

Contents

Preface	vii
Acknowledgments	xix
Acronyms	xxvii
Chapter 1 The Dimensions of Chronic Poverty in Asia	1
1.1 Introduction	1
1.2 Poverty and Hunger	8
1.3 Poverty and Discrimination	10
1.3.1 Minorities including indigenous people	10
1.3.2 Unfair labor practices	12
1.3.3 Child labor	14
1.3.4 Gender	17
1.4 Income and the Ability to Work	20
1.5 Vulnerability	20
1.6 The Confluence of Forces and Poverty Dynamics	26
1.7 Where do the Chronically Poor Live?	27
1.7.1 In remote areas	28
1.7.2 Where agricultural productivity is low	28
1.7.3 In political and social isolation	29
1.8 Why are They Poor?	30
1.8.1 Income poverty	30
1.8.2 Lack of capital and social services	31
1.8.3 Environmental degradation	32
1.8.4 Lack of diversity, low saving, growth and limited technical transfer	33
1.9 Chronically Poor, Transient Poor and Non-Poor	33

1.10	Rural and Urban Poverty	35
1.11	Dimensions of Chronic Poverty in Asia	36
Chapter 2	What Determines Chronic Poverty in Asia?	41
2.1	Lack of Human Capital	41
2.1.1	Life expectancy	42
2.1.2	Infant mortality	45
2.1.3	Literacy and education	48
2.2	Limited Income and Earning Power	53
2.3	Geographical Isolation	57
2.4	Lack of Physical Assets	60
2.5	Lack of Financial Capital	61
2.6	Political and Social Isolation	63
2.7	Ethnic, Gender and Other Forms of Discrimination	67
2.7.1	Infant mortality and gender discrimination	72
2.7.2	Gender discrimination at work	78
2.7.3	Class and caste based discrimination	79
2.8	Limited Mobility and Migration	85
2.9	Unfavorable Household Characteristics	87
2.10	Children and Chronic Poverty	91
2.11	Shocks, Wars and Other Disruptions	100
2.11.1	Asian financial crisis	100
2.11.2	2004 Tsunami	104
Chapter 3	The Dynamics of Chronic Poverty	107
3.1	Intra Household Food Allocations	108
3.2	Transfers of Human Capital	109
3.3	Transfer of Other Assets	111
3.4	Transfer of Social Capital	117
3.5	Reversibility, Resilience and Coping Strategies	121

Chapter 4	Microeconomic Policies to Reduce Poverty	125
4.1	Social Safety Nets and Entitlements	126
4.2	Cash Transfers and Food Subsidies	127
4.3	Public Works Programs	135
4.4	Social Funds	140
4.5	Conditional Cash Transfers	141
4.6	Education and Health Subsidies	146
4.7	Success Stories	159
4.8	Labor Mobility — Migration and Remittances	161
	4.8.1 International migration	162
	4.8.2 Rural to urban migration	168
Chapter 5	Sector Policies to Reduce Chronic Poverty	181
5.1	Increase Connectivity of By-Passed Regions	181
	5.1.1 Communications	182
	5.1.2 Rural roads	186
	5.1.3 Rural electrification	195
5.2	Irrigation	203
5.3	Agricultural Extension and New Technologies	209
5.4	Land Reform	214
5.5	Technological Innovation	216
5.6	Small Scale Industry and Micro Finance	224
5.7	Returns to Alternative Infrastructure	229
	Investment — A Summary	
Chapter 6	Macroeconomic Policies to Reduce Chronic Poverty	233
6.1	Introduction	233
6.2	Infrastructure	238
6.3	Fiscal Deficits and Fiscal Adjustment	239

6.4	Labor Laws	240
	6.4.1 Minimum wage laws	242
6.5	Financial Sector	245
6.6	Government Development Spending	245
6.6	Migration Policy	252
6.7	Social Protection	254

