



INTERNATIONAL FOOD  
POLICY RESEARCH INSTITUTE  
*sustainable solutions for ending hunger and poverty*

# **The World's Most Deprived Characteristics and Causes of Extreme Poverty and Hunger**

A vibrant pink rose is the central focus, set against a bright yellow circular background. The rose is surrounded by several pink petals that appear to be falling or scattered around it. The entire scene is set against a background of large, light-colored rose petals.

**Akhter Ahmed, Ruth Vargas Hill, Lisa Smith,  
Doris Wiesmann, and Tim Frankenberger**

# Context

- Report was undertaken as part of a policy consultation process focusing on the world's poor and hungry people
- Consultation process undertaken to:
  - Take stock of progress in achieving the first Millennium Development Goal and those who would be left behind
  - Understand why poverty persists in these groups
  - Analyze successes and failure in reaching these groups
  - Assess appropriate strategic approaches and their implementation
- Process was coordinated by IFPRI, culminated in the international conference on "Taking Action for the World's Poor and Hungry People" in Beijing organized jointly with the Government of China (State Council Leading Group Office on Poverty Alleviation and Development)

# Millennium Development Goals

- The first MDG: to halve the proportion of people living in extreme poverty and hunger between 1990 and 2015
- Substantial progress in reducing poverty has been made since 1990, suggesting that the first of the Millennium Development Goals (MDGs) will be met at the global level
- If it is, at least 800 million people will still be trapped in poverty and hunger in 2015
  - Who will be likely to move out of poverty and hunger? Who will remain left behind?
  - Are development programs reaching those most in need, or are they primarily benefiting those who are easier to reach, leaving the very poorest behind?
- This report addresses these questions by developing a better understanding of the characteristics of the world's poorest and hungry; and examining whether business as usual is likely to improve their welfare
- The report uses global household poverty data from 1990 to 2004 to look below the dollar-a-day poverty line, and conducts in-depth household survey analysis on a subset of 20 countries from all major regions of the developing world

# Who are the poorest?

- One billion people live on less than \$1 a day: threshold defined by the international community as constituting extreme poverty
- Number encompasses a multitude of people living in varying degrees of poverty, all poor, but some more desperately poorer than others
- To better answer who are the poorest and whether they are being reached we divided this one billion into three categories according to the depth of their poverty:



