Title: Understanding Sustained Escapes from Poverty

Chronic Poverty Advisory Network (CPAN) research argues that to reach zero poverty, efforts have to be made to 1) tackle chronic poverty, 2) prevent impoverishment, and 3) ensure escapes from poverty are sustained over time. However, our analysis of existing panel data in 11 countries* reveals a disturbing trend. In rural Ethiopia, for example, 15% of rural households that escaped poverty subsequently fell back into poverty between 1997 and 2009. As a result, the rate of rural households descending into poverty sometimes exceeds the rate of those sustainably escaping it.

This study compares contexts to identify why some households escape poverty only transitorily, while more resilient households escape poverty sustainably. We argue sustained escapes are needed to propel households into the middle class, away from vulnerability and towards resilience. In making this claim, we employ a mixed-methods approach involving regression analysis (multinomial logit estimators, and fixed effects models) of panel data to analyze household-level correlates of poverty trajectories, and identify a sub-sample of survey respondents for follow-up qualitative research based on life histories, focus group discussions and key informant interviews. This combination permits analysis of poverty dynamics with a deeper exploration of factors and processes through the life history based work.

Our study shows that key factors in building sustained poverty escapes include livelihood strategies—combinations of farming, nonfarm activities and migration; accumulation of social capital—especially good relations between husbands and wives, broader family and neighborhood connections; savings, financial inclusion, and insurance for health or environmental/agricultural shocks; government policies that reduce the extent households have to draw on social capital for investment in human development, livelihood diversification or responding to shocks. The rate and nature of economic growth is an important contextual determinant to reduce wealth inequalities and promote sustained escapes, as are political settlements which influence how the poorest people experience upwards mobility. Through synthesizing findings across country studies and policy briefs, we shed light on how policies and programs can be designed and implemented to contribute to sustained poverty reduction.

*Bangladesh, Cambodia, Ethiopia, Kenya, Malawi, Nepal, Niger, Philippines, Rwanda, Tanzania, and Uganda