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**G8
Okinawa Summit
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GLOBAL POVERTY REPORT

July 2000

EXECUTIVE SUMMARY

Poverty goes beyond lack of income. It encompasses economic, social, and governance dimensions. Economically, the poor are not only deprived of income and resources, but of opportunities. Markets and jobs are often difficult to access, because of low capabilities and geographical and social exclusion. Limited access to education affects the ability of the poor to get jobs and to obtain information that could improve the quality of their lives. Poor health due to inadequate nutrition, hygiene and health services further limits their prospects for work and from realizing their mental and physical potential. This fragile position is exacerbated by insecurity. Living in marginal conditions with no resources to fall back on, shocks become hard or impossible to offset. The situation is made worse by the structure of societies and institutions that tends to exclude the poor from participating in decision-making over the direction of social and economic development.

Progress and prospects

The last century witnessed major improvements in the health and education status of many, reflected in declining infant mortality rates, increasing life expectancy, and higher literacy rates. However, 1.2 billion people are estimated to still live on less than \$1 per day, and almost 3 billion on less than \$2 per day. 110 million primary school age children are out of school, 60 percent of them girls. 31 million people are infected with HIV/AIDS. And many more live without adequate food, shelter, safe water, and sanitation.

Poverty in the midst of plenty is one of the central challenges in today's global economy and society. Fighting poverty is both a moral imperative and a necessity for a stable world. In recognition of this, the international community adopted International Development Goals during the 1990s. However progress in meeting these goals has been slow and uneven across regions, while some parts of the world have retrogressed, with poverty increasing in countries of the former Soviet Union, and mortality rates deteriorating in Africa due to the HIV/AIDS epidemic. If trends of the past decade continue or worsen, the International Development Goals are not likely to be achieved. The global community needs to make a concerted effort to accelerate progress and more effectively address the causes of poverty at country and global levels.

Actions at the country level

The lives of poor people are most affected by actions at the country level. Countries need to get on a path of sustainable, pro-poor growth that provides opportunities for all, a voice in decision-making and protection from shocks.

Achieving sustainable, inclusive and broad-based growth and opportunities requires a sound macroeconomic framework. Policies that promote low inflation, realistic and stable exchange rates, reasonable fiscal deficits, effective integration into the global economy, and private sector activity, are all needed. Investments in the physical and financial assets of poor people are also necessary — adequate schooling and skill development, secured nutrition, preventive health care, rural infrastructure and credit.

Providing a voice in decision-making means pursuing the involvement of poor people and society at large in policy/program design and implementation. Transparency and accountability contribute to a well-informed public debate and result in better policies with wider support. Broad participation can help improve the management of public expenditures by

pushing shifts in resources toward priority areas and avoiding unproductive spending, such as generalized subsidies and excessive military spending. Broad participation may also lead societies to confront issues of social and economic inequality that are obstacles to poverty reduction.

Providing social protection to the poor requires mechanisms to mitigate the impact of local and national crises and to reduce vulnerability. These include subsidies targeted to the poor, public works and “food for work” programs, sustainable, well-designed pension, unemployment and social assistance programs, and severance payments to those laid off during civil service retrenchment or public enterprise reform.

Actions at the global level

At the international level, factors such as globalization, the volatility of commodity prices, the availability of knowledge, and flows of private and official capital have a powerful impact on poor countries and their ability to reduce poverty. Advanced countries have an important role to play in contributing directly to the fight against poverty, as well as through the role they play in international organizations.

Actions are needed to ensure that opportunities for poor countries are expanded. Industrialized countries should strive to sustain steady global economic expansion to provide the demand conditions for developing countries and to open their markets more completely to imports from developing countries (especially in agriculture, labor-intensive manufacturing and services), within a rules-based trading system. Donor countries should strive to increase aid flows to the poorest countries and to complete financing for the enhanced HIPC initiative — with aid increasingly targeted at country-driven, poverty-oriented programs. The international community should provide increased support for international public goods, notably for research and dissemination of vaccines for communicable diseases such as HIV/AIDS, TB, and malaria. It should also assist with agricultural advances for tropical and semi-arid conditions. The private sector and research institutions also have a crucial role to play in devoting talent and resources to solving the problems facing poor countries.

Actions are needed to promote global financial and economic stability and help poor countries deal with shocks. Working jointly with governments and the private sector, the International Financial Institutions (IFIs) play a key role in strengthening the international financial architecture to reduce volatility, and to provide mechanisms for managing financial crises when they occur. The international community should also continue to search for ways to prevent armed conflict, and support countries emerging from strife. This calls for substantial technical and financial assistance for demilitarization, demobilization, and rehabilitation, and the restoration of domestic institutional capacity. The industrial countries further need to ensure greater coherence and transparency in their own policies on arms sales.

Actions are also needed to empower poor countries. Development assistance and debt relief must be provided in ways that strengthen ownership and effectively help poor countries help themselves. Donor countries are progressively linking all their assistance to country-driven strategies to reduce poverty, developed with the engagement of civil society, private sector agents, NGOs, donors, and the international community. Poor countries should be given more of a voice in international forums to ensure that international priorities, agreements and standards reflect their needs. IFIs, and other international organizations such as the WTO, should continue to make their strategies and actions fully transparent, and to hold regular dialogue with representatives of civil society, in particular organizations representing the poor.

Role of the MDBs and the IMF

IFIs, including the Multilateral Development Banks and the International Monetary Fund, have a central role to play at the country level, where they provide policy advice, and financial and technical support for long-term country-driven programs, as well as support to deal with shocks. The institutions also provide advice that helps governments create a sound environment for private sector development. They have a key role to play at the global level where they can help shape international rules and ensure the provision of global public goods. These are complex tasks that will require even greater collaboration and stronger partnership than in the past. Poverty reduction strategies now being prepared by countries are providing a framework for enhanced collaboration between governments, IFIs and other external agencies, and civil society.

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I. Global Poverty Conditions and Trends

1. Poverty is an unacceptable human condition which does not have to be inevitable. The main goal of development is to eliminate poverty and reduce social imbalances. Sustainable economic growth and appropriate social policies are keys to fighting poverty. At the same time, reducing poverty helps growth by enabling the poor to participate productively in the economy. Yet economic growth by itself does not guarantee success in eradicating poverty. Other important dimensions of poverty, such as quality of life and participation in decision-making, need to be addressed.

