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Poverty trends: global, regional and national

factsheet

Contents

Key findings.....	3
Global poverty trends.....	3
Regional poverty trends.....	3
National poverty trends.....	3
Data availability and timeliness.....	3
Introduction.....	4
What does it mean to live in poverty?.....	4
How is poverty measured?.....	4
Global poverty trends.....	5
Regional poverty trends.....	7
National poverty trends.....	8
Ending poverty.....	10
Improving data for ending poverty.....	10
Measuring other forms of poverty.....	10
Notes.....	11

Key findings

This factsheet provides an overview of poverty trends at the global, regional and national levels. It unpacks the terminology used to describe poverty and explains how it's measured. Measuring poverty is vital because it provides the information needed to support better decisions, influence policy outcomes and increase accountability. Finally, the factsheet explores what's needed to ensure everyone is included in progress and end poverty.

Global poverty trends

- The global share of people in extreme poverty – those living on less than \$1.90 a day¹ – has decreased consistently since 1990, when it included over 35% of the world population, to less than 10% in 2015.²
- The number of people living in poverty as measured by the higher international poverty lines of \$3.20 and \$5.50³ increased between 1990 and 1999, but has fallen since then. In 2015, over one-fifth of the global population lived below \$3.20 and almost a half lived below \$5.50 a day.

Regional poverty trends

- Extreme poverty is increasingly becoming concentrated in sub-Saharan Africa.⁴ In 1990, 15% of people who were extremely poor lived in the region, in 2015 this share was 56%.
- Countries in the East Asia and Pacific region made up 52% of the extremely poor population in 1990, while in 2015 they represented just 6%.

National poverty trends

- China and India are responsible for the greatest national reductions in poverty. Almost 1 billion people across those two countries moved out of extreme poverty between 1990 and 2015.
- Extreme poverty has increased in most countries in sub-Saharan Africa. The largest increases have occurred in Democratic Republic of the Congo (DRC), Madagascar and Nigeria.

Data availability and timeliness

- As we enter the SDGs' decade of delivery, essential poverty data remains out of date: the most recent year for which we have globally comparable poverty data is 2015.
- Timeliness of this data must improve if we are serious about monitoring the [Sustainable Development Goals](#) (SDGs).

Introduction

What does it mean to live in poverty?

To live in poverty is to lack the resources needed to meet basic needs. One way to measure poverty is to consider a person's economic resources, either the amount of money a person receives (income), the amount they spend (expenditure), or the amount they have saved or the value of their assets (wealth). Poverty defined in this way is **economic poverty**; other measures of poverty exist, including multidimensional, social, nutritional and cultural.

People living in poverty are the most vulnerable in society: as well as a lack of resources, the poorest families on average also see higher infant mortality, higher stunting in children and lower educational attainment.⁵ Ending poverty and improving the livelihoods of the poorest people requires that policymakers are able to access accurate information regarding who is impoverished, where and why. Tracking poverty – globally, regionally and nationally – is paramount to achieving this goal.

How is poverty measured?

Poverty can be defined by a fixed value (absolute poverty) or by a value in relation to the rest of the population (relative poverty). Absolute poverty is measured by a minimum amount of money required to meet basic needs, known as a **poverty line**. A person is considered to be living in poverty if their income, expenditure or wealth falls below this line. In contrast, relative poverty is determined in relation to others: a person is in poverty if their income, expenditure or wealth places them in a poorest share of the population.

The international standard for measuring poverty is the **extreme poverty line**, a measure of absolute poverty with a threshold equivalent to **US\$1.90 per person per day**. The extreme poverty threshold is considered as the minimum income or expenditure required to meet very basic needs.⁶ Two more poverty lines, which reflect the costs of higher basic needs in more developed countries, are also used internationally: **US\$3.20** and **US\$5.50 per person per day**.

The extreme poverty line of \$1.90 is standardised across countries using purchasing power parity (PPP) currency conversions. PPP conversions reflect the real buying power of a currency, so that the value of the \$1.90 line reflects the same local value of goods and services in different countries at different times.