## Subjacent poor:

75 cents – one dollar  
485 million people



## Medial poor:

50 cents – 75 cents  
323 million people



## Ultra poor:

Less than 50 cents  
162 million people

# Who are the poorest?

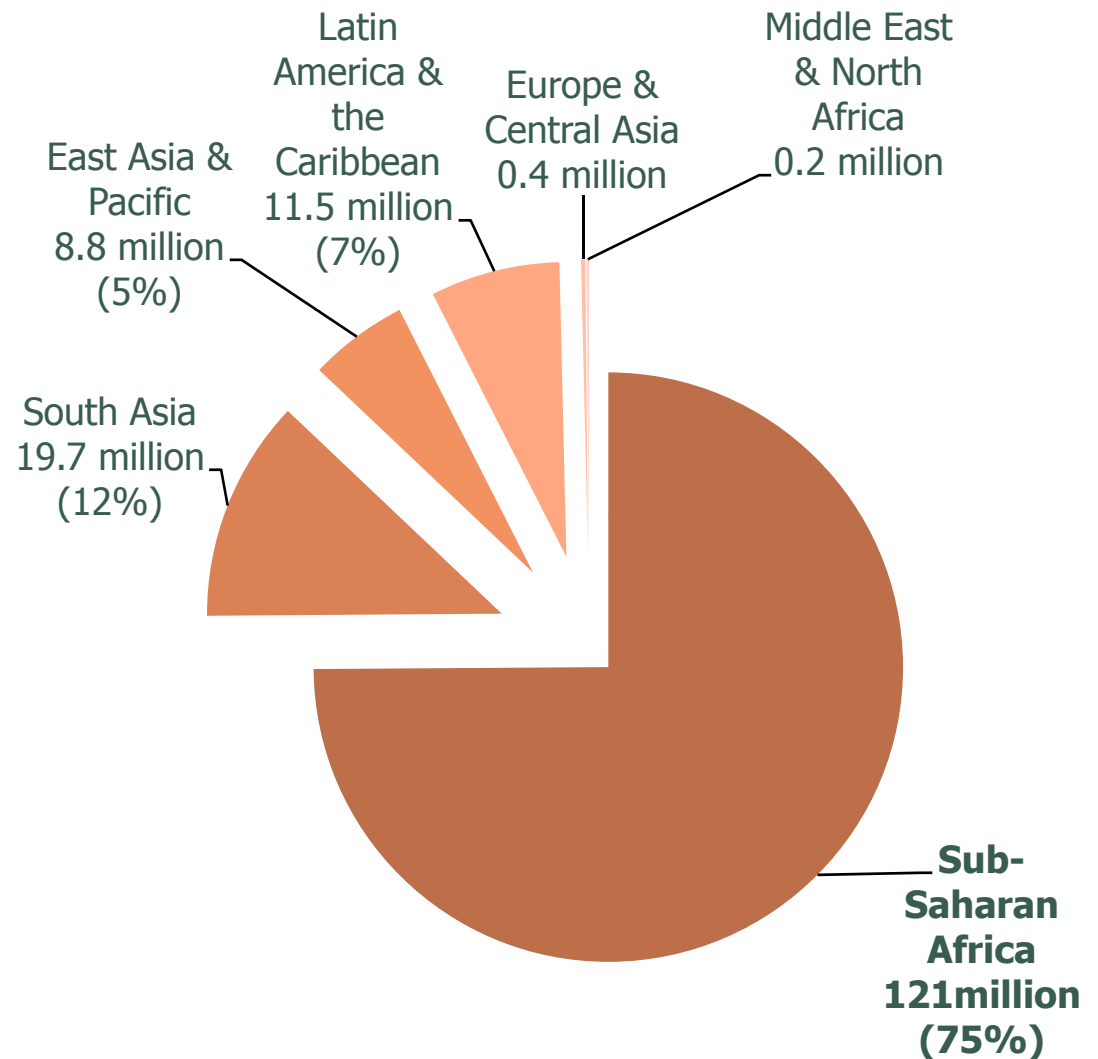


Ultra poor:  
Less than 50 cents  
162 million people

A significant number: if all of the ultra poor were contained in a single region it would be the world's seventh most populous country after China, India, the United States, Indonesia and Pakistan

