however, these are structural impediments that both the poor and the rich must negotiate. The question could be raised as to whether it is not actually an IGT ‘culture of wealth’ among the rich and middle class that keeps the poor in poverty.

The growing literature on coping strategies provides an alternative way of looking at ‘culture of poverty’, giving the debate a more empirical and policy-relevant base, through linking the behaviour of the poor to the context in which they live. It is likely that the coping and survival strategies passed on from one generation to the next actually facilitate survival in the midst of bad or deteriorating socio-economic, political or environmental conditions, keeping the poor from destitution or death but often helping to reproduce the social and economic structures that obstruct escape from poverty – a form of ‘adverse incorporation’.¹² In contexts of rapid socio-economic change, such as in the transitional economies of East-Central Europe and Central Asia, few coping strategies learned from older generations are likely to be useful. In some cases, fatalism, limited aspirations and even ‘non-coping’ may be important parts of strategies to cope with poverty. This nexus between structural poverty and the IGT of coping strategies will be an important issue with which the CPRC must engage, in order to help determine the means by which policy can best deal with chronic IGT poverty.

At the same time, it is important to balance ‘agency’ and ‘structural’ approaches with a recognition of idiosyncratic factors. One must recognise that among the poor – as indeed among the rich and middle class, and in governments and international organisations – there are people who act in lazy, irresponsible or imprudent ways, perpetuating their own and their family’s poverty, whether this is based upon coping with past poverty or not. Others are just plain unlucky. But these are empirical questions with which we must engage if we hope to better understand the processes by which poverty-related socio-cultural capital is intergenerationally transmitted.

D. Social-political capital

In terms of livelihoods frameworks approaches, political capital is relatively under-researched, and its intergenerational transmission is a poorly understood process. At the same time, socio-political capital is critical in terms of its relation to changes in social structures of hierarchy and mobility. Many of the factors that are often most important in terms of one’s power in a community are inherited, despite the intent of either party. These factors can include: race and ethnicity; caste; kin group and family ‘name’; nationality; and religion. There are also several factors that are perhaps more flexible in terms of the extent to which they are automatically passed within families and

¹¹ It is unclear whether Gaiha considers ‘innate’ poor management skills a cause or result of chronic poverty, and what he feels are the policy implications.

¹² Wood (2000:18-9) introduces adverse incorporation as a ‘dark side’ of social capital and social inclusion, suggesting that the poor often “are obliged to manage this vulnerability through investing in and maintaining forms of social capital which produce desirable short-term, immediate outcomes and **practical** needs while postponing and putting at permanent risk more desirable forms of social capital which offer the **strategic** prospect of supporting needs and maintaining rights in the longer term”.

communities: links to patrons; membership of political or civil society organisations; and links to key decision-makers, development agencies and government bodies. In many ways, the intergenerational transmission of these socio-political factors provides significant constraints on IGT capital in general, and on the transformation of capital into poverty or welfare.

E. Environmental/natural capital

That the degradation of the environment and the exhaustion of natural resources, both private and public, adversely affects the livelihoods of future generations is by now an intuitive truth. This set of issues is particularly relevant to the spatial analysis of chronic poverty, with people living or working in particular regions and localities confronting specific natural capital constraints. The chronically poor living in rural areas face specific resource constraints based on ecology and climate, as well as on the livelihood strategies of earlier generations. In urban areas, degradation often takes the form of pollution, which can create higher financial costs for future generations (such as having to buy water because local ground water has been contaminated) or human capital costs (such as ill-health caused by earlier hazardous waste disposal in residential areas). Also, exclusion from conservation areas or privatised common property resources, like negative socio-political capital, can be transmitted intergenerationally and have long-term negative impacts on livelihoods.

IV. Policy and research implications

This paper comprises a very preliminary attempt to get to grips with (1) the different forms of poverty-related capital that can be transmitted intergenerationally; (2) the various sources and recipients of IGT capital and the directions of resource flow; and (3) the various factors that influence the IGT poverty process in the developing world. Based on this brief exploration, it is contended that CPRC may be able to fill some important gaps in development research through focussing on the mechanisms by which capital is transmitted intergenerationally – both from old to young and young to old – and the effects this can have on poverty and welfare. There is a particular gap in the literature on the intergenerational transmission of socio-cultural and socio-political assets, including coping strategies, in the developing world. The effect of broader socio-economic processes and changing norms of entitlement on IGT poverty processes will be an important focus.

Emerging from their investigation of child development, Engle *et al.* (1996) suggest two main research and policy strategies – *protection* and *prevention* – that can easily be adapted to the broader agenda of IGT and chronic poverty. First, in order to facilitate *protection* from IGT poverty and shocks, there should be a focus on determining the individual or structural characteristics that foster resilience, i.e. how can we foster ‘positive deviance’? Second, there should be a *preventative* focus on investing in risk minimisation, such as the relatively common policy of educating parents in order to decrease risks to children.

Finally, a set of questions for discussion:

- ?? What are the tangible benefits of employing a more strategic and instrumental approach that focuses on intergenerational structures and relationships, rather than one which targets particular individuals or groups within one generation?
- ?? Can this facilitate a genuinely more holistic approach to development policymaking, in the same way that the shift from WID to GAD has allowed a deeper

understanding of social processes and a different set of policy targets?

- ?? Or, by attempting to implement policies strategically, such that targets are not necessarily the sole or even primary policy focus (e.g. educating women for the good of the child), do we run the risk of undermining rights-based approaches?
- ?? Are there cases in which an action that serves the 'best interests' of an individual while in her childhood may not serve the 'best interests' of the same individual in her future (adult) life, or those of her own children? How can this possibility be recognised while at the same time accepting a child's rights to participate and make decisions regarding her life?

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