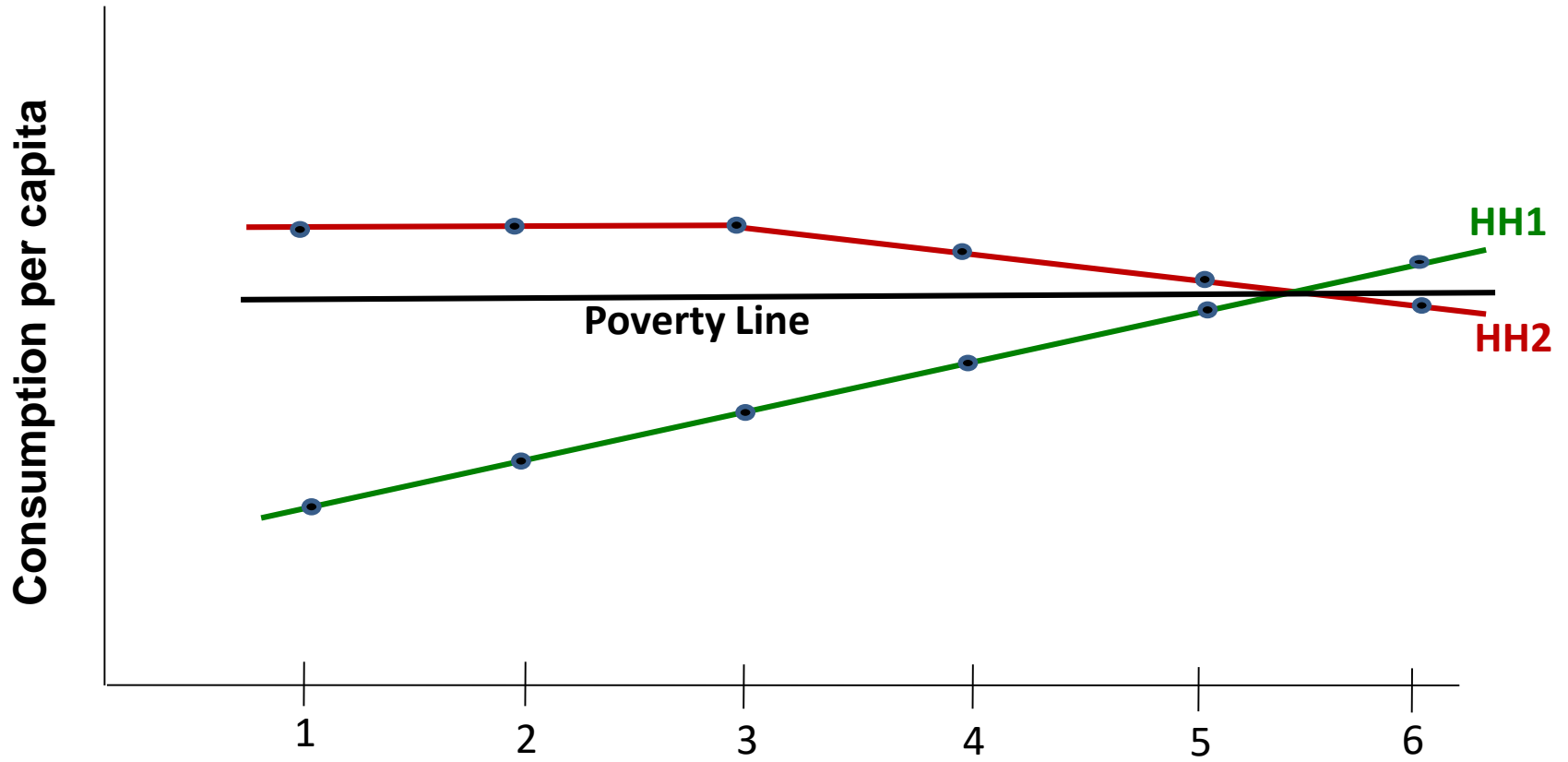


# **Poverty dynamics and growth: Comments**

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# Being Chronically Poor

- There is a temptation to conflate “chronic poverty” and being “always” or “almost always” poor.
- The “pop quiz” suggests that this is not the whole story
- What would be my ideal story:
  - Descriptives including transition matrices and counts of spells, but in more detail (for example, number of spells in extreme poverty)
  - Analysis of consumption growth; both descriptive and econometric analysis (how much growth; who grows and who doesn’t)
  - Analysis based on both “spells” and growth” with chronic poverty being characterized as continuous, or frequent spells in poverty AND low, flat or negative consumption growth

## Attrition: Nuisance or information?

- Not everyone in these quantitative panel surveys are re-interviewed. Does this attrition affect our results?
  - Bangladesh: Attrition is low (7%) and appears to be random
  - Nepal: Attrition is high (22%) and appears to be random;
  - South Africa and Burkina Faso do not report (as far as I can tell)
- All studies should check for non-random attrition ; but these checks should be pushed further.
  - Consider a sample of 20 households. In the first survey round, one household has income of 50, 18 households have income of 100 and one household has income of 150. The poverty line is 99. In the second survey round, the poorest and richest households attrit
  - Attrition looks small (10%) and random (in the sense that mean incomes of attriters and non-attriters are equal). It also looks like there is no chronic poverty.
  - But this is misleading as the poorest household dropped out. Finding this household, or understanding better its characteristics (eg demographic composition) would be valuable in informing discussions surrounding chronic poverty