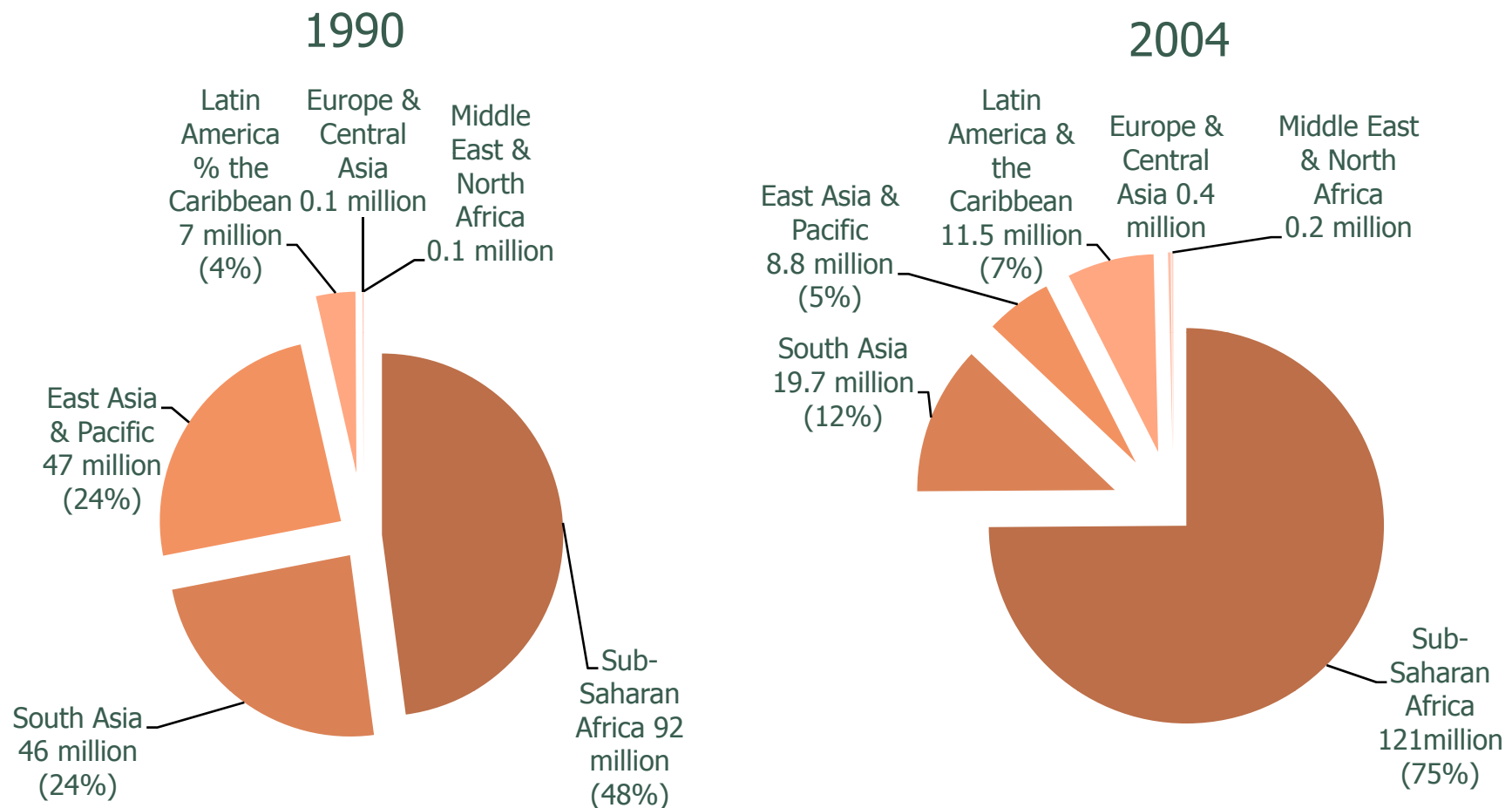
# The world's ultra poor: Where do they live?

- Three-fourths of the world's ultra poor live in Sub-Saharan Africa, the only region where ultra poverty is more prevalent than subjacent and medial poverty
- Most of Asia's poor live just below the dollar a day line—only a small minority is ultra poor