International poverty is measured using data available from national household surveys, which capture population income and/or expenditure data. The World Bank's [PovcalNet](#), a global repository for poverty data, contains data from over two million household surveys, for 164 economies, for the period 1981–2015.⁷ Data from PovcalNet and national sources is used to generate international, regional and national poverty measures, and track poverty over time.

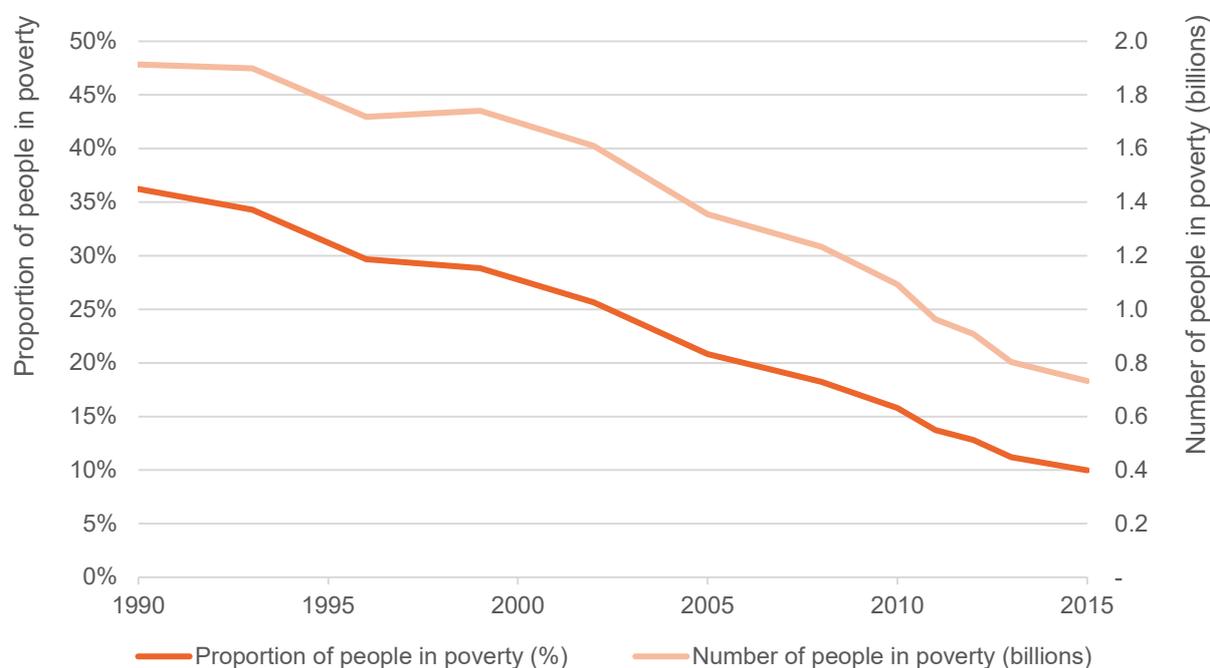
Global poverty trends

Reducing global poverty was a key aim of the [Millennium Development Goals](#) (MDGs). The target for the MDGs was to reduce the number of people living in extreme poverty by half between 1990 and 2015. Ending poverty now stands at the core of the [Sustainable Development Goals](#) (SDGs), launched in 2015; the first of its seventeen goals is 'no poverty by 2030'. Tracking global progress on international poverty tells us how close the world is to achieving this aim.

The global share of people in extreme poverty – those living on less than \$1.90 a day – has decreased consistently since 1990

In 1990, it was estimated that 1.9 billion people were living below the extreme poverty line – 36% of the world population at the time. In 2015 (the most recent year for which global estimates are available), 735 million people were living in extreme poverty – 10% of the world population. Poverty reduced during the MDG era (post-2000 especially), demonstrating the power of concentrated global efforts; in fact, the goal (to reduce extreme poverty by half) was achieved in 2012, three years ahead of schedule.⁸

Figure 1: The number of people in extreme poverty has more than halved since 1990, but 10% of the world's population are still living below the \$1.90 poverty line



