The focus of this report is on resilience and household poverty escapes and what explains why some households escape poverty and remain out of poverty (sustainable poverty escape through building resilience), while other households escape poverty only to fall back into poverty (transitory poverty escape). The data sources on which the research was based are: (i) analysis of the Family Income and Expenditure Survey in 2003, 2006, and 2009; (ii) key informant interviews in Manila in 2018 with a range of policy makers, researchers, development partners and program implementers; and (iii) qualitative interviews with 40 households in urban and rural areas of the Bicol and Soccsksargen regions of the Philippines in 2018 to investigate the pathways of sustainable poverty escapes.

Our study emphasises the importance of secondary and increasingly tertiary education in contributing to sustained poverty escapes. This schooling, alongside social capital, often facilitated access to salaried forms of employment, preferred for its stable returns and which contributed to sustained poverty escapes. Non-farm enterprise was also appealing for its potential for higher returns in the qualitative data analysis. Relatedly, in the regression results, it was the combination of non-farm enterprise with other activities, including agriculture, which was found to be associated with a reduced risk of transitory escapes.

Our analysis shows that households’ strategies for sustained poverty escapes centers around social capital, which is instrumental in initially promoting escapes out of poverty, though not always a driver in the process of sustaining these escapes over time in the fieldwork sites. Households sustain poverty escapes often through multiple income sources, and maintain resilience in the face of shocks as a result of this livelihood diversification or successfully assessing market demands. Non-farm enterprises and salaried employment have provided successful avenues out of poverty, with the latter preferred by some for its stable, steady income. Once households manage to sustain escapes from poverty, they engage in a virtuous cycle of ‘paying it forward’ by aiding other families. However, households without larger family networks or social capital, often the chronically poor, remain largely excluded from the poverty reduction process.