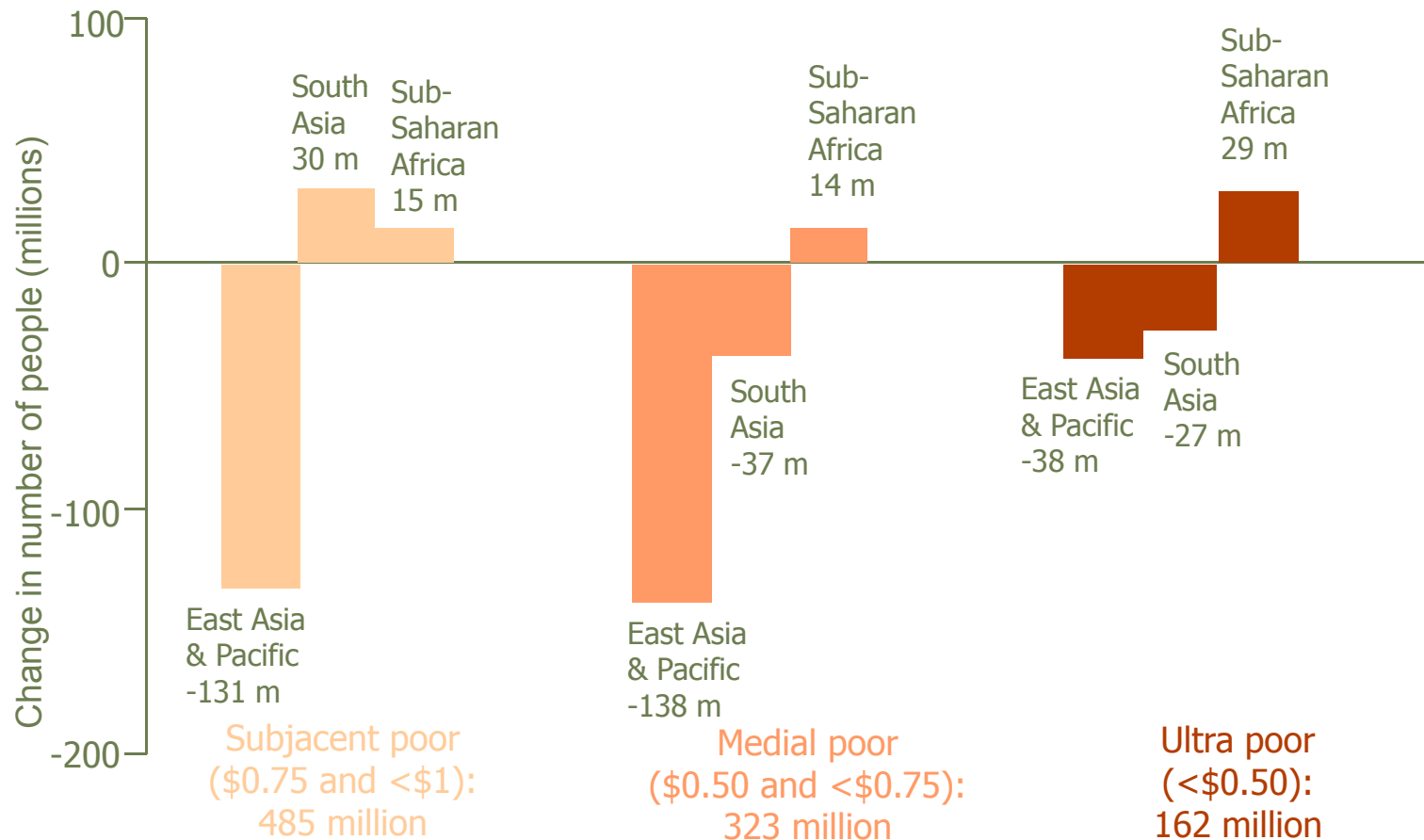
# The world's ultra poor: Where do they live?

- This reflects substantial changes in the location of the world's ultra poor since 1990



# Changes in the number of poor, 1990 - 2004

- The number of poor fell in all categories in East Asia & the Pacific, and in nearly all categories in South Asia
- Sub-Saharan Africa, in contrast, experienced increases in the number of poor people in each category, particularly in ultra poverty