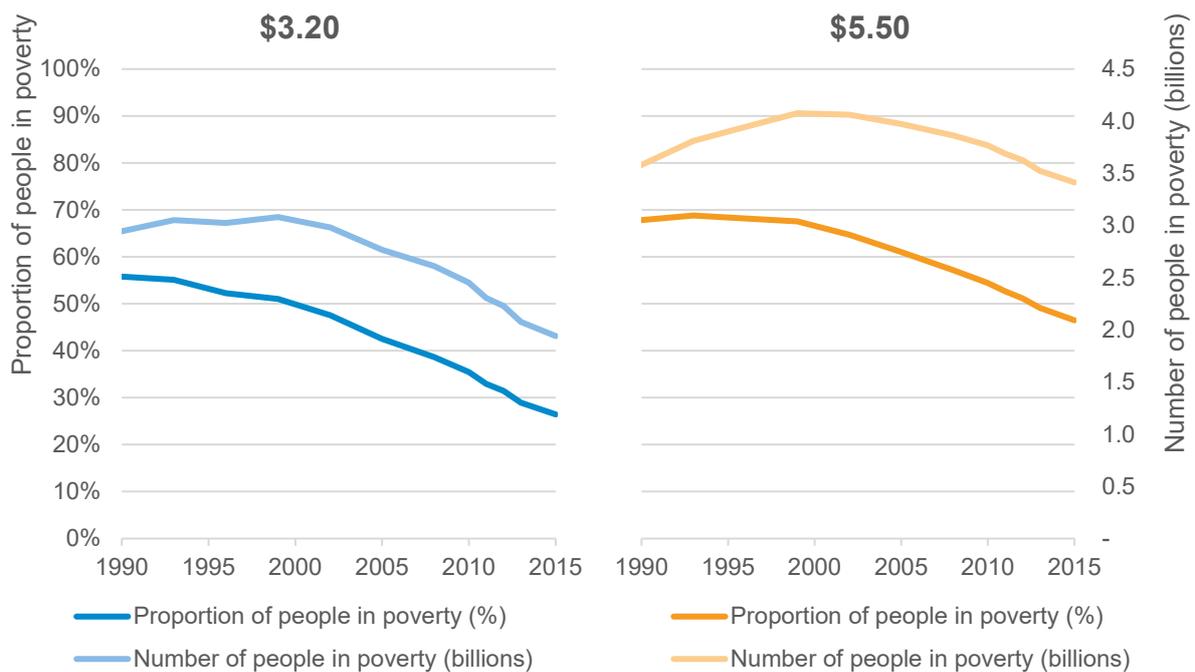
Source: Development Initiatives based on World Bank PovcalNet and national sources.

The number of people in poverty as measured by the higher international poverty lines of \$3.20 and \$5.50 increased between 1990 and 1999, but has been falling since then

Since 1990, the global proportion of people living on less than \$3.20 has decreased; however, as of 2015, over a quarter of the global population (1.9 billion people) were living below \$3.20 a day. The number of people living below this line increased slightly between 1990 and 1999 (mostly attributable to rapid population growth in low- and lower-middle income countries) but has been falling thereafter.

Between 1990 and 1999, the number of people living on less than \$5.50 a day increased, rising from 3.6 billion to a peak of almost 4.1 billion people. Since 1999, the number of people below the \$5.50 line has decreased. In 2015, almost half of the world's population (46%) lived on less than \$5.50 a day. Although significant headway has been made in bringing people above the threshold of extreme poverty (\$1.90), slower progress against higher poverty lines suggests greater efforts are needed to improve living standards of the poorest people above very basic levels.

Figure 2: Over one-fifth of the global population remains below the \$3.20 poverty line and almost half are below the \$5.50 poverty line

