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Shortfall of Domestic Resources 2 to Eradicate Extreme Poverty by 2030

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Abstract

6

In 2015, the Sustainable Development Goals set the eradication of extreme poverty
7 by 2030 as a universally agreed objective. This paper analyses the prospects for
8 achieving this goal country by country. Without a reduction in inequality, even
9 with a very optimistic annual growth rate of 7% between 2022 and 2030, 3% of hu-
10 mans would still be living in extreme poverty in 2030. National capacity to eradicate
11 poverty is then measured using the concepts of *antipoverty cap* or *antipoverty tax* re-
12 quired to finance poverty eradication, and *income floor* (financed by a given income
13 tax). With credible annual growth of 3%, even capping incomes at \$7 a day cannot
14 eradicate extreme poverty in 5 low-income countries. In other words, neither growth
15 alone nor growth combined with radical domestic redistribution could eradicate ex-
16 treme poverty by 2030. By contrast, a transfer of just 0.14% of global income could
17 achieve this goal.

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34 **1 Introduction**

35 The very first Sustainable Development Goal (SDG) reads: “By 2030, eradicate extreme
 36 poverty for all people everywhere, currently measured as people living on less than \$2.15
 37 a day”. As we have passed the halfway point since the adoption of the SDGs in 2015, it is
 38 time to assess progress towards this universally accepted goal.

39 In this paper, I assess whether growth and domestic redistribution are sufficient to
 40 eradicate extreme poverty by 2030. I first study the extent of poverty in different growth
 41 scenarios. Then, I calculate the magnitude of domestic redistribution required in each
 42 country to eradicate poverty in 2030. I mobilize different indicators. I estimate the pa-
 43 rameter of two tax policies that would raise enough revenues to eradicate poverty. In the
 44 “antipoverty cap”, I fix the rate (at 100%) and find the required taxation threshold. In the

45 “antipoverty tax”, I fix the threshold and find the rate needed. As a last indicator, I fix
46 both the threshold and the rate and compute the income floor that the tax could finance.
47 In the lowest income countries, extreme poverty is estimated to persist even after strong
48 growth and radical redistribution. This has implications for the international commu-
49 nity, as international solidarity appears necessary to achieve the first SDG. I complete the
50 analysis by exemplifying international transfers that would eradicate poverty by 2030.

51 **Literature** The idea to measure the domestic capacity to eradicate poverty with an an-
52 tipoverty tax dates back to [Ravallion \(2010\)](#) and [Ceriani and Verme 2014](#). [Ravallion \(2010\)](#)
53 found that even with a 100% tax above the U.S. poverty line, 29 countries could not eradi-
54 cate extreme poverty, and 37 countries could not eradicate “severe poverty” defined with
55 a higher poverty line (which corresponds to \$3.65/day in 2017 PPP \$). [Bolch et al. \(2022\)](#)
56 — hereafter “BCL” — update the computations with more recent data and find that 62
57 countries do not have sufficient resources to eradicate severe poverty.

58 The present paper employs a similar methodology to assess which countries have
59 sufficient domestic resources to achieve the first SDG. There are three reasons why BCL
60 cannot be used for that purpose. First, the most recent data was not available to BCL (their
61 most recent survey year is 2012 with most years in 2009–2010, compared to 2018–2021 in
62 the present paper). Second, BCL study the data as it stands rather than imputing growth
63 and using it to infer the income distributions in 2030. Third, they focus on a poverty line
64 higher than the one officially used in the first SDG.

65 Consistently with [Ravallion \(2010\)](#), [Hoy and Sumner \(2016\)](#) find that 52% of global
66 extreme poverty can be eliminated with a 50% antipoverty tax above \$₂₀₁₁10/day (in
67 2011 PPP). They also consider the reallocation of public spending and show that this an-
68 tipoverty tax together with the reallocation of fossil-fuel subsidies and military spending
69 could eliminate 77% of global extreme poverty. Finally, they show that countries with
70 GDP per capita below \$₂₀₁₁2,000 per year do not have the domestic capacity to eradicate
71 extreme poverty (measured as an antipoverty tax below 50%).