2. Leaders of all countries, including the G-8, agreed on International Development Goals (IDGs) to reduce poverty by 2015. The goals are ambitious, but with the efforts and commitment of developing and developed countries, and international development agencies, they can be achieved.¹

International Development Goals	
	Target Year
▪ <i>For economic well-being:</i> Reduce by half the proportion of people in extreme poverty	2015
▪ <i>For social development:</i> Achieve universal primary education;	2015
Eliminate gender disparities in primary and secondary education;	2005
Reduce by two-thirds the mortality rates for infants and children under 5 and by three-fourths the mortality rates for mothers;	2015
Provide access to reproductive health services for all individuals of appropriate age.	2015
▪ <i>For environmental sustainability and regeneration:</i> Implement national strategies for sustainable development;	2005
Reverse current trends loss of environmental resources globally and nationally.	2015

A. Nature and Determinants of Poverty

3. Poverty goes beyond lack of income. It is multidimensional, encompassing economic, social, and governance perspectives. Economically, the poor are not only deprived of income and resources, but of opportunities. Markets and jobs are often difficult to access, because of low capabilities and geographical and social exclusion. Limited education affects their ability to get jobs and to access information that could improve the quality of their lives. Poor health, due to inadequate nutrition and health services, further limits their prospects for work and from realizing their mental and physical potential. This fragile position is exacerbated by insecurity.

¹ A parallel report also presented at the G-8 Summit in Okinawa, "A Better World for All" discusses in detail progress towards achieving the IDGs. <http://www.paris21.org/betterworld>.

Living in marginal conditions with no resources to fall back on, shocks become hard or impossible to offset. The situation is made worse by the structure of societies and institutions that tends to exclude the poor from participating in decision-making over the direction of social and economic development.

B. Recent Trends

4. Globally, the proportion of people living in poverty² declined from 29 percent in 1987 to 26 percent in 1998, although the total number of poor remained almost unchanged at around 1.2 billion. The reduction in the incidence of global poverty is attributed to progress made in East Asia, most notably in the People's Republic of China, although progress was somewhat reversed during the recent Asian economic crisis and seems to have stalled in China. The performance in three other regions (Africa, Latin America, and South Asia) shows only moderate or no declines in the incidence of poverty, while the number of people in poverty in these regions has increased. In Sub-Saharan Africa, an additional 74 million people joined the ranks of the poor reaching a total of 291 million in 1998. In Latin America the figure increased from 64 to 78 million;³ and in South Asia a total of 522 million people live in poverty. Countries in Eastern Europe and Central Asia experienced an increase in both the incidence of poverty and the number of people living below the international poverty line. Here, the incidence rose from 2 percent to 5 percent, translating into 24 million people in poverty.⁴

5. Experience has shown that in countries with lower inequality, growth has a higher impact on poverty reduction. Income inequality within countries has not changed significantly in most regions over the past thirty years, with the exception of countries in the former Soviet Union where negative GDP growth has been accompanied by a large increase in inequality. But differences between countries have increased: the average income of the richest 20 countries is now 30 times that of the 20 poorest countries, as compared to 15 times 40 years ago.⁵

6. Social indicators have improved over the last three decades. Life expectancy in developing countries rose from 55 years in 1970 to 65 years in 1998, but is still far below that of 78 years in OECD countries. Infant mortality rates have fallen from 107 per 1,000 live births in 1970, to 59 in 1998. All regions except Eastern Europe, Central Asia and Sub-Saharan Africa shared progress in this area. Net primary school enrollments improved from 78 percent in 1980 to 84 percent in 1998, and adult literacy rose from 53 percent in 1970 to 74 percent in 1998. However, because of population growth, today there are 41 million more illiterate adults than in 1970.⁶ The improvements that have taken place mask differences in performance by region, with Sub-Saharan Africa, South Asia and the Middle East and North Africa falling behind in reducing child mortality rates and in improving net primary enrollment rates. They also mask differences across economic strata. Not surprisingly, the poor generally fare the worst in terms of social indicators, such as illiteracy, malnutrition, ill health (incidence of communicable

² That is, people whose level of consumption fell below the international poverty line of \$1 per day, in 1993 Purchasing Power Parity terms.

³ This figure rises to 183 million if a poverty line of \$2 per day is used, which is more appropriate in the Latin American context. Using that poverty line for all regions yields a number of poor people equal to 2.8 billion, with the largest concentration of poor still in South Asia.

⁴ *Poverty Reduction and the World Bank: Progress in Fiscal 1999*. World Bank, Washington, 2000.

⁵ However, inequality in the distribution of world income, which is measured by putting the incomes of all people together, has not increased because of the impressive gains in average incomes in China.

⁶ *Education for All—The Year 2000 Assessment*, UNESCO, Paris.

diseases such as tuberculosis and HIV/AIDS), and mortality and morbidity rates. Among this group, women and girls are often the most severely disadvantaged, as evidenced by low school enrollment rates and higher incidence of maternal mortality rates.

7. In a recent study, the poor tell us that insecurity has increased.⁷ By and large, poor people feel they have not been able to take advantage of new economic opportunities because of a lack of connections and lack of information, skills and credit. Today's poor work primarily in rural areas and the urban informal sector. They say that life is more insecure and unpredictable than a decade or so ago due to a loss of traditional livelihoods, breakdowns in state and social solidarity, social isolation, increased crime and violence, lack of access to justice, and extortion and brutality from the police. Ineffective and corrupt government institutions add to the problems of the poor.

C. Outlook

1. Income Poverty

8. Two scenarios were developed to assess interim progress against the IDGs by 2008 as an indication of progress that can be expected by 2015. The more optimistic one assumes growth rates in real per capita consumption for each region of between 1 and 5 percent and no changes in inequality. A less optimistic outlook anticipates lower growth rates (between 0 and 4 percent)⁸ and an increase in inequality of between 10 and 20 percent. The less optimistic scenario was adopted in light of the recent crises in Russia and Asia, which set back earlier achievements in poverty reduction and demonstrated the volatility in growth rates in developing countries.

9. The assumptions for the optimistic scenario would result in East Asia and the Pacific and South Asia surpassing the 2015 targets (in terms of the proportion of people in poverty), by 2008. Sub-Saharan Africa would still have to reduce the proportion of people living in poverty from 42 to 24 percent. Latin America and the Caribbean, and to a lesser extent, Eastern Europe and Central Asia would make sufficient progress by 2008 so that achieving the 2015 target would be likely. The less optimistic scenario sees increases in the proportion of people living in poverty, so that achieving the 2015 targets would be unlikely anywhere but in Asia. Figures are in Appendix 1.