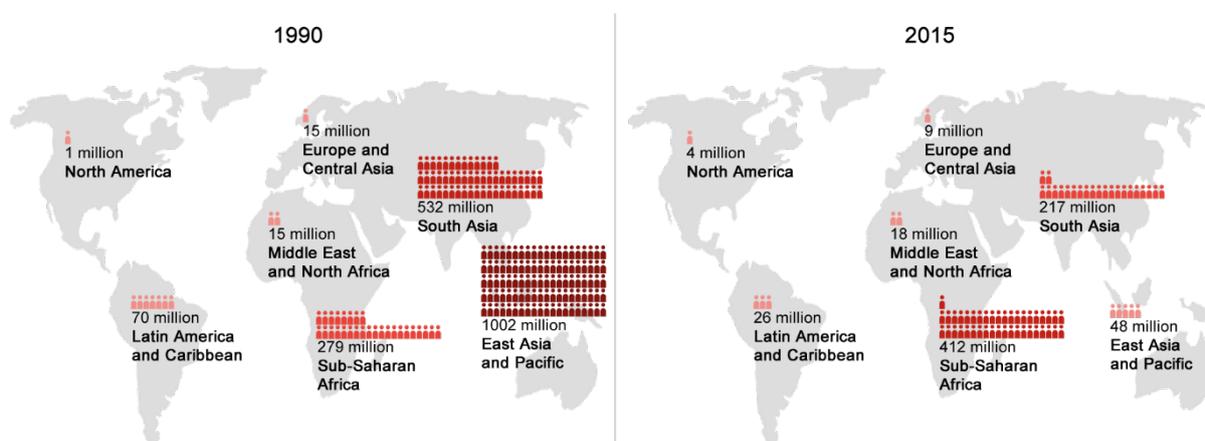


Source: Development Initiatives based on World Bank PovcalNet and national sources.

Regional poverty trends

While at a global level extreme poverty has declined consistently since 1990, this trend has not occurred evenly everywhere. Although both the share and number of people in extreme poverty (\$1.90 per day) has decreased in most regions of the world since 1990, there are stark differences between the rates of change.

Figure 3: The global share of people in extreme poverty living in sub-Saharan Africa has increased from 15% in 1990 to 56% in 2015



Source: Development Initiatives based on World Bank PovcalNet and national sources.

In 1990, 52% of the world's extremely poor people lived in countries in the East Asia and Pacific region; in 2015 they represented 6%

Since 1990, the regions of East Asia and Pacific, Latin America and the Caribbean, and South Asia and have each significantly reduced the number of people in extreme poverty. However East Asia and the Pacific has demonstrated the most significant change: in 1990, the region was home to 52% of the world's extremely poor people (over 1 billion), but by 2015 this had dropped to 6% (48 million people). This rate of poverty reduction is unmatched anywhere else in the world, with the extreme poverty rate within that region dropping from 55% to 2% in this period.