72 [Woodward \(2015\)](#) also shows that with growth alone, and if each country’s growth
73 persists at the same level, it would take more than a century — and a global GDP exceed-
74 ing \$100,000 per year — to end extreme poverty. [Ortiz et al. \(2018\)](#) find that financing a
75 basic income at the poverty line is out of reach in low-income countries as the national
76 poverty line is on average equal to 79% of the GDP and 8 countries have a GDP below
77 this line (which is often itself below \$2.15/day).

78 The paper also relates to estimates of future poverty rates based on growth alone. Us-
79 ing GDP projections from the IMF, Karver et al. (2012) project the 2030 extreme poverty
80 rate at 2.8% (and at 4.1% if growth is 1% lower than projected, the error historically ob-
81 served with IMF projections). Other studies are more pessimistic, at 3–7% (Bicaba et al.
82 2017; Chandy et al. 2013), 4.7% (Manuel et al. 2018) or even 7.4% for post-COVID esti-
83 mates (Lakner et al. 2022).

84 The paper is linked to the literature that estimates the global income distribution (Al-
85 varedo et al. 2021; Anand and Segal 2015; Gradín 2021; Jordá and Niño-Zarazúa 2019; La-
86 hoti et al. 2016; Lakner and Milanovic 2016; Milanovic 2024; Pinkovskiy and Sala-i-Martin
87 2009). It also connects with the costing and progress assessment of SDGs and in particu-
88 lar poverty eradication (Manuel et al. 2020; Rozenberg and Fay 2019; Schmidt-Traub 2015;
89 SDSN 2019; UN 2022; UNCTAD 2021; Vorisek and Yu 2020). In 24 countries, a growth rate
90 of 7% would not suffice to eradicate extreme poverty by 2030 (UNCTAD 2021). While the
91 global cost of achieving the SDGs may be as high as \$4 trillion per year (UNCTAD 2023),
92 the financing gap in low- and lower-middle-income countries is estimated at \$400 billion
93 (SDSN 2019) to \$700 billion (Kharas and McArthur 2019) per year. With the current trend,
94 the SDGs will not be achieved and only limited progress towards them will have been
95 made, with more than 60 countries failing to eradicate extreme poverty by 2030 (Moyer
96 and Hedden 2020). Manuel et al. (2018) find that low-income countries do not have the
97 resources to afford basic healthcare, education, and social protection; only an increase and
98 a redirection of Official Development Assistance (ODA) can finance these programs.

99 2 Data

100 The percentiles of each country's post-tax income (or consumption) are estimated by
101 the Poverty and Inequality Platform (PIP) of the World Bank (ex-PovcalNet). PIP aggre-
102 gates the most recent household surveys (60% of countries were surveyed between 2018
103 and 2021). This data is based on purchasing power parity (PPP) and given in constant
104 2017 \$.

105 In low-income countries (those of greatest interest to us), PIP provides data on per
106 capita *consumption* (rather than income). Thereby, the data does not capture services pro-
107 cured by the government. Another potential concern with household surveys is that the
108 aggregate (national) consumption they imply is generally lower than the one estimated
109 in national accounts (Deaton 2005; Hlasny and Verme 2022; Prydz et al. 2022). This dis-

crepancy comes from measurement errors on both sides: on the one hand, household surveys suffer from underreporting of top incomes and large expenditures; on the other hand, national accounts do not properly account for informal work and tend to inflate agricultural output (Angrist et al. 2021). Furthermore, authoritarian countries have been shown to produce inflated GDP statistics, except for countries below the GDP threshold of eligibility for preferential loans by the World Bank (Martínez 2022). While Household Final Consumption Expenditures (HFCE) from national accounts is 44% greater than the aggregate consumption from household surveys, the “discrepancy ratio” is largest for middle-income countries and is only 12% for low-income countries. Because household surveys are best suited to estimate consumption by the poorest, I use unadjusted PIP data as a baseline.