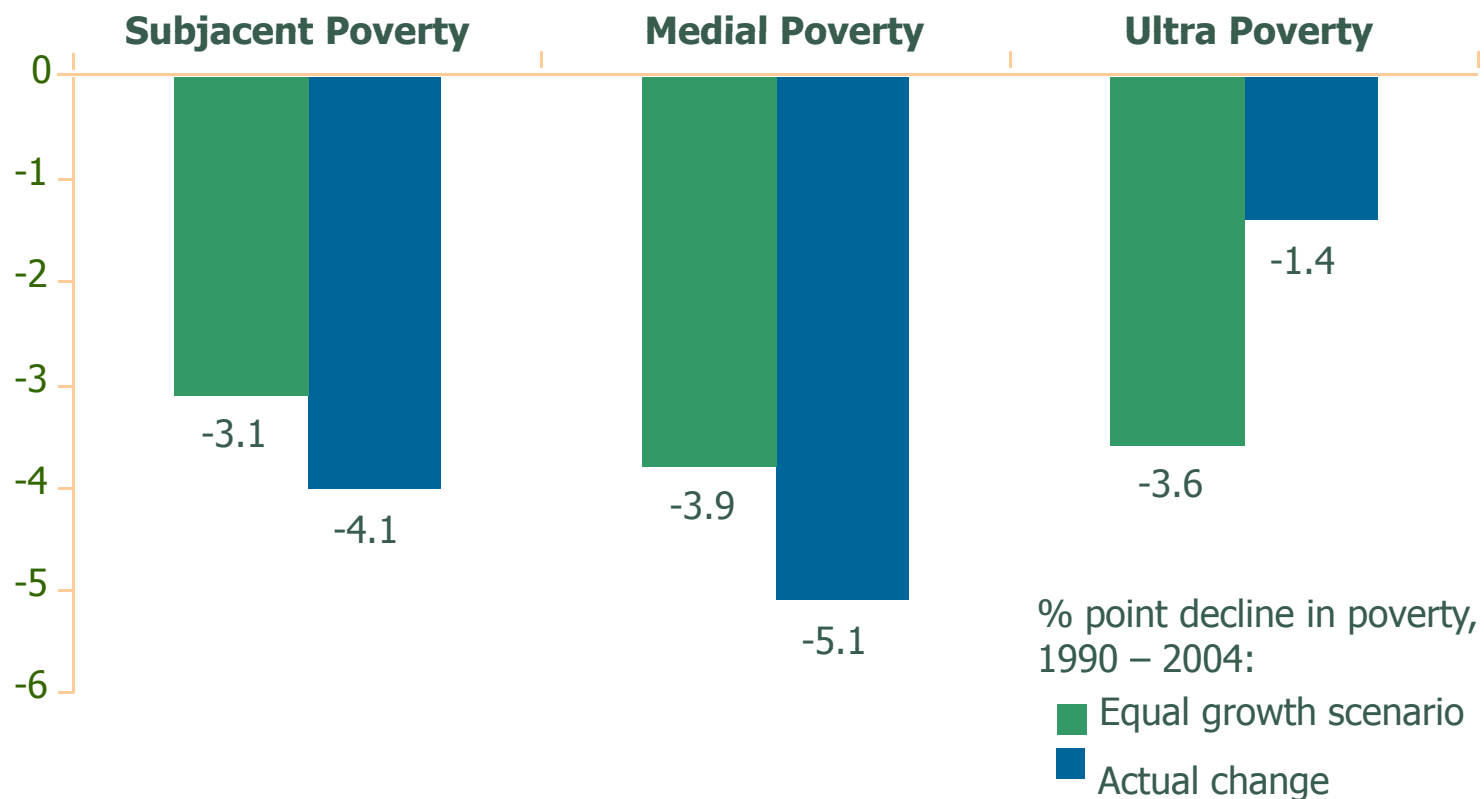


# Poverty traps in Sub-Saharan Africa?

- The severity of poverty in Sub-Saharan Africa and the limited progress in reducing it indicates that:
  - if current trends continue, global reductions in poverty may continue to exclude a large share of the world's absolute poorest
  - the poorest in Sub-Saharan Africa may be trapped in poverty (or at least are experiencing a much slower growth out of poverty than others)
- To better understand this dynamic we
  - calculated the amount poverty would have been reduced in each category if everyone's income had grown by the same amount between 1990 and 2004: the "equal growth scenario"
  - Compared this with the actual amount of poverty reduction that took place during this period

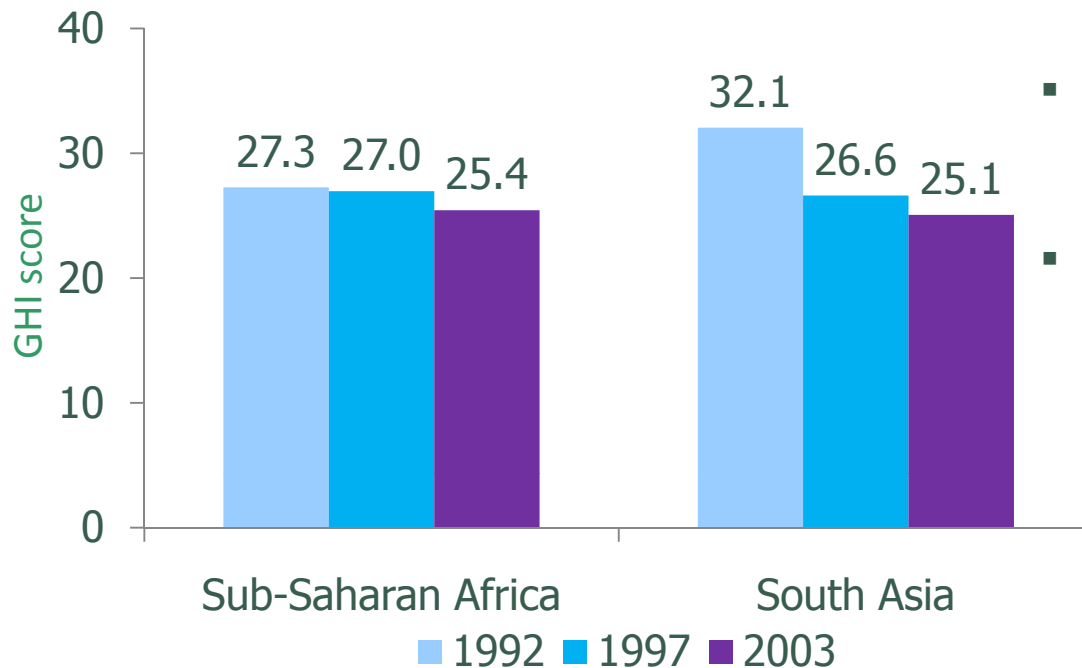
# Progress has been slowest for the poorest