Chapter 7 Country Experiences 263

7.1	China	263
	7.1.1 Incidence of poverty	266
	7.1.2 Determinants of poverty	273
	7.1.3 Government commitment to reduce poverty	273
	7.1.4 Microeconomic policies	275
	7.1.5 Sector policies	276
	7.1.6 Macroeconomic policies	280
	7.1.7 Future policy agenda and challenges	283
7.2	India	285
	7.2.1 Incidence of poverty	286
	7.2.2 Determinants of poverty	287
	7.2.3 Microeconomic policy	289
	7.2.4 Sector policies	293
	7.2.5 Macroeconomic policies	295
	7.2.6 Comparison between China and India	297
	7.2.7 Future policy agenda and challenges	298
7.3	Indonesia	300
	7.3.1 Incidence of poverty	303
	7.3.2 Determinants of poverty	305
	7.3.3 Micro policies	307
	7.3.4 Sector policies	318
	7.3.5 Macro policies	320
	7.3.6 Future policy agenda and challenges	323
7.4	Bangladesh	325
	7.4.1 Incidence of poverty	327
	7.4.2 Determinants of poverty	327
	7.4.3 Micro policies	335

7.4.4	Sector policies	339
7.4.5	Macroeconomic policies	341
7.4.6	Future policy agenda and challenges	345
7.5	Sri Lanka	347
7.5.1	Incidence of poverty	349
7.5.2	Determinants of poverty	351
7.5.3	Micro policies	354
7.5.4	Sector policies	356
7.5.5	Macro policies	359
7.5.6	Future policy agenda and challenges	360
7.6	Pakistan	362
7.6.1	Incidence of poverty	364
7.6.2	Determinants of chronic poverty	367
7.6.3	Micro policies	370
7.6.4	Sector policies	372
7.6.5	Macro policies	373
7.6.6	Future policy agenda and challenges	374
7.7	Nepal	375
7.7.1	Incidence of poverty	377
7.7.2	Determinants of poverty	379
7.7.3	Micro policies	381
7.7.4	Sector policies	383
7.7.5	Macroeconomic policies	386
7.7.6	Future policy agenda and challenges	387
7.8	Philippines	388
7.8.1	Incidence of poverty	389
7.8.2	Determinants of poverty	392
7.8.3	Micro policies	399
7.8.4	Sector policies	403
7.8.5	Macroeconomic policies	405
7.8.6	Future policy agenda and challenges	408
7.9	Cambodia	409
7.9.1	Incidence of poverty	411
7.9.2	Determinants of poverty	414
7.9.3	Micro policies	418
7.9.4	Sector policies	423

7.9.5	Macroeconomic policies	433
7.9.6	Future policy agenda and challenges	437
7.10	Laos	439
7.10.1	Incidence of poverty	441
7.10.2	Determinants of poverty	444
7.10.3	Micro policies	445
7.10.4	Sector initiatives	451
7.10.5	Macroeconomic policies	454
7.10.6	Future policy agenda and challenges	458
7.11	Vietnam	460
7.11.1	Incidence of poverty	461
7.11.2	Determinants of chronic poverty	464
7.11.3	Microeconomic policies	464
7.11.4	Sectoral policies	470
7.11.5	Macroeconomic policies	472
7.11.6	Future policy agenda and challenges	475
Chapter 8	Final Thoughts on Policy	479
8.1	Where Chronic Poverty Fits into Overall Poverty Reduction Agenda in Asia	480
8.2	Social Protection and Social Assistance	486
8.3	Assisting Isolated Poor Communities	491
8.4	Migration as a Strategy for the Chronically Poor	492
8.5	Creation of Assets for the Chronically Poor	493
8.6	Discrimination and Gender Empowerment	495
8.7	Chronic Poverty and the Global Financial Crisis	496
8.8	Medium Term Prospects for Reducing Chronic Poverty	502
	Bibliography	505
	Subject Index	541