As a robustness check, I also re-derive the main results after adjusting aggregate consumption by the discrepancy ratio (computed using World Bank data). In line with Lakner and Milanovic (2013) and Anand and Segal (2015), I impute the extra consumption to the top percentile. I do not perform the rescaling on the 15% of countries (like Burundi or the D.R.C.) with HFCE lower than its aggregate consumption from PIP, and I assume a discrepancy ratio of +12% for the 20% of countries lacking data on HFCE.

As is common in this literature (Bicaba et al. 2017; Hellebrandt and Mauro 2015; Karver et al. 2012), my baseline assumes “balanced growth”, meaning that each percentile grows at the same rate between the country’s survey year and 2030. I rescale incomes by the observed growth of GDP p.c. (in PPP) up to 2022 (using World Bank data) and by different methods for the 2022–2030 period. These methods include: extending the 2014–2019 growth trend (which excludes COVID years); extending the trend for growing countries and assuming no growth when GDP p.c. has contracted between 2014 and 2019; assuming a constant growth (of either 0%, 3%, 4.5%, 6%, or 7%); using IMF forecasts (IMF (2023) extended up to 2030 by replicating the 2026–2028 forecasted growth in 2028–2030); projecting future growth using an autoregressive quadratic model that predicts the 2011–2019 growth based on the 1991–2011 growth (then applied to 2022–2030 using the 2002–2022 growth). Besides, I deviate from this two-step procedure to assess the original SDG goal, by assuming a constant growth of 7% starting in 2015.

¹⁴⁰ **3 Results**

¹⁴¹ **3.1 The effect of balanced growth**

¹⁴² To estimate global poverty rates, the World Bank scales up the percentiles measured
¹⁴³ in household surveys by the country's GDP growth between the survey year and the
¹⁴⁴ year of interest.¹ I project global poverty rates and poverty gaps in 2030 using the same
¹⁴⁵ assumption of balanced growth (i.e., constant inequality), for a range of growth scenarios
¹⁴⁶ (Table 1).

Table 1: Global poverty rates and poverty gaps in 2030 under different growth scenarios. Poverty rates are expressed in % of world population and poverty gaps in % of world GDP. Poverty lines are in PPP \$/day.

Growth scenario (Poverty line in \$/day)	Poverty rate (%)				Poverty gap (% of GDP)			
	2.15	3.65	6.85	18.15	2.15	3.65	6.85	18.15
2022 Estimate	7.3	21.1	44.4	72.2	0.26	1.36	7.01	42.96
Trend (2014–2019)	6.2	14.4	34.5	66.2	0.21	0.87	4.29	30.64
Max(Trend, 0)	6.3	14.2	34.3	66.4	0.19	0.81	4.16	30.25
Autoregressive projection	6.2	15.2	36.8	65.5	0.17	0.84	4.64	32.02
3% growth	5.2	15.2	37.5	68.2	0.14	0.75	4.38	31.20
7% growth	2.2	8.5	25.5	59.5	0.05	0.29	1.93	18.07
7% growth since 2016	1.1	3.1	15.3	51.3	0.01	0.08	0.74	10.15

¹⁴⁷ My estimates of 2022 global poverty rates closely align with the 2019 estimates from
¹⁴⁸ the World Bank: 9% of the world population live with less than 2.15\$/day, 24% below
¹⁴⁹ 3.65\$/day, and 47% below 6.85\$/day. The poverty gap is the cost that separates peo-
¹⁵⁰ ple below the poverty line from that line. For example, if 10% of the population earns
¹⁵¹ 1.65\$/day and 90% of the population earns more than 2.15\$/day, the extreme poverty
¹⁵² gap is $0.1 \cdot (2.15 - 1.65) = 0.05$ \$/day. I estimate the extreme poverty gap at 0.25% of
¹⁵³ the world GDP. This is a first approximation of what it would cost to lift everyone out of
¹⁵⁴ extreme poverty, defined with the \$2.15/day poverty line.