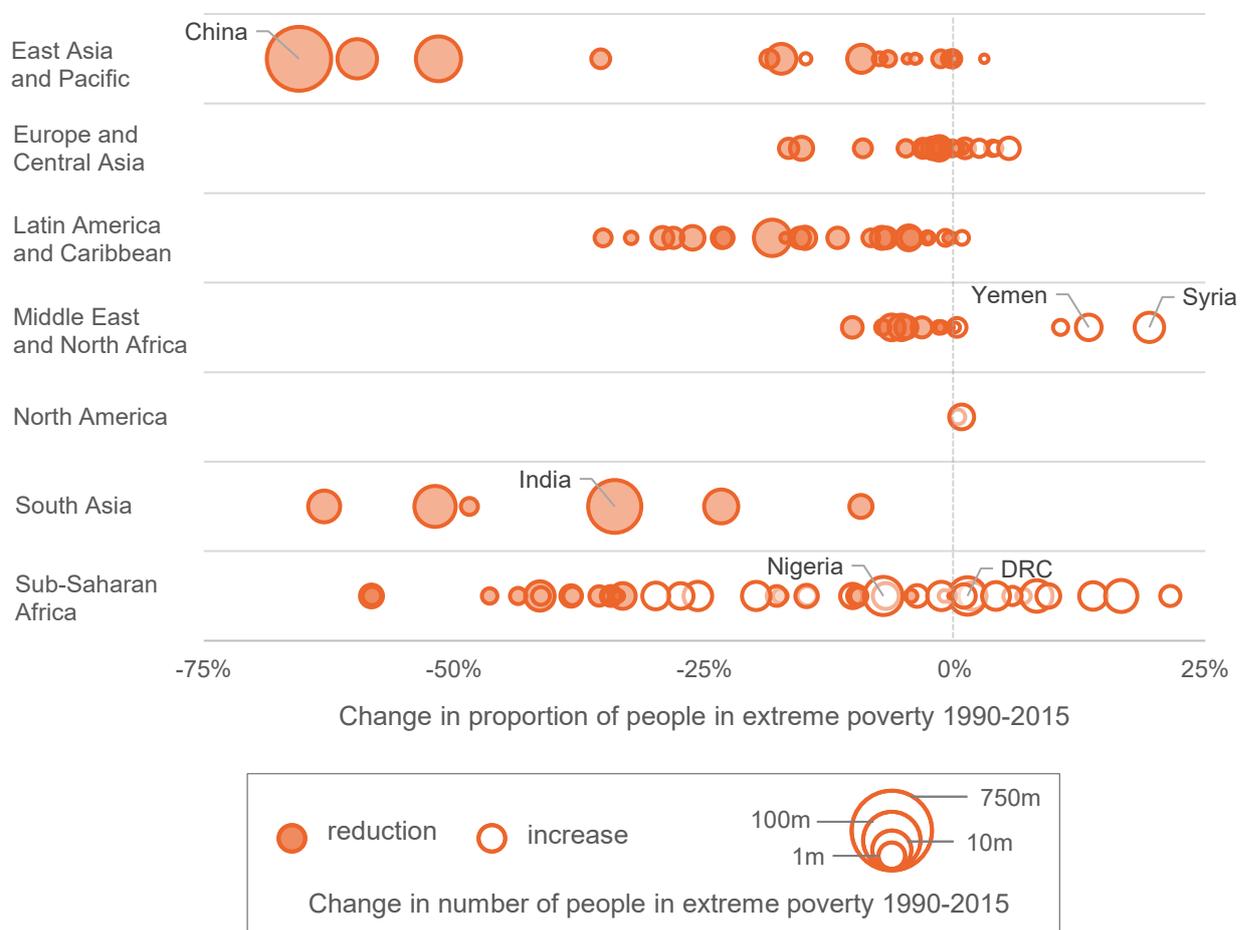
Extreme poverty is increasingly becoming concentrated in sub-Saharan Africa

The rapid poverty reductions in the East Asia and Pacific region contrast with changes in sub-Saharan Africa, where the number of people living in extreme poverty has significantly increased since 1990 – remaining almost level since 2002. In 1990, 279 million people in sub-Saharan Africa were living below the extreme poverty line; by 2015, the region was home to more than 400 million extremely poor people, a global share of over 50%. The change in poverty rate has also been the slowest of any region, with a fall from 55% in 1990 to 41% in 2015.

National poverty trends

Regional trends in extreme poverty mask differences in progress made at the national level. Although most countries worldwide have seen a decrease in the share of population in extreme poverty since 1990, around two-fifths have experienced an *increase* in the number of people living in extreme poverty.

Figure 4: The proportion of extremely poor people decreased in 113 countries since 1990, however the number of people in extreme poverty has increased in 73 countries



Source: Development Initiatives based on World Bank PovcalNet and national sources.
 Notes: DRC is Democratic Republic of Congo.

China and India are responsible for the greatest reductions in poverty, with almost a billion people across those two countries moving out of extreme poverty since 1990

Rapid economic growth in economies with the largest populations has been a key factor in global poverty reduction.⁹ In 1990, China and India were home to just under 1.2 billion people living in extreme poverty – over 60% of the world's poorest people at that time. By 2015, this figure had reduced to less than 200 million. However, while China had all but ended extreme poverty in 2015 (with rates at 0.7%), over an eighth (13.4%) of India's population remained below the extreme poverty line.

Extreme poverty has increased in most countries in sub-Saharan Africa: the largest increases have occurred in DRC, Madagascar and Nigeria

Of the 43 countries in sub-Saharan Africa with available poverty trend data, 29 have seen an increase in the number of people living in extreme poverty since 1990. Rises in the extremely poor population were most acute in DRC, Madagascar and Nigeria (although Nigeria saw a reduction in the *proportion* of its population below the extreme poverty line over the same period). Population growth and the unequal distribution of economic gains have led to a steady rise in the number of people in poverty in many economies, despite general economic expansion.¹⁰

Ending poverty

Improving data for ending poverty

Economic poverty (defined by the extreme poverty line) represents a global measure for assessing individual needs. Ending extreme poverty by 2030 is a principal target of the SDGs and since 1990, significant progress has been made in reducing economic poverty globally. Although extreme poverty remains concentrated in some regions, the goal of lifting everyone above the \$1.90 threshold is achievable.