- Comparing the “equal growth” scenario with the actual changes in poverty:
  - progress against poverty has been slower for people living well below \$1-a-day
  - There are marked regional differences: in East Asia and the Pacific all groups benefited nearly equally, in Sub-Saharan Africa those in ultra poverty are being substantially left behind the little progress that has been achieved



# The world's most food insecure

- IFPRI's Global Hunger Index:
  - Innovative tool—measures hunger and under-nutrition in developing and transitional countries. Combines three indicators into one index: (i) proportion of people who are calorie deficient; (ii) child underweight prevalence, (iii) child mortality
  - Hot spots of hunger are Sub-Saharan Africa and South Asia: South Asia has a similar GHI score to Sub-Saharan Africa despite dollar a day poverty rates 10 percentage points lower

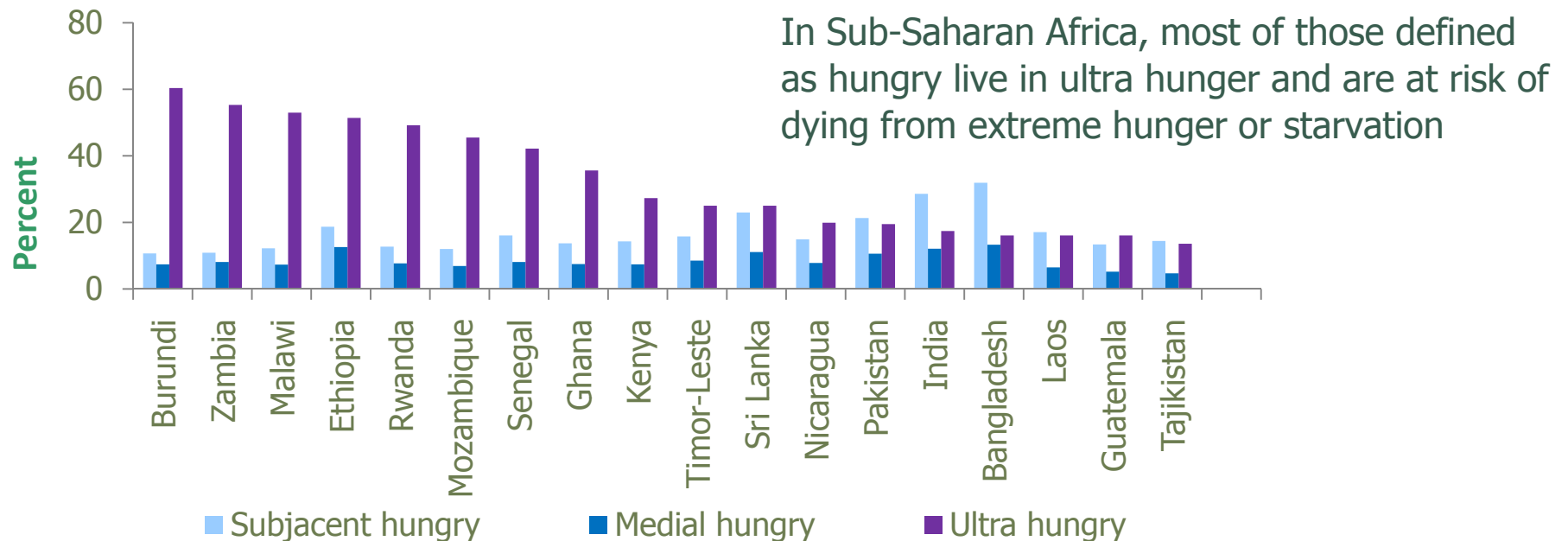


- Sub-Saharan Africa has experienced little progress against hunger since 1990
- South Asia made substantial progress in reducing hunger since 1990 by improving child nutrition (although South Asia still has the highest rate of underweight children in the world)