2. Social Indicators

10. IDGs for social development were agreed in four areas: universal primary education; eliminating gender disparities in primary and secondary education; reducing infant and child mortality rates, and providing access to reproductive health care.

11. About 110 million primary-school-age children in developing countries were out of school in 1998.⁹ Those who are attending school are not always receiving quality education. The goal of attaining universal primary school enrollment by 2015 is likely to be achieved in East Asia and

⁷ *Voices of the Poor*, World Bank, Washington, 1999. <http://www.worldbank.org/poverty/voices/index.htm>

⁸ Growth rate projections are based on the *Global Economic Prospects and the Developing Countries 2000*, World Bank, 2000; the more optimistic case uses the report's base case growth projections and no change in inequality. <http://www.worldbank.org/prospects/gep2000>

⁹ *Education for All—The Year 2000 Assessment*, UNESCO, Paris.

the Pacific, Eastern Europe, and Central Asia.¹⁰ Other regions — most notably Latin America — have made good progress in the last decade and could reach the target. In Africa and South Asia the target appears too distant. The IDGs call for equal enrollments of girls and boys in primary and secondary school by the year 2005. However, this target is unlikely to be achieved. Of the 110 million children estimated to be out of school in 1998, 60 percent were girls. The 44 percent gross primary school enrollment rate for girls is estimated to increase to only 47 percent by 2005. The situation is similar for secondary school enrollments, where enrollment rates for girls are only 40 percent, a percentage expected to rise to 47 percent by the target year of 2005.

12. Actual and projected data on infant mortality indicates progress between 1990 and 1998 in all regions. However, reductions in East Asia, South Asia and Sub-Saharan Africa appear too slow to meet the IDG for 2015 (a two-third reduction over 1990 levels). Mortality rates have been declining with rising GDP but, even assuming high GDP growth, infant and child mortality rates would be substantially above the IDG target in 2015. Moreover, keeping infant and child mortality rates in Africa from increasing will be a challenge in a number of countries given the spread of the AIDS epidemic.

13. The IDG of providing access to reproductive health services for all who need it by 2015 is unlikely to be achieved. The use of contraceptives is influenced by many factors, including cultural traditions, religious beliefs and the availability of effective methods at a reasonable cost. The number of women and men in need of reproductive health services will almost double over the next two decades, and achieving this goal will require a combination of increased access to affordable services and stronger education campaigns. Expanding the availability and use of condoms among young people is especially important to control the spread of HIV/AIDS.

II. Regional Poverty Trends and Issues

A. Africa

1. The Status of Poverty

14. Africa, despite an abundance of resources, natural and human, currently suffers from widespread and persistent poverty and a high degree of income inequality. In 1987, 47 percent of the population was below the international poverty line. By 1998, this rate had declined only marginally to 46 percent. Sub-Saharan Africa is today the region with the highest incidence of poverty in the world. High levels of income inequality (the Gini coefficient for the region as a whole is as high as 44) compound the problem and undermine the prospects for sustainable and equitable economic growth and a significant reduction in the incidence of poverty. On the other hand, the continent is far from homogeneous and the aggregate figures mask important variations in both the incidence of poverty and in income distribution across countries, and within regions in individual countries.

15. Non-income measures of poverty show large variations, but overall infant mortality, life expectancy and school enrollment rates in Africa are some of the worst in the world. In Sub-Saharan Africa, 151 children out of 1,000 die before the age of 5 and 92 out of 1,000 die before the age of 1. The life expectancy rate of 50 years, and net primary school enrollment rates of 60

¹⁰ The assumption that this goal will be reached in Central Asia requires that economies can regain greater stability and renewed commitment to education after transition so that excellent enrollment rates achieved during the Soviet period can be regained.

percent are the lowest in the world. Deaths as a result of HIV/AIDS alone have resulted in a lowering of life expectancy, thus wiping out social gains of the last three decades in a number of countries. Among 8 countries where life expectancy declined by more than 3 years since 1990, six are African countries. For instance, in Botswana and Zambia, countries with high HIV/AIDS prevalence rates, life expectancy has declined by 9.5 years and 6 years, respectively.

16. Although poverty in Africa is a predominantly rural phenomenon, urban poverty is also rising in many countries, adding a new dimension. If present trends continue, Africa may be the only continent where problems of poverty, urban as well as rural, will continue to worsen as we enter the 21st century. And it will be difficult, near impossible, for Africa to achieve the International Development Goals, including halving poverty levels, by 2015.

2. The Causes of Poverty

17. The main causes of poverty in Africa are low levels of productivity and production technology, especially in the agricultural sector, which provides most of the employment and a large share of the continent's GDP. Other major reasons include high illiteracy and population growth rates, frequent natural disasters, inadequate infrastructure, and in some countries excessive dependence on a narrow range of commodities for export earnings. Counterproductive economic policies in the 1970s and the early 1980s, political instability and conflict in a number of countries, and the continent-wide problem of gender inequality in access to productive assets and social services, have also contributed to sluggish economic growth and widespread poverty. Many of these issues are being addressed, but long-term sustainable solutions will be illusive without improved security and an increase in savings and investment rates and the mobilization of both foreign and domestic resources, including private foreign investment, debt relief and ODA, and support through the Strategic Partnership for Africa. In addition, Africa needs a favorable international trade environment with increased access to developed country markets in order to fully reap the benefits of globalization.

3. Anti-poverty policies

18. Since the mid-1980s a number of African countries have made every effort to create an economic environment that is conducive to sustainable, equitable and broad-based economic growth, with a focus on poverty reduction. Some of the policy measures adopted include, stabilizing the macro-economic framework, trade and price liberalization (especially of agricultural prices), and privatization and promotion of efficient management of the public sector, including anti-corruption measures. In many cases, the implementation of sound economic policies has resulted in positive per capita income growth, thus reversing the negative trends of the 1980s and the first half of the 1990s. In some cases, these efforts have been accompanied by investments in social sectors in general and in primary health and preventive health care in particular, as evidenced by improved social indicators. For example, over the last two decades, infant mortality rates have fallen from 112 to 81, and nearly half of Africa's populations had access to sanitation in 1995 against only a third at the beginning of the 1980s. Nevertheless, economic growth has been too slow to make a really significant dent on the reduction of poverty across the continent.

