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CONCLUSION

In this report we have sought to answer two crucial questions—who are the world’s poorest and hungry, and why do poverty and hunger persist?—by identifying the regions of the world in which deprivation is most severe and noting where progress has been achieved, examining the characteristics of the extremely poor and hungry, and reviewing the causes of deprivation and its persistence. The overall goal of this research is to strengthen the empirical basis upon which policymakers can make informed policy choices for reducing hunger and extreme poverty.

5.1 REGIONS OF DEPRIVATION

Disaggregating those living on less than \$1 a day into three groups according to their location below the dollar-a-day poverty line allowed us to consider the severity of poverty. Those in subadjacent poverty live on just less than \$1 a day (between \$0.75 and \$1), those in ultra poverty live well below \$1 day (on less than \$0.50), and those in medial poverty are in between (living on between \$0.50 and \$0.75). Using this disaggregation, we have shown that many of

the world’s 1 billion extremely poor people live in ultra poverty, and that progress in reducing poverty among this group has been slow.

While South Asia accounts for most of the developing world’s subadjacent and medial poor, Sub-Saharan Africa is home to three-quarters of all ultra poor—121 million people in Sub-Saharan Africa lived on less than a meager \$0.50 a day in 2004. Although the Latin America and Caribbean region’s share of dollar-a-day poverty is relatively small, its share increases with the depth of poverty.

Progress against poverty has been slowest in regions where poverty is most severe. The decline in the global poverty rate has been largely driven by East Asia and the Pacific, aided by South Asia. Indeed, East Asia and the Pacific have overachieved the Millennium Development Goal of halving poverty by 2015; between 1990 and 2004, the dollar-a-day poverty rate in the region fell from 29.8 percent to 9.1 percent. However, poverty rates stagnated in Sub-Saharan Africa (falling from 46.8 percent to 41.1 percent) and Latin America and the Caribbean (10.2 percent to 8.6 percent).

Overall, developing countries experienced larger reductions in subadjacent and medial poverty than in ultra poverty. Disaggregating further, it is clear that in all major regions, changes in poverty benefited those closer to the poverty line more than those further away from it. Ultra poverty rates decreased less than they would have had everyone's income grown equally, especially in Sub-Saharan Africa and in Latin America and the Caribbean.

Progress in reducing hunger was measured with the help of the Global Hunger Index (GHI)—an index designed to capture three dimensions of hunger: lack of economic access to food, shortfalls in the nutritional status of children, and child mortality. The findings of the Global Hunger Index show that most hunger hot spots today are in Sub-Saharan Africa and South Asia.

In Sub-Saharan Africa, overall progress against hunger in the 1990s was slow. The proportion of people who were food-energy deficient decreased, but there was very little improvement in underweight in children and in the under-five mortality rate. The high under-five mortality rate echoes the high prevalence of ultra poverty in this region. South Asia made large strides in combating hunger in the 1990s, but despite the remarkable improvement in child nutritional status in South Asia, the region still has the highest prevalence of underweight in children in the world. Because it has a higher rate of child malnutrition than Sub-Saharan Africa, South Asia's GHI score is only slightly better than Sub-Saharan Africa's despite the fact that its dollar-a-day poverty rate is significantly lower—by about 10 percentage points. Why is South Asia's child malnutrition rate higher than Sub-Saharan Africa's, when it does so much better with respect to poverty reduction? Studies suggest that the low status of women in South Asia compared to Sub-

Saharan Africa is at the root of the region's nutritional status gap.

The slow rate of reduction in ultra poverty, and components of the Global Hunger Index suggest that business as usual will not be sufficient to reach the most deprived within an acceptable period of time.

5.2 CHARACTERISTICS OF THE POOREST AND HUNGRY

We analyzed country-level survey data from 20 countries in Asia, Sub-Saharan Africa, and Latin America and the Caribbean to identify certain characteristics of the poorest and hungry. The characteristics we chose represent those that are both important and measurable in some comparable way across countries and settings. We also reviewed literature on the characteristics and causes of poverty in these countries.

We found that, in general the poorest are by and large also hungry, although not everyone classified as hungry lives on less than \$1 a day. Looking at the characteristics of the poorest, we found that the poorest are those from excluded groups, those living in rural remote areas with little education, those with few assets, and—in Asia—those without land. Despite a global trend toward an increase in the proportion of poor in urban areas, incidences of poverty are higher in rural areas and there is a tendency toward greater rural–urban differences as poverty deepens. Additionally, the poorest and most food-insecure households are located furthest from roads, markets, schools, and health services. In each of the 20 countries there are some groups, considered separate from the majority, that have a consistently higher prevalence of poverty and hunger. Individuals in groups excluded from regional progress against poverty remain among the poorest

in Asia. In Latin America, indigenous peoples were also found to be overrepresented among the poor, and increasingly so further below the dollar-a-day poverty line. In nearly all study countries, the proportion of adult males without schooling is almost double or more among the ultra poor than among the non-poor, and children from poorer families were also found to be less likely to go to school.

Causes of poverty and hunger

Our review of the literature on the causes of persistent poverty and hunger shows that the location of a household—its country of residence and its location within the country—has a large impact on potential household welfare. However, against the backdrop of institutions, technology, and infrastructure determined by a household's location, there are causes of persistent poverty and hunger that operate at the individual or group level. Two themes underlie many of these explanations: traps and exclusion. The inability of poor households to invest in the education and assets of their children, the constrained access to credit for those with few assets, and the lack of productive labor of the hungry are all indicative of the presence of a trap in which poverty begets poverty and hunger begets hunger. The systematic exclusion of certain groups from access to resources and markets also increases their propensity to be poor, and changes only

slowly over time, also giving rise to persistent poverty and hunger.

The coincidence of severe and persistent poverty and hunger is consistent with the presence of a poverty trap existing for very poor households. When this is the case, then poverty and hunger inherited at birth—or resulting from unfortunate and unexpected events in the lifetime of an individual—can persist for many years. Indeed, unexpected events in the life of a household, especially health shocks, were found to have persistent effects and to explain the descent of many households into poverty.

Together, these findings motivate a focus on policies and programs that are particularly effective in improving the welfare of the world's poorest and hungry. The analysis suggests that interventions to insure the poor against health shocks, address the exclusion of certain groups, prevent child malnutrition, and enable investment in education and other capital for those with few assets are essential to help the poorest move out of poverty.

These findings also highlight the importance of improving our knowledge and understanding of who the world's poorest and hungry are. It is only with carefully collected, context-specific, and time-relevant data that it is possible to correctly design and evaluate policies and interventions for improving the welfare of the most deprived.