However, current measures of global poverty are also incomplete in several important ways, for example: data is measured at a household level, masking differences in poverty within households; some countries have no data at all; and poverty measured by a threshold line does not consider the living standard of the very poorest people (those with the lowest expenditure or income).

The data used in this factsheet (the most recent globally comparable poverty data) is incomplete, and is not updated frequently (the most recent update was 2015). This means that essential poverty data remains out of date as we enter the decade of delivery for the SDGs. Timeliness of data must improve if we are serious about monitoring the SDGs.

Measuring other forms of poverty

Economic poverty is just one measure of the poorest people's needs: poverty can also be social, nutritional, cultural or multidimensional. The global definition of extreme poverty does not directly measure these other factors.

The first goal of the SDGs – ending poverty in all its forms everywhere – requires a better understanding and reporting of economic, social, nutritional and cultural needs and resources at an individual level. Poverty can only be comprehensively assessed with metrics that expand the scope beyond purely economic terms. Measures such as the Multidimensional Poverty Index,¹¹ the [P20 approach](#), food poverty, inequality indices and fragility and vulnerability measures are all indispensable tools in attempts to end poverty.

Notes

¹ Figures are given using purchasing power parity (PPP) currency conversions.

² 2015 is the most recent year for which we have globally comparable poverty data.

³ These alternative poverty lines (US\$3.20 and US\$5.50 per person a day) reflect the costs of higher basic needs, are also used internationally. They are produced by the World Bank to cater to poverty in middle income countries and upper-middle income countries. See Ferreira, F. and Sánchez-Páramo, C. (2017), A richer array of international poverty lines, World Bank. Available at: http://blogs.worldbank.org/developmenttalk/richer-array-international-poverty-lines?CID=POV_TT_Poverty_EN_EXT

⁴ Development Initiatives names regions according to World Bank terminology to remain consistent with our data sources.

⁵ Development Initiatives (2019), Closing the gap: priorities for the High-level Political Forum 2019. Available at: https://devinit.org/documents/60/Briefing_Closing-the-gap_Priorities-for-the-High-level-Political-Forum-2019.pdf

⁶ World Bank (2015), A Measured Approach to Ending Poverty and Boosting Shared Prosperity: Concepts, Data, and the Twin Goals. Policy Research Report. Washington, DC: World Bank. Available at: <https://openknowledge.worldbank.org/bitstream/handle/10986/20384/9781464803611.pdf>

⁷ Jolliffe, D. and Prydz, E.B, (2016), Estimating international poverty lines from comparable national thresholds: a robust approach for estimating relevant thresholds. Policy Research Working Paper. Washington, DC: World Bank. Available at: <http://documents.worldbank.org/curated/en/837051468184454513/pdf/WPS7606.pdf>

⁸ McArthur, J. and Rasmussen, K. (2017), Change of Pace: Accelerations and advances during the Millennium Development Goal Era. The Brookings Institution.

⁹ World Bank (2018), Macro Poverty Outlook: East Asia and Pacific. Available at: <http://pubdocs.worldbank.org/en/879251567711913460/mpo-eap.pdf>

¹⁰ World Bank (2018), Macro Poverty Outlook: Sub-Saharan Africa. Available at: <http://pubdocs.worldbank.org/en/720441492455091991/mpo-ssa.pdf>

¹¹ Oxford Poverty and Human Development Initiative (2018), Global Multidimensional Poverty Index 2018. Available at: https://ophi.org.uk/wp-content/uploads/G-MPI_2018_2ed_web.pdf

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We work to ensure that decisions about the allocation of finance and resources result in an end to poverty, increase the resilience of the world's most vulnerable people, and ensure no one is left behind.

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