19. It is estimated that Africa will require average growth of 8 percent per year in order to halve poverty by 2015, as stipulated in the DAC goals for the 21st century. Given that recent growth rates have averaged only about 4 percent per year, it is unlikely that Africa will meet those goals within a decade and a half. African countries will need to make renewed efforts to increase economic growth and reduce poverty. An encouraging factor is that there seems to be

a general consensus on what is required: the promotion of good governance, enhancing the efficiency of public expenditure, deeper economic reforms, expansion of exports, regional integration, access to information technology, and further improvements in the level and productivity of investments in human, as well as physical capital. It is also generally acknowledged that governments need to provide an environment that enables the private sector to realize its full potential for creating employment and income-generating opportunities for the poor. African governments recognize the existence of gender-based inequities in access to productive assets such as land, credit, extension and social services, but strategies and commitment to overcome them need to be more strongly enforced to unleash the potential of women to contribute to economic growth, enhance social equity and reduce poverty.

20. The AfDB's Vision Statement, adopted in 1999, states clearly that poverty reduction is AfDB's overarching objective. As a result, projects in agriculture, rural infrastructure, education, health and water supply are being designed, implemented and evaluated in ways that maximize efforts to reduce poverty.

4. The Role of the International Community

21. Accelerating broad-based growth and reducing poverty require expanded and qualitatively improved support from the international community. Africa's longtime development partners have supplied financing, provided technical assistance, and extended advisory services in the past. Much has been achieved through these means, resulting in considerable improvements in economic management as evidenced by higher growth rates, declining inflation and lower fiscal deficits. But today this is inadequate.

22. Ways of further accelerating growth and improving poverty reduction have, therefore, recently been the focus of many consultations between African governments, society and the private sector, together with bilateral and multilateral development partners. From this, a consensus has emerged on the basic building blocks for poverty reduction. First, African governments have the primary responsibility for preparing poverty reduction strategies, and development partners are committed to work in cohesion within this common framework. Second, Africans must be involved in developing those policies to ensure they do indeed respond to the needs and demands of beneficiaries. And, third, strategies will be output-oriented, and Africans themselves will be able to monitor the impact.

23. These measures, endorsed by donors and African Heads of State alike, in Libreville recently, should not obscure the fact however that there remains an unquestionable need for additional ODA, for concessional resources to the poorest countries, for faster and deeper debt relief to those suffering unsustainable debt-burdens, and for foreign direct investments. Without these resources, the newfound consensus may not put Africa on a sustainable path to eradicating poverty.

B. Asia and Pacific

1. Poverty Trends

24. Poverty in the Asia and Pacific region is marked by two significant factors: magnitude and diversity. Close to 900 million or 75 percent of the world's poor live in the Asian and Pacific Region, including Central Asia. Nearly one in three Asians is poor. Within the region, East Asia and the People's Republic of China in particular performed well in reducing poverty, until the recent economic crisis reversed some of the earlier gains. Some progress has been made in South Asia, although the depth of poverty reaches similar levels as Sub-Saharan Africa, but on

a much larger scale as more than half a billion people are in poverty. Central Asia has been newly exposed to the threat of poverty as many countries undergo difficult transition periods. The countries in the Pacific, despite their relatively higher per capita income, are vulnerable and have limited capacities to deal with external shocks.¹¹

2. Challenges

25. The sheer magnitude of the number of people in poverty in the region poses an extraordinary challenge to societies, governments and the development community. Ensuring food security with the help of an efficient agricultural sector, while preserving the environment is an enormous task, given the large number of people involved and limited space. There has been some transformation of the rural sector, initiated by the Green Revolution, which has led to improved food security and higher incomes, but the highest incidence of poverty remains concentrated in this sector. Agricultural growth is therefore crucial and must be pro-poor and environmentally sustainable.¹² The region is also urbanizing rapidly (the majority of megacities are in Asia) and the urban poor live in abysmal conditions, insecure in tenure and lacking basic amenities. In both rural and urban areas, the public sector is often unable to deliver services because cost recovery is difficult. This leaves the poor at the mercy of informal suppliers.

26. The pressure of high population growth translates into millions without formal employment and large numbers of new entrants into the job market each year. In the past, export-oriented industries prospered on cheap labor as an asset for transforming economies and reducing poverty, as in East Asia. But manufacturing has become less labor intensive, service industries are becoming the main employers, and the spectrum of technology choices is widening. Modern information technology is creating job opportunities and facilitating the exchange of information across continents, but is also introducing a new form of illiteracy for those (countries and people), without access or ability to use information technology.¹³ Governments need to adopt policies and make adequate investments in basic infrastructure to ensure that globally competitive industries (which might not always provide requisite jobs) are integrated into domestic economies to strengthen their competitiveness and increase their capacity to create income-generating opportunities.

27. Skill and knowledge levels required to integrate in these modern sectors are often beyond the reach of the poor. This makes it difficult for them to participate in economic growth and globalization. Governments in the region recognize the need to provide basic education. However, fulfilling this responsibility is a massive task given the large number of children and great variations in population densities, undermining the quality and cost of education. A further impediment is that an increasing number of poor children grow up with insufficient nutrition and exposed to high pollution levels, affecting their ability to learn. Primary health care services face problems similar to those in the education sector. In addition, many in the region, especially the poor, run the risk of communicable diseases, such as malaria, tuberculosis and HIV/AIDS. Together, education and health impact strongly on the prospects of the poor, whose (often only) asset is their willingness and ability to work.

¹¹ *Fighting Poverty in Asia and the Pacific: The Poverty Reduction Strategy of the Asian Development Bank*, Asian Development Bank, 1999, Manila. http://www.adb.org/Poverty/adb_gl00.htm

¹² *Rural Asia*, Asian Development Bank, 2000, Manila.

¹³ *Emerging Asia—Changes and Challenges*, Asian Development Bank, 1997, Manila.

28. Across all these areas, governments continue to have a crucial role to play. They need to create an environment that stimulates growth and private sector development, ensures efficient public resource management and delivers basic services and infrastructure. They also need, in cooperation with society and the business community, to strengthen social cohesion, as the more affluent increasingly tend to have an international outlook and less in common with the poorer parts of their own countries. However, shifting the role of governments over time, from producer/owner to facilitator/regulator, is a complex undertaking. Traditions of participation and decentralized administration existed in several countries but were sometimes swept away in the process of historical change. In other countries, roles previously played by traditionally powerful stakeholders have sometimes been transferred to new institutions. Rediscovering (or newly introducing), concepts of participation and inclusive development requires responsive governments, as well as citizens able to contribute constructively to public debate and the decision-making process.