# The world's most food insecure

- To obtain a more in-depth look at hunger, we analyzed household survey data in 15 countries. Again we separated the hungry into three categories:
  - Subjacent hungry: those consuming between 1,800 and 2,200 calories per day
  - Medial hungry: those consuming between 1,600 and 1,800 calories per day
  - Ultra hungry: those consuming less than 1,600 calories per day

[2,200=average energy requirement for adults undertaking light activity, 1,800=people who do not consume enough to meet the energy requirement for light activity (FAO), 1,600=at risk of dying from extreme hunger or starvation]



# Characteristics of the poorest and hungry

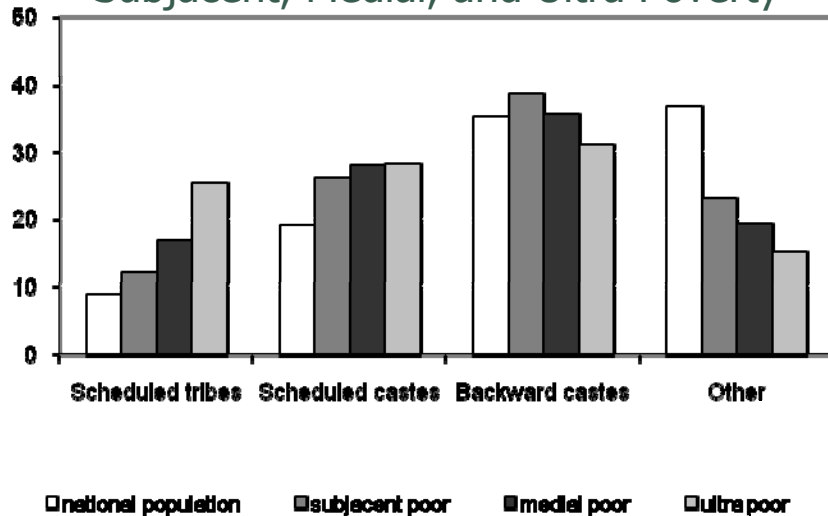
- To better understand the characteristics of the world's poorest and hungry, we analyzed household data and reviewed empirical research in 20 countries in Sub-Saharan Africa, Asia and Latin America
- We found that the poorest households are:
  - In remote rural areas, located furthest from roads, markets, schools, and health services
    - Poverty rates tend to be 2.5 times higher in rural areas, ultra poverty rates are four times higher in rural areas than in urban areas
    - Nicaragua: the incidence of extreme poverty is 20 percent higher in the central rural region where people travel twice as long to reach the closest healthcare service and primary school
    - Zambia: poor are more likely to be located more than 20km from the nearest market than those who are not poor

# Characteristics of the poorest and hungry

- The poorest households:
  - Have little education or assets
    - Nearly all study countries, the proportion of adult males without schooling is almost double or more among the ultra poor than the non-poor. Similarly for women. In Bangladesh nearly all women in ultra poor households (92%) are unschooled
    - In all study countries, children from poorer families are less likely to go to school. In India, 48 percent of children living in ultra poverty attend school, compared to 81 percent of children living above the dollar-a-day poverty line
    - In all parts of Asia, those who are landless are the poorest. In Sub-Saharan Africa the poorest often own some land (usually very small plots), but lack access to markets and other key resources such as credit and agricultural inputs.
  - Face exclusion because of their ethnicity
    - Each of the 20 countries has minority and other subgroups that have a consistently higher prevalence of poverty and hunger, especially in Asia.