¹⁵⁵ Assuming that each country will continue to grow at the same rate as in the recent
¹⁵⁶ past, I estimate that 6% of the world population will live in extreme poverty in 2030. I
¹⁵⁷ find very similar estimates using a simple yet realistic model to predict a country's growth
¹⁵⁸ (an autoregressive projection based on its growth over the last 20 years). If each country

¹The World Bank also adjusts growth rates when data captures consumption rather than income, cf. datanalytics.worldbank.org/PIP-Methodology/lineupestimates.html.

¹⁵⁹ grows by 3% each year, extreme poverty would decline slightly more than in the real-
¹⁶⁰istic projections, at 5%. Although steady growth reduces poverty, growth alone cannot
¹⁶¹achieve the first SDG: If the world grows by 7% each year (the maximum rate observed
¹⁶²for a given country over 2010–2019), the extreme poverty rate would still be 3% in 2030.
¹⁶³Even if the world had experienced a 7% growth rate starting in 2015 (when the SDGs
¹⁶⁴were adopted), extreme poverty would not have been completely eliminated, at 1% of
¹⁶⁵the world population in 2030. As we cannot rely on growth alone to eliminate poverty,
¹⁶⁶let us add domestic redistribution to the equation.

¹⁶⁷ 3.2 Idealized redistributive policies

¹⁶⁸ Studying the arithmetics of inequality at the country level, I use the poverty gap to ap-
¹⁶⁹proximate the revenues required to eliminate poverty. More specifically, I consider taxes
¹⁷⁰on top incomes to finance a transfer to the poorest that would lift them at the poverty
¹⁷¹line. I consider two types of redistributive policies to close the poverty gap: (i) an “an-
¹⁷²tipoverty cap” that would establish a ceiling on top incomes (and tax income at a 100%
¹⁷³rate above that threshold); (ii) an “antipoverty tax” that would raise a linear tax above a
¹⁷⁴certain threshold.

¹⁷⁵ These policies are idealized. The estimate of revenue they generate should be seen as
¹⁷⁶an upper bound of what could be achieved if they were implemented in practice. First,
¹⁷⁷I ignore any costs associated with raising a tax or transferring money, as if the lowest-
¹⁷⁸income countries already had sufficient administrative resources. Second, any tax (and a
¹⁷⁹fortiori a 100% tax) reduces economic activity (real or declared). In this exercise, I abstract
¹⁸⁰from tax distortions and assume that the policies would not affect the taxable base.

¹⁸¹ If it were possible to expropriate top income individuals without reducing their eco-
¹⁸²nomic activity, capping top incomes to finance an income floor would eliminate poverty
¹⁸³at the lowest welfare cost. However, to protect private property and diminish the deter-
¹⁸⁴ring effect on economic activity, governments would rather tax at a lower rate (than 100%)
¹⁸⁵and on a broader base (starting at a threshold deemed reasonable). Therefore, both the
¹⁸⁶antipoverty cap and the antipoverty tax can be thought as rough but revealing approxi-
¹⁸⁷mations of the capacity to mobilize domestic resources.