3. Policy Implications for the Future

29. Confronting these challenges and reducing poverty in the Asia and Pacific region calls for a three-pronged approach: promoting pro-poor growth, securing social development, and ensuring good governance. The three are interrelated. Pro-poor growth stimulates employment and other economic opportunities, and generates revenues, which can be directed, through good governance, at providing services needed by the poor and vulnerable groups.

30. Economic growth, essential for reducing poverty in the Asia and Pacific region, needs to be broad-based and labor absorbing, providing jobs and economic opportunities for self-employment — a challenging task, because industries need to be internationally competitive as well. This requires diversified industrial and service sectors and the networking of international and local enterprises of different sizes, to enhance synergism between different economic segments. A supportive policy framework needs to be complemented by investments in human, physical, and financial capital, particularly of the poor, to aid their integration into the main stream of social and economic development. These measures need to be chosen and designed with greater involvement of the public at large, and the poor in particular, to ensure their effectiveness and sustainability.

4. Evaluation of AsDB's Antipoverty Operations

31. The AsDB has been active in the fight against poverty. However, an evaluation of its anti-poverty operations reveals two weaknesses. The absence of country-specific and country-owned poverty reduction strategies (hence, no comprehensive or systematic attack on poverty in individual countries), and project preparation without adequate, differentiated information on the poor in the project areas. To address these shortcomings, AsDB's recently approved Poverty Reduction Strategy aims to gear all lending and technical assistance toward poverty reduction, and to establish partnership agreements that set agreed targets. It also mandates a project typology driven by development impact on beneficiaries below the poverty line. With poverty reduction now its overarching goal, AsDB will ensure that all its operations contribute in some way to this end. It will also dedicate 40 percent of its public sector lending towards targeted poverty interventions.

C. Latin America and the Caribbean

1. Summary of poverty and inequality trends in the region

32. The incidence of poverty decreased in Latin America and the Caribbean during the first half of the nineties. However, the resumption of economic growth in a number of countries was insufficient to reduce the absolute number of poor people. Adverse shocks in the second half of this decade stymied the region's efforts to produce noticeable progress in poverty reduction. Moreover, as the region became more unequal in the 1980s, and remained so in the 1990s, progress in reducing poverty slowed, despite the renewed growth. As a result, in 1997 the incidence of poverty in Latin America remained approximately 3 percent higher than in 1980, with roughly 70 million more people living in poverty.

33. Greater progress has been achieved in non-monetary indicators of wellbeing. Social indicators such as infant mortality rates, nutrition indicators, access to safe water, life expectancy, literacy rates and average years of schooling continued to improve. There has also been a noticeable advance towards more democratic societies. However, progress is still lacking in other dimensions. School completion rates are low, with a large proportion of students dropping out before finishing primary education. The high incidence of social problems such as crime, violence, alcoholism and drug addiction, continue to raise important concerns. Progress has also been uneven among different population groups. Social indicators in poor rural areas (e.g., the Northeast in Brazil and the Andean regions) lag considerably behind those in the most affluent areas in the region. Significant differences in the quantity and quality of education and health services also persist among high and low-income groups. Policies and decision making rarely incorporate the concerns and preferences of the poor or even middle income groups.

34. Important advances in improved macroeconomic management were made during the 1990s. Creating economic opportunities, while managing the risks, improving living standards, and building strong institutions for the poor now stand as the policy challenges to curb poverty and inequality in the region.

2. Social Development Goals

35. Economic growth is essential for poverty reduction, but it is not sufficient. Growth must be accompanied by measures that ensure its benefits reach all segments of the population. Beyond broad-based growth, social development goals in Latin American and the Caribbean should take into account both economic and social dimensions of well being, namely:

- Reducing income poverty and inequality
- Increasing levels of high-quality educational attainment and improving health outcomes
- Eliminating social exclusion, and gender and ethnic discrimination
- Increasing the participation of marginalized groups in the political and decision-making process
- Preventing crime and violence

3. Areas of Action

36. In order to achieve these goals, initiatives should simultaneously foster and protect the human capital accumulation of the poor. They should contribute to expanding access for the

poor to social and physical infrastructure, and provide them with consumption smoothing mechanisms, while paying attention to the needs of the most vulnerable and marginalized groups. Four areas of action are a priority in the region:

37. Opportunities, human development and improvements in the quality of life: a comprehensive poverty reduction strategy needs to focus on identifying competitive advantages that can sustain stable and equitable economic growth. This should include policies that:

- (i) Increase the assets base of the poor. For example, land titling, housing programs, and investment in projects that secure access to quality education and health services such as Targeted Human Development Programs that help poor families keep their children in school and provide them with regular health care;
- (ii) Promote the creation and development of markets. For example, by improving access to geographically inaccessible areas through investment in physical infrastructure, increasing the linkages between the rural economy and the industrial sector through support to microenterprises, and mitigating coordination failures that prevent small producers from organizing to export as a unit. Correcting market failures in order to deepen credit and loosen labor markets is also desirable; and
- (iii) Eliminate discriminatory practices and support projects that promote opportunities for indigenous communities in socio-culturally appropriate ways.

38. Social protection: The poor are often the most severely affected by adverse shocks of macro and micro origin, so mechanisms to reduce the incidence of shocks and help the poor cope with them, are essential. At present, most Latin American and Caribbean countries do not have mechanisms to mitigate the impact of adverse shocks to the poor. These mechanisms should guarantee minimum consumption levels and access to basic services, protect investments in human capital during crises, and reduce the risk exposure faced by the poor in their productive choices. Such mechanisms range from making fiscal policy counter-cyclical and improving management of natural disaster risks, to instruments that help the poor cope with illness, crop failure, unemployment and old age.

39. Institutions and governance for the poor: It is crucial to allow institutional reforms to move forward to build strong institutions for the poor. It is also critical to encourage community participation in the larger process of public policy dialogue, especially of traditionally marginalized groups, such as women, indigenous groups and the rural and urban poor, generally. There is also a need to advance the reform of institutions for the delivery of health, education and judicial services and to improve the management capacities of governments to enhance their accountability and make them more responsive to the needs of the poor.