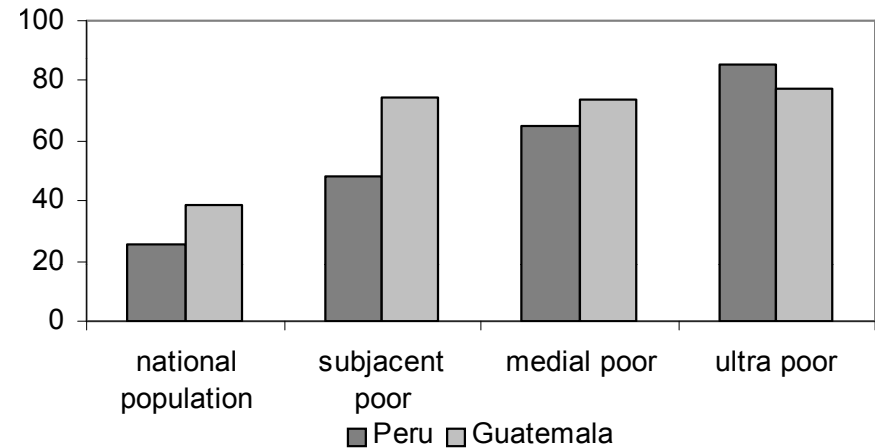
# Exclusion

**Figure 1—India:** Proportion of Scheduled Castes and Scheduled Tribes in the National Population and Living in Subjacent, Medial, and Ultra Poverty



Source: Authors calculation from National Sample Survey 55th Round Socio-Economic Survey, National Sample Survey Organization, India

**Figure 2—Guatemala and Peru:** Proportion of Indigenous in National Population and Living in Subjacent, Medial, and Ultra Poverty



Source: Authors calculation from Encovi 2000, Instituto Nacional de Estadística-Guatemala and Peru Living Standards Measurement Survey 1994, Encuesta Nacional de Hogares Sobre Medicion de Vida, Peru

# Why those in ultra poverty stay poor?

- As a result of remoteness, limited assets and exclusion the ultra poor are often unable to take advantage of opportunities that growth provides.
- The daily challenges faced by the ultra poor can lead to conditions in which it is difficult to emerge without outside assistance. For example we see that the ultra poor:
  - have little energy to undertake productive activities as a result of malnutrition
  - have limited access to cash or credit with which to undertake high-return income activities
  - are unable to invest in the education and nutrition of their children causing their children to more likely be poor.
- The very poverty of the ultra poor keeps them poor. As a result there are persistent impacts of:
  - poverty and hunger inherited at birth
  - poverty and hunger resulting from unfortunate and unexpected events. These conditions or events in the life of a household—particularly serious illness—explain the descent of many households into ultra poverty.

# Addressing ultra poverty

- The dismally slow progress in reaching the poorest people – those living in ultra poverty and hunger - shows that “business as usual” will not be good enough to see welfare improvements for this group in the next few years.
- We need to do a better job of targeting policies and programs to the ultra poor.
- Knowing who the ultra poor are, where they live and the unique challenges they face is an essential first step in doing this. The report begins to do this, but it also highlights quite a lot of what we don't know.
- It is only with more context-specific and time-relevant information that it is possible for policy makers to make informed choices and to correctly design and learn from policies and interventions for improving the welfare of the most deprived.

# Addressing ultra poverty

- There are four areas of action that this work suggests are particularly important in improving the welfare of the ultra poor:
  - addressing remoteness: improving access to markets, health care and education for those in the most remote rural areas, thinking creatively about how to improve access to services even for those who are remote
  - investing in education and assets of the poorest: both through expanding programmes that have worked, but also through working out how to make programmes work particularly for the poorest – for example how do we really make micro-credit work for the very poorest people in the village
  - protecting the assets of the poorest: our research shows that catastrophic events in lifetime of a household, such as health crises, that cause households to fall into ultra poverty can have persistent effects. Social protection and innovations in insurance for the poorest can help protect households as they try and move out of ultra poverty.
  - addressing the exclusion of disadvantaged groups: the prevalence and persistence of ultra poverty among excluded groups such as ethnic minorities in SE Asia, indigenous in LAC—shows the importance of addressing this through affirmative action, addressing aspiration failures.

Thank you!