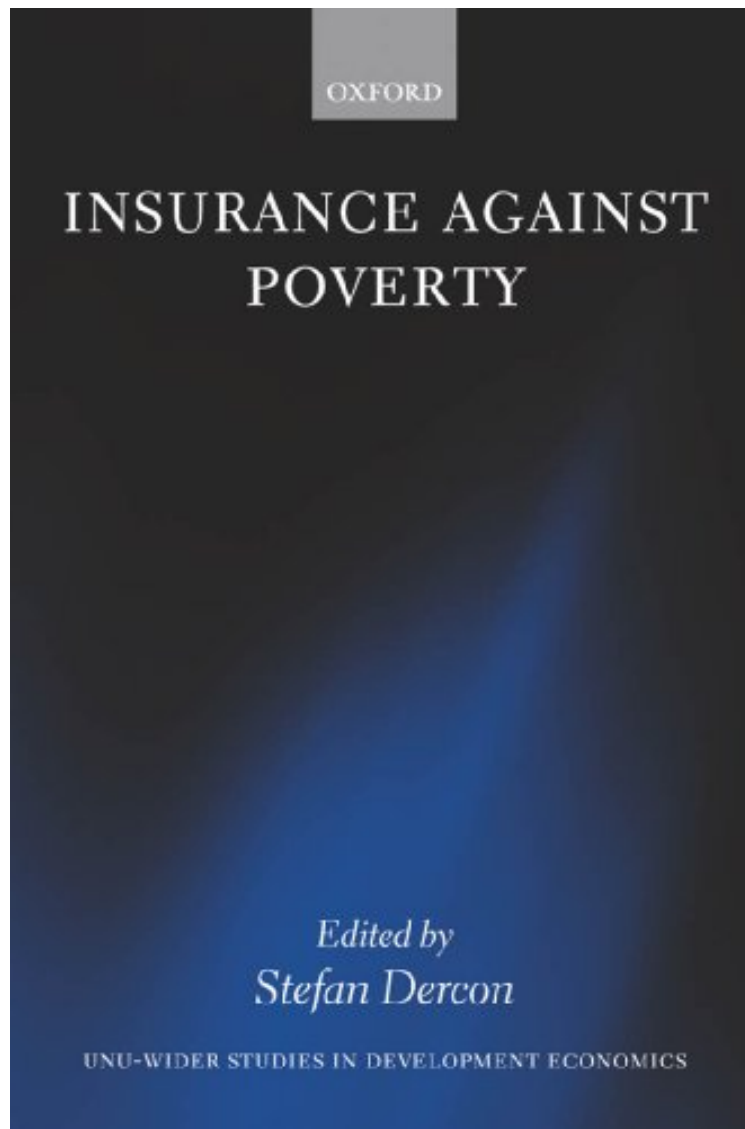


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Insurance Against Poverty (WIDER Studies in Development Economics)

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From OUP Oxford : Insurance Against Poverty (WIDER Studies in Development Economics) before purchasing it in order to gauge whether or not it would be worth my time, and all praised Insurance Against Poverty (WIDER Studies in Development Economics):

Poor people in developing countries are often affected by droughts, floods, illness, crop failure, job loss, and economic

downturns. Much of their energy goes into coping with these shocks and into day-to-day survival. While insurance and credit markets, combined with widespread social security, provide an important cushion against poverty in rich countries, the need for immediate survival may lock the poor into persistent poverty in developing countries. The poor in developing countries do have informal mechanisms to cope with risk and misfortune. These are based on income diversification, risk avoidance, self-insurance by saving together with family, and community-based mutual assistance. Nevertheless, the scope of these mechanisms remains limited. Repeated individual-specific shocks such as illness or pests, or covariate risks associated with drought, flood, or recession, undermine the ability of individuals and their families to cope with risk. We now know much more about vulnerability to risk and how poor people cope. Even more importantly, we have learned much about the large long-term consequences of these risks, which condemns many to persistent poverty and excludes them from economic growth. But there is much that can be done. The micro-level studies that underpin this book offer new insights on how effective public action could be more effective in protecting the vulnerable against persistent poverty. Policy should focus on providing a comprehensive menu of ex-ante and post-crisis protection mechanisms, including new forms of insurance, savings, safety nets, and the means to strengthen the poor's asset base. Local communities have a big role to play: public funds should not be used to replace indigenous community-based support networks; rather they should be used to build on the strengths of these networks to ensure broader and more effective protection. With numerous thematic chapters and case studies of both best practice and of failure, from a mix of low-income and middle-income countries across the developing world, this book evaluates alternatives in widening insurance and protection provision, and makes an important contribution to the topical field of insurance and risk.

"This is a unique collection of articles, almost all of them published for the first time, that touch on all aspects of insurance against poverty. The articles by leading authorities in the field, provide a state of the art collection of thinking on how poor people deal with the multiple risks facing them, and how public policy can help provide better safety nets for the most vulnerable. Since the strategies employed by poor people to deal with the risks they face are a major obstacle to their ability to grow out of poverty, the insights offered by the articles in this volume will contribute considerably to policies towards global poverty alleviation." ' Alexander Sarris, Director, Commodities and Trade Division, Food and Agriculture Organization of the United Nations (FAO) 'The micro-level studies that underpin this book offers new insights on how effective public action could be more effective in protecting the vulnerable against persistent poverty.' Oxfam Development Resources About the Author Stefan Dercon is a University Lecturer at the University of Oxford, and has been Professor in Development Economics at the Katholieke Universiteit Leuven, Belgium, a Research Officer at the centre of the Study of African Economies, a Research Fellow at Nuffield College, Oxford, and a Visiting Professor at the University of Addis Ababa, Ethiopia.