40. Prevention and social progress: The promotion of preventive action is needed in order to avoid the proliferation of child labor and dysfunctional behavior such as domestic violence, crime and/or drug and alcohol abuse. Policies in this area include: (i) investing in mothers and intervening in early childhood education; (ii) campaigns to change social norms and attitudes towards domestic violence; (iii) educational interventions to promote the use of gender neutral educational materials; (iv) facilitating conflicts resolution and training courses on gender roles and strategies to prevent and cope with domestic violence; (v) community policing; (vi) preventive actions in health centers to identify victims of violence so that they can be referred to

counseling services and judicial institutions to handle disputes resolution; and (vii) promoting youth participation and leadership.

D. Central and Eastern Europe, the Baltic States and the CIS

1. Poverty and Inequality in Transition

41. The transition has been a time of social upheaval in Central and Eastern Europe and the former Soviet Union. While an end to rationing and shortages, an increase in the quality and choice of products, and new opportunities for private initiatives have improved living standards for many people across the region, others have suffered severe reductions in their standard of living and some have experienced acute poverty. Despite serious concerns about the quality of income data in many transition economies, social indicators show clearly the stresses of transition.

Life expectancy and mortality

42. Before the transition, life expectancy in the region by and large compared favorably with that of market economies with similar income levels. For instance, in 1980 life expectancy in Central and Eastern Europe averaged 71 years, far above levels achieved in most of Latin America or East Asia. In the former Soviet Union, life expectancy in 1980 was 68 years, although it varied considerably across republics and began to decline in the 1980s. Since 1989, trends in life expectancy have increasingly diverged across the region. In central Europe, life expectancy has increased since 1989, to an average of 73 years by 1997. In southeastern Europe life expectancy has remained roughly constant. In the three Baltic countries and Russia, life expectancy declined precipitously during the first 4 years of transition, but has recovered partially since then. The other countries of the western CIS (Belarus, Moldova and Ukraine) as well as Kazakhstan have experienced a continuous decline in life expectancy since 1989. In the remaining countries of central Asia and the Caucasus there appears to have been little change.

43. One major factor behind the decline in life expectancy in many transition economies has been changes in adult male mortality rates. In Russia, male life expectancy declined by 6 years between 1989 and 1994, and approximately half of this decline was due to higher death rates of males aged 35-64. In the Baltic states as well as the western parts of the CIS and in Kazakhstan, adult male mortality rates also experienced a dramatic increase during the first years of transition. Available evidence suggests that a high proportion of the additional deaths among males can be attributed to the rising incidence of cardiovascular diseases, accidents and violence. The concentration of excess deaths in these categories indicates an important role for stress and social dislocation, in addition to economic deprivation, as causal factors for rising mortality rates. Increased alcohol consumption, in part driven by psychological stress, is ranked among the most important proximate causes of increased male deaths in Russia.

Poverty and income inequality trends

44. Bearing in mind limitations of income measures, there appear to be two broad trends in poverty and income inequality in the transition. First, there has been an increase in the number of poor people in almost every country, and the increase has been largest in countries where real incomes have fallen most. Second, parallel to the rise in poverty, there has been a marked increase in income inequality. The increase has been more pronounced in the countries of southeastern Europe and the CIS than in central Europe.

45. At an aggregate level, the increase in poverty can be attributed to falls in average real incomes and rises in income inequality. While average real incomes initially declined in all transition economies, developments in income inequality have differed dramatically across the region. Measures of inequality point to an increase of about 25 percent in central Europe and of almost 100 percent in several other transitional economies, including Bulgaria, Russia and Ukraine. It would appear, moreover, that social transfers have done little to mitigate the increase in earnings inequality in many of the countries of southeastern Europe and the CIS.

46. The optimistic scenario in Appendix 1, assuming just under 4 percent growth per annum and constant levels of inequality, would be sufficient to bring poverty levels back to their 1990 starting point by 2008. With growth now returning to most countries in the region, there are grounds for optimism. Moreover, one of the mechanisms that could have been driving increases in earnings inequality is the reallocation of workers from low productivity, state sector jobs to higher productivity, private sector jobs. As the proportion of workers in the private sector rises over time, earnings inequality will eventually fall, as productivity differences diminish. In the CIS, however, this process seems to have become stuck at a level where there are a few high wage private sector jobs, but with most workers employed in unprofitable and low-paying public sector or privatized enterprises. An eventual decline in inequality in this part of the region would thus depend on a deepening of structural reform to create more private sector jobs.

2. Characteristics of the poor and policy challenges

47. Evidence on the characteristics of the poor in transition reveal that households with many children, headed by single parents, and dependent on transfer incomes, such as pensions, unemployment benefits and other forms of social support, have been particularly affected by poverty.

48. Recipients of social transfers have suffered from the lack of indexation during periods of high inflation, as well as from payment arrears due to the fiscal crisis. There have also been great contrasts in transfers among transition countries. In central and Eastern Europe, a relatively generous social safety net has been created and the role of producer subsidies has been greatly reduced. In much of the CIS, redistribution has remained tied to the enterprise sector, through explicit and implicit subsidies. Moreover, in some CIS countries, even when there has been a system of social assistance, transfers have not always gone to the most needy. With limited fiscal resources in the CIS and very high levels of payroll taxation in CEE, there have been increasing demands for improved targeting of social assistance.

49. In most transition economies, a significant proportion of the poor are workers on low incomes. In Ukraine for instance, 80 per cent of all workers earn a wage that is below twice the subsistence level. Should a worker in this group be the only earner in a household of two, the household would fall below the poverty threshold. Wage differentials between skilled and unskilled workers have increased substantially and individuals with secondary and university education tend to be less represented among the poor than individuals with primary or vocational education. One of the challenges facing transition countries is improving education. In southeastern Europe and the CIS, providing quality education for all would require re-building an adequate fiscal revenue base to prevent further real expenditure cuts on education (and health), and strengthening the efficiency of this spending.

50. Also of fundamental importance will be the creation of new private sector jobs. However, weak investment climates in many countries, including unstable and unpredictable government policies, corruption and arbitrary taxation, lack of access to infrastructure and financial services,

and weak protection of property rights, are major obstacles to private sector development. In addition, support for non-viable enterprises significantly distorts the process of competition in many product markets.

III. Combating Poverty: A Universal Responsibility

A. Domestic Policies of Developing Countries

51. The lives of poor people are most affected by actions at the country level. Because of the multidimensional character of poverty, public actions are needed in several areas. Countries have to promote sustainable, equitable growth that provides opportunities for all, protection from shocks and a voice in decision-making.

