

## **The Third International Chronic Poverty Report: Observations on Preventing Conflict and the Impoverishment it Causes**

Getting to zero extreme poverty requires stopping impoverishment, tackling chronic poverty and supporting sustained escapes from poverty. Conflict is one of the main causes of impoverishment worldwide, and not one which shows sufficient signs of improvement. By 2015, more than 50 per cent of the world's poor are likely to live in conflict-affected and fragile states and this percentage is projected to increase to 82 per cent by 2025.<sup>i</sup> In order to get to zero poverty, more systematic and effective efforts are needed to prevent conflicts and increase the resilience of fragile states to social, political and economic crises which undermine institutions, as well as to lead already resilient states towards trajectories of pro-poor economic development and shared prosperity. The third Chronic Poverty Report recommends the three following sets of actions.

These actions are not easily amenable to inclusion in the post-2015 framework as targets. However, it would be good to include a target in the Poverty Eradication Goal to stop impoverishment, and to include conflict related indicators under this target, as suggested in the report.

**Given that conflicts tend to resurge in contexts where they have occurred before, they must be ended in a way that guarantees the establishment of a sustainable peace settlement.** A necessary condition is that the State has the executive authority to discipline defectors and reward those who play by state rule. The durability of peace is increased when the peace accord includes civil society actors such as religious groups, women's organizations, and human rights groups. Creation of jobs and access to public goods and services is also essential, especially in poor countries where unskilled people faced limited employment opportunities, and going back to fight may appear like an easy option. In the case of conflicts in which identity groups are mobilised on the grounds of decades-old grievances, sustainable settlements demand elimination of the root causes of the conflict, by building social cohesion and eliminating discrimination.

**Post-conflict reconstruction that promotes economic and social recovery, while including the poorest and disadvantaged people.** A focus on chronic poverty in post-conflict reconstruction can strengthen the state-building process, because it contributes to the creation or renewal of the social contract between the state and its citizens. The key policy to achieve this is the creation of effective social safety nets and social protection. It is paramount that the state is seen to be committed to delivery of public goods and services and to improve the equity of provision, in particular including groups with legitimate grievances. Economic reforms concerning the stability of the macroeconomic framework, taxation and public spending are needed to ensure that the post-conflict reconstruction is sustainable and pro-poor. The international community can help creating incentives for implementing the needed reform, while humanitarian assistance can promote social protection in the political and policy agenda, by supporting pilot schemes as part of reconstruction, and introducing schemes in refugee or internal displacement camps.

**Preventing fragile states not yet engaged in war from falling into large-scale violence by reinforcing institutions' resilience to internal and external shocks.** Specific actions to enhance states' resilience include improving the outreach of the state in all regions of the country and their economic integration; monitoring and responding to episodes of urban violence which express grievance towards the state and elites; job creation and tax and fiscal reforms accompanied by measures for the formalisation of the urban informal sector, and effective delivery of key public goods. International aid can help improving state capacity by supporting reforms first in the sectors with a good enough performance, then trying to replicate the conditions that favoured the positive outcome in other spheres of state action.

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i Laurence Chandy and Geoffrey Gertz, *Poverty in Numbers: The Changing State of Global Poverty from 2005 to 2015*. Brookings Institution, 2011; Homi Kharas and Andrew Rogerson, *Horizon 2025: Creative destruction in the aid industry*. ODI, 2012.