



Poverty by Hana Taha



Poverty

- **What the Poor Say :**

“Poverty is pain; it feels like a disease. It attacks a person not only materially but also morally. It eats away one’s dignity and drives one into total despair” - a poor woman, Moldova.

<https://openknowledge.worldbank.org/handle/10986/13848>



Poverty

1. Conventional economic understanding ”
income poverty”
2. Poverty includes income, ignorance, ill
health, disempowerment, gender issues and
vulnerability.



Poverty

- Poverty is associated with the undermining of a range of key human attributes, including health.
- The poor are exposed to greater personal and environmental health risks, are less well nourished, have less information and are less able to access health care; thus they have a higher risk of illness and disability.
- Conversely, illness can reduce household savings, lower learning ability, reduce productivity, and lead to a diminished quality of life, thereby perpetuating or even increasing poverty.



Poverty

- The poorest of the poor, around the world, have the worst health. Within countries, the evidence shows that in general the lower an individual's socioeconomic position the worse their health.
- There is a social gradient in health that runs from top to bottom of the socioeconomic spectrum. This is a global phenomenon, seen in low, middle and high income countries.



Poverty

- In 2013, the World Bank Group announced two goals that would guide its development work worldwide.
 - The first is to end extreme poverty, that is, to bring the number of extremely poor people, defined as those living on less than \$2.15 dollars a day to less than 3% of the world population by 2030.
 - The second is to boost shared prosperity, defined as promoting the growth of per capita real income of the poorest 40% of the population in each country.



Sustainable Development Goals

- In September 2015, UN member nations agreed to a set the Sustainable Development Goals (SDG), the first and foremost of which is the eradication of extreme poverty everywhere, *in all its forms*.
- The language of the first SDG objective reflect the growing acceptance of the idea that poverty is a multi-dimensional concept that reflects multiple deprivations in various aspects of well-being.
- However, there is still much less agreement on the best ways in which those deprivations should be measured; and how information on them should be aggregated.



What does it mean to live in poverty?

- To live in poverty is to lack the resources required 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 consumption), or the amount they have saved or the value of their assets (wealth).
- Poverty defined in this way is **economic poverty**.
- Economic poverty is just one measure of the poorest people's needs.



What does it mean to live in poverty?

- 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.



What does it mean to live in poverty?

- Poverty can only be comprehensively assessed with metrics that expand the scope beyond purely economic terms.
- Measures such as the Multidimensional Poverty Index, food poverty, inequality indices, fragility and vulnerability measures are all indispensable tools in attempts to end poverty.



What does it mean to live in poverty?

- People living in poverty are among 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.
- Ending poverty and improving the livelihoods of the poorest people requires policymakers to be able to access accurate information regarding who is extremely poor, where and why.



What does it mean to live in poverty?

- Tracking poverty – globally, regionally and nationally – is paramount to achieving the first goal of SDGs.
- It is a universal target for all countries, to reduce poverty in all its dimensions and according to national definitions.



Food poverty

- Food poverty is lacking the means to obtain enough food to live a healthy life.
- People living in food poverty have an income or expenditure that is less than the amount needed to consistently afford a basket of food with minimum recommended nutritional intake.



Food poverty

- The cost of this basket is called a **food poverty line (FPL)** – people living below the FPL are not able to afford the cost of food necessary for good health and are in danger of malnutrition, disease or ill health.
- The monetary value of a FPL is most often based on the cost of affording a minimum energy intake using locally available goods – this is known as the food energy intake (FEI) method.



Food poverty

- A global standard for the threshold of food poverty is **2,100 kcal per adult per day**, which is the recommended daily energy intake to enable an adult to live a healthy and moderately active life.
- As the cost of non-food essentials are not included, the FPL is often considered the most extreme measurement of monetary deprivation.



Food poverty

- Higher poverty measures, such as national poverty lines, consider the cost of a combination of both food and non-food essentials (for example, housing, clothing, education and access to water, sanitation and electricity).
- People living in food poverty are forced to prioritize between food and non-food essentials on a daily basis.



How is economic 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 is significantly below the average of the rest of the population.



How is economic poverty measured?

- The international standard for measuring poverty is the **extreme poverty line**, a measure of absolute poverty with a threshold equivalent to **US\$2.15 per person per day**.
- In 2024, an estimated 8.5% of the global population – almost 700 million people – lived on less than \$2.15 per day, the extreme poverty line relevant for low-income countries.
- Countries also adopt their own national poverty lines to reflect what poverty looks like relative to average incomes in that country.

<https://www.worldbank.org/en/publication/poverty-prosperity-and-planet>



How are all countries, rich and poor, measure poverty? **Absolute poverty lines** (option 1)

- Low-income countries most often use the World Bank **global absolute extreme poverty line** of US\$2.15/per person per day.
- National Absolute Poverty measures are widely used in low-income countries based their populations based on calculating a limited number of goods to meet basic needs.



How are all countries, rich and poor, define poverty? **Absolute poverty lines** (option 1)

- Middle- and high-income countries may also choose to adopt absolute poverty lines.
- These, however, need to be '*socially relevant*', as their calculation (on the basis of a bundle of food and non-food goods) represents the absolute minimum below which livelihood and inclusion are not possible in that particular country and social context.



Relative poverty lines (option 2)

- As income level rises, countries may opt to use **relative poverty lines** (option 2). Relative poverty lines are defined in relation to the overall distribution of income in a country – they are set as a share (usually between 40 and 60 percent) of the country's mean income.
- They are more suitable to measure poverty in middle- and high-income countries.
- In prosperous societies, poverty is generally assessed in relation to the standard of living of society as a whole
- People are considered poor relative to the wealth of others and if they cannot meaningfully participate in that society because of lack of resources.



Subjective poverty line

- A third option available to countries is the **subjective poverty line**, which is set on the basis of what people perceive as the minimum income that a person, or household, needs in a specific society to not be considered poor. Subjective poverty lines come from perception surveys and are not widely used.



Can we use the global extreme poverty line to plan programs and policies at the country level?

- The global poverty line is used primarily to track global extreme poverty, and to measure progress on global goals set by the World Bank, the United Nations, and other development partners.
- A country's national poverty line is far more appropriate for underpinning policy dialogue or targeting programs to reach the poorest.



Transforming Our World (SDGs) by 2030

- We need to recognize that **eradicating poverty in all its forms and dimensions**, including extreme poverty, is the greatest global challenge and an indispensable requirement for sustainable development.
- We need to understand that poverty is multidimensional:
 1. Conventional economic understanding "income poverty"
 2. Poverty includes income poverty, food poverty, ignorance, ill health, disempowerment, social injustice, gender inequity and vulnerability.



Transforming Our World (SDGs) by 2030

- The world has made impressive progress in reducing poverty since 1990, but poverty persists at unacceptable levels, and much more needs to be done to ensure that people continue to move out of poverty in the years to come.
- The **interlinkages and integrated nature** of the Sustainable Development Goals are of crucial importance.



To end extreme poverty by 2030

Countries need to make deliberate policy decisions that make growth more inclusive; that prioritize investments in education, health, clean water, sanitation, and smart infrastructure that benefit the poorest; and help people protect their hard-won gains and assets to avoid falling right back into poverty after a drought, disease, or economic shock.



To end extreme poverty by 2030

- Investing in agriculture
- Creating jobs
- Expanding social safety nets
- Expanding nutrition programs that target children under 2 years of age
- Universalizing education
- Universalizing Health
- Promoting gender equity and equality
- Protecting vulnerable people during crises