52. Creating opportunities means fostering broad-based economic growth. Strong economic growth requires a sound macroeconomic framework with policies that promote low inflation, realistic and stable exchange rates, reasonable fiscal deficits, effective integration into the global economy, and private sector activity. It also requires investments in the human, physical and financial assets of poor people — adequate schooling and skill development, secured nutrition, preventive health care, rural infrastructure and credit. This in turn contributes to faster growth as the productive potential and skills of the poor are more fully utilized and prejudices against them, and against poor women in particular, are reduced.

53. Providing social protection to the poor requires mechanisms to mitigate the impact of local and national crises and to reduce vulnerability. These include subsidies targeted to the poor, public works and “food for work” programs, and sustainable, well-designed pension, unemployment, social assistance programs and severance payments to those laid off during civil service retrenchment or public enterprise reform. Effective social protection mechanisms should strive to minimize adverse impacts on economic incentives and the crowding out of existing informal income transfer mechanisms.

54. Providing a voice in decision-making means pursuing the broad involvement of poor people and society at large in policy/program design and implementation. Transparency and accountability contribute to a well-informed public debate and result in better policies with wider support. Broad participation can help improve the management of public expenditures by increasing the demand for resource allocations to socially desirable priority areas, such as basic health, education, and infrastructure services. Broad participation may also lead societies to confront issues of social and economic inequality, social strife and corruption, which are obstacles to poverty reduction.

B. Globalization and Poverty Reduction

1. Investment, trade, and technology flows

55. Experience, especially in East Asia, demonstrates that developing countries benefit from participation in the global economy through higher economic growth and living standards, and thus reduced poverty. Increased openness to trade creates opportunities for new investments and jobs, and promotes more efficient use of resources and higher productivity. The liberalization of capital flows permits greater access to the external resources needed to finance such investments, and foreign direct investment can also encourage the transfer of technology, managerial expertise, and skills. Open markets also provide consumers with access to a wider range of better-quality goods at lower prices.

56. Globalization will increase the flow of investments, trade, and technology. These flows however, tend to concentrate on a few geographical areas and on a few countries within them. Increasing the number of countries that attract and benefit from investment, trade, and technology flows requires policy responses by both developing and developed countries. The challenge for developing countries is to enact domestic policies that attract more foreign direct investments of a relatively long term and stable nature, as well as adopting structural reforms to enable domestic adjustment when necessary. Industrial economies also have an important role to play in implementing sound economic policies and providing effective policy coordination to avoid economic and financial imbalances, which could lead to significant disruptions in financial and capital markets, and dampen prospects for world growth.

57. Access to industrial country markets is an essential element in a comprehensive approach to growth and poverty reduction in developing countries. Priorities in the area of trade reform include the liberalization of sectors in which the less developed countries are disproportionately dependent, such as agriculture and textiles. In this context, the WTO proposal to grant duty- and quota- free market access for all products originating in the least developed countries (LDCs) should be commended. This would reinforce the impetus to economic growth and poverty reduction provided by debt relief.

2. Managing volatility

58. Greater openness to a global economy, increases risks and exposure to economic and financial shocks. Recent financial crises have highlighted the vulnerability of countries to sharp fluctuations in capital flows, and the negative impact on the poor. Strengthening the international financial system will help developing countries reap the benefits of globalization while minimizing the associated risks (including people falling into poverty).

59. Crisis prevention through sound domestic policies and institutions in all countries remains the first line of defense against financial instability. At the same time, considerable progress has been made in strengthening the international financial system. Importantly, developing countries have participated in these efforts. While there is broad agreement on how to move forward, a number of developing countries expressed concern that insufficient weight is given to their views. Significant progress has been made in developing and assessing countries' voluntary observance of standards and codes of good practices in a wide range of areas. Progress has also been made on the appropriate involvement of the private sector in resolving financial crises. For all of these initiatives, further progress is needed in implementation, including the adoption of standards of best practice. The international community can assist developing countries in these tasks through the provision of technical assistance.

60. The international community has already reached broad agreement on key measures to improve macroeconomic and financial policies, strengthen national financial systems and assess and reduce external vulnerability, with the central focus on transparency and accountability of the policies of national authorities and IFIs. The latter have contributed to reducing potential risks emanating from inadequate reporting and transparency by helping to develop and strengthen international standards and codes of good practices, as well as by beginning to assess countries' observance of standards.

C. Global Public Concerns

61. Greater global integration continues to increase the need for global public action to address threats to health, food security, environmental sustainability, and security. Developing

countries can participate in addressing these threats by, for instance, implementing vaccination campaigns or by abiding emission controls. However, the capacity of developing countries to generate global public goods is limited, and even accessing privately generated goods that are of importance to global stability can be difficult for them due to a lack of resources.

62. Greater contributions can, and need, to be made by the international community in developing and providing vaccines, food varieties with increased yields, and access to information and knowledge. Often, medical and agricultural research generated in the private sector does not address problems found in developing countries (such as research into drought resistant crops). Donors can provide assistance to purchase vaccines and encourage pharmaceutical research into diseases that are relevant to developing countries and the poor in particular. They can also support agricultural research, (for example through the Consultative Group on International Agricultural Research), and establish a network to help developing countries access and share knowledge on development issues. While public support for these areas is needed, it is also necessary to encourage and promote good corporate citizenship on the part of private enterprise to take on a certain share of the responsibility and cost.

D. Information Technology and Development

63. The growing impact of information and communication technologies on economic activities, especially in developed countries, suggests the potential benefits that wait to be reaped. These include harnessing new technologies to increase productivity and economic growth, and their use in expanding and improving delivery of social services (such as distance education and health care and diagnostic facilities), to the poor and to remote areas. Access to information can help create, and improve the functioning of, markets. By erasing disadvantages of location and distance, the new technologies also offer fresh possibilities to land- and sea-locked developing countries to integrate with the global economy. Yet it is equally possible that, if current trends proceed unchecked, the world could witness a new discrimination between information “haves” and “have nots” — the so-called digital divide.

64. The spread of new technologies to manufacturing and commercial processes in the developing world may depend on market trends in domestic and foreign investment. However, the donor community can play a useful role in supporting innovative applications of new technology to deliver social services and establish market information networks.

