



22 March 2016

## Event: WIDER Annual Lecture ‘Direct interventions against poverty in poor places’ by economist Martin Ravallion

23 March 2016

Stockholm School of Economics, Aula, Sveavägen 65, Stockholm, Sweden

United Nations University World Institute for Development Economics Research (UNU-WIDER) in partnership with the Stockholm Institute of Transition Economics (SITE) will host the WIDER Annual Lecture 20 at the Stockholm School of Economics on 23 March 2016. The lecture will be delivered by Martin Ravallion, a leading economist in the study of poverty and policies for fighting it.

*Finn Tarp, Director of UNU-WIDER, commented ‘WIDER Annual lectures are given once a year by a distinguished scholar or policy maker, who has made a significant contribution to development economics. Professor Martin Ravallion is an outstanding leader in our profession. I am therefore grateful he accepted to give this year’s Lecture on a topic that is critical to the success of the struggle against world poverty.’*

### **Social safety nets for the world’s poorest people**

Today’s most challenging global issues concern the wellbeing of the world’s poorest people. Economic growth has come with lower absolute poverty, but it has had much less impact on relative poverty. Currently we see rising relative inequality in some growing countries, though falling inequality in others. At the same time, absolute inequality is rising in most growing countries. The poorest are being left behind.

Governments in developing countries are now turning to direct interventions, such as workfare, cash transfers, subsidies, or basic income, to provide a social safety net either by protecting the poorest from shocks or in order to provide a way out of poverty. Are such policies needed? How well have they worked? What should be done to make them more effective?

## Direct interventions against poverty – how to avoid creating poverty traps?

In his lecture Martin Ravallion will highlight two key policy-relevant lessons we have learnt about such programmes. First, attempts to target welfare programmes so that they only reach the poorest of the poor can be counter-productive. Finely targeted schemes can create poverty traps, as people start to lose eligibility as soon as their income increases, and these programmes enjoy less broad-based political support.

Second, while there is sometimes a trade-off between policies that assure a minimum standard of living and policies which seek to incentivize escapes from poverty by other means, this trade-off can be exaggerated. If designed correctly, transfers to the poorest can have a role in allowing markets to work better for poor people, and social investment approaches to welfare schemes show promise.

*'Eradicating poverty and reducing inequality are fundamental challenges to all of us that work in the field of development. One of the most important questions today is how we can design policies that help people to get out of poverty, and I am delighted that SITE can be part of organizing this important lecture by Professor Martin Ravallion,' says Torbjörn Becker, Director of SITE.*

### About Martin Ravallion

Martin Ravallion is a leading economist in the research of poverty and policies for fighting it. He is well known for his proposal of the '\$1 per day' poverty line, which became very widely accepted for monitoring progress against global poverty. Until 2013 Ravallion was Director of the World Bank's research department, the Development Research Group. Currently, he is the President of the Society for the Study of Economic Inequality, a Senior Fellow of the Bureau for Research in Economic Analysis of Development, a Research Associate of the National Bureau of Economic Research, USA, and a non-resident Fellow of the Center for Global Development. In 2016 he was awarded one of the prestigious Frontiers of Knowledge Awards of Spain's BBVA Foundation. The lecture will draw in part on his new book [The Economics of Poverty: History, Measurement and Policy](#).

### UNU-WIDER

The Institute began operations in 1985 in Helsinki, Finland, as the first research centre of the United Nations University. Today it is a unique blend of think tank, research institute, and UN agency, undertaking a range of activities—from policy advice to governments, to providing freely available original research coordinated by a core group of resident and non-resident researchers and undertaken by a global network of collaborators.

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### More information

The conference programme [www.wider.unu.edu/AL20](http://www.wider.unu.edu/AL20)

Register for the event at [www.wider.unu.edu/AL20](http://www.wider.unu.edu/AL20)

Photos can be downloaded post-event at [www.flickr.com/photos/unu-wider](http://www.flickr.com/photos/unu-wider)

More information on UNU-WIDER [www.wider.unu.edu](http://www.wider.unu.edu)