E. Security and Conflict

65. The incidence of poverty can worsen substantially in conflict situations and may not be reversed for a prolonged period after the conflict has ended. The international community can play a critical role in helping developing countries prevent conflict, as well as in peace-building and social and economic reconstruction efforts in post-conflict situations. The priorities for such assistance include helping countries develop the institutional capacity to implement sound domestic policies based on principles of good governance, equitable access to resources, and adequate public expenditure on basic social services.

66. International donors need to coordinate their assistance more closely in order to enhance aid effectiveness, and to minimize the administrative burden on recipient countries. Donors also need to avoid any gap between the provision of humanitarian and reconstruction assistance, so that both contribute in a mutually reinforcing way to an early restoration of durable peace. This calls for substantial technical and financial assistance for demilitarization, demobilization, and rehabilitation, and the restoration of domestic institutional capacity. Donor assistance in creating

a professional and transparently run security sector can also help assure durable peace. To help developing countries avoid conflict, the industrial countries also need to ensure greater coherence and transparency in their own policies on arms sales.

F. Aid Effectiveness and Debt Relief

67. There is a strong belief, backed by empirical evidence, that poverty reduction has been more effective in countries where the strategies pursued were fully owned by the government and by society at large. In view of this, the MDBs and the IMF now devote a substantial share of their assistance, especially concessional resources, including debt relief, to support poverty reduction strategies prepared by client countries. This approach has four major implications: Countries, not donors will lead the process, assuming management and ownership; the formulation of strategies will be broadly participatory, drawing a number of stakeholders into the process; the strategies will be tailor made to meet the poverty situation of individual countries; and the MDBs and IMF will work much more closely together and with other development partners, in support of country-owned strategies.

68. This approach requires a change in the way donor agencies work with countries. Donors will need to support the country's strategy rather than follow their own, often different, visions of development. The emergence of genuine country-owned and managed poverty reduction strategies will require time and flexibility, and donors will have to find ways of providing analytical and policy advice without undermining ownership. Governments and donors will need to take a longer-term approach, which may require using longer-term planning horizons and support instruments than is the case now. More of the assistance will have to be integrated into a country's budget and follow budget planning cycles and implementation procedures. The approach also suggests that donors will have to be selective in providing support by favoring those countries whose governments have demonstrated a commitment to improve the well-being of their people.

69. Supporting country-owned poverty reduction strategies will hopefully go some way to achieving greater poverty reduction than in the past, but will not be sufficient if more aid is not made available. Aid levels declined in the Nineties, up to 1997 (despite small increases in 1998 and 1999). They need to be restored, at least to the level of 1992. An important dimension of assistance to developing countries is debt relief under the enhanced Heavily Indebted Poor Countries Initiative, under which more countries will be able to obtain deeper debt relief faster. The enhanced Initiative links debt relief to the formulation of country-owned poverty reduction strategies, described above. There is a need to balance the desire for speed with the need for effective use of the resources provided through debt relief. The Initiative has not yet been fully funded, and it is important that the additional resources be mobilized to assure the delivery of debt relief to all eligible countries.

G. Conclusion

70. Achieving the IDGs will not be easy, especially those for social development. However, meeting the IDG for income poverty may be feasible, given effective performance by developing countries, and support from the international community. This is largely because the two countries with the largest pools of poverty — Peoples' Republic of China and India — are presently on track to do so. The IDGs though, are global targets, and if individual regions or countries do not fulfill them, the spirit of the goals will not have been met. Hence, concerted efforts are required by all developing countries and their development partners in the donor community, if the world is to halve extreme poverty by 2015 and approach the other targets.

71. IFIs, including the Multilateral Development Banks and the International Monetary Fund, have a central role to play at the country level, where they provide policy advice, and financial and technical support for long-term country-driven programs, as well as support to deal with shocks. The institutions also provide advice that helps governments create a sound environment for private sector development. They have a key role to play at the global level, where they can help shape international rules and ensure the provision of global public goods.

72. These are complex tasks that will require even greater collaboration and stronger partnership than in the past. The poverty reduction strategies now being prepared are providing a framework for enhanced collaboration between governments, IFIs and other external agencies, in support of country-owned programs.

POVERTY REDUCTION FORECASTS

Table 1: Optimistic Scenario

Region	Assumptions 1998-2008			Proportion of People Living in Poverty				Number of People living below \$1 day		
	Consumption Growth ^a (percent)	Population Growth (percent)	Inequality Change (percent)	Baseline (1990) (percent)	Current (1998) (percent)	Projection (2008) (percent)	Target (2015) (percent)	Baseline (1990) (million)	Projection (2008) (million)	Target (2015) (million)
EA	4.9	0.9	0	28	15	4	14	452.4	72.1	290
EECA	3.7	0.2	0	2	5	2	1	7.1	7.4	4
LAC	1.7	1.3	0	17	16	13	8	73.8	74.7	52
MENA	1.5	1.9	0	2	2	1	1	5.7	4.7	5
SA	4.0	1.4	0	44	40	14	22	495.1	205.9	369
SSA	1.0	2.3	0	48	46	42	24	242.3	329.8	218
Total		1.3		29	24	12	14.5	1,276.4	694.7	897

EA = East Asia; EECA = Eastern Europe and Central Asia, LAC = Latin America and Caribbean; MENA = Middle East and North Africa; SA = South Asia; SSA = Sub-Saharan Africa.

^a Real per capita consumption growth

Table 2: Less Optimistic Scenario

Region	Assumptions 1998-2008			Proportion of People Living in Poverty				Number of People living below \$1 day		
	Consumption Growth ^a (percent)	Population Growth (percent)	Inequality Change (percent)	Baseline (1990) (percent)	Current (1998) (percent)	Projection (2008) (percent)	Target (2015) (percent)	Baseline (1990) (million)	Projection (2008) (million)	Target (2015) (million)
EA	4.0	0.9	+10	28	15	9	14	452.4	182.8	290
EECA	2.7	0.2	+20	2	5	10	1	7.1	45.7	4
LAC	0.6	1.3	+10	17	16	23	8	73.8	130.8	52
MENA	0.4	1.9	+10	2	2	3	1	5.7	11.4	5
SA	2.4	1.4	+20	44	40	31	22	495.1	465.0	369
SSA	-0.1	2.3	+10	48	46	52	24	242.3	406.2	218
Total		1.3		29	24	22	14.5	1,276.4	1,241.8	897

EA = East Asia; EECA = Eastern Europe and Central Asia, LAC = Latin America and Caribbean; MENA = Middle East and North Africa; SA = South Asia; SSA = Sub-Saharan Africa.

^a Real per capita consumption growth