¹⁸⁸ In low-income countries, we measure household consumption rather than income,
¹⁸⁹meaning that we do not capture investment nor government spending. In other words,
¹⁹⁰our idealized policies would leave productive investment and public services unaffected,
¹⁹¹an appropriate treatment given that these channels already contribute to growth and

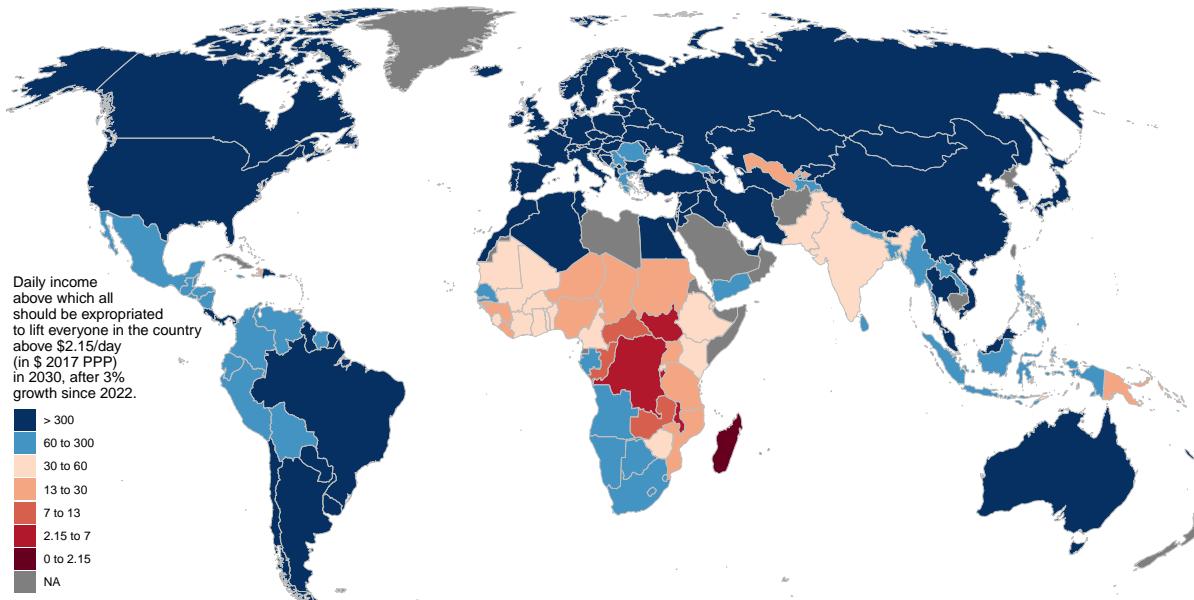
¹⁹² poverty reduction.

¹⁹³ Unless otherwise stated, I use the scenario of balanced growth at a rate of 3%. I choose
¹⁹⁴ this rate as a baseline as it is an upper bound of growth rates recently experienced in the
¹⁹⁵ lowest-income countries. Indeed, among the 8 countries with an average consumption
¹⁹⁶ below 3\$/day, growth was on average negative over 2014–2019 (or 2014–2022), and the
¹⁹⁷ highest growing country (Central African Republic) grew at a rate of 2.4% per year.

¹⁹⁸ 3.3 Antipoverty caps

¹⁹⁹ I estimate the income cap that each country should impose to fill the extreme poverty
²⁰⁰ gap with the expropriated income (Figure 1). In some low-income countries, even capping
²⁰¹ incomes at \$7/day would not suffice to raise revenues equal to the extreme poverty gap,
²⁰² despite a steady growth of 3% per year between 2022 and 2030. In a very optimistic sce-
²⁰³ nario of 7% growth, the anti-extreme-poverty cap would be \$14/day in the D.R.C. Also,
²⁰⁴ note that there is no indication that the resources of this country are underestimated, as
²⁰⁵ the aggregate consumption from household surveys is greater than HFCE from national
²⁰⁶ accounts for the D.R.C. Besides, the D.R.C. is not the poorest country. In Madagascar, the
²⁰⁷ average consumption would fall short of \$2.15/day in the baseline scenario, at \$2.02/day.

Figure 1: Income cap eradicating extreme poverty (in \$/day). In this idealized policy, all income above the cap is transferred to the extreme poor and lift them at \$2.15/day, assuming away distortions, and after a yearly growth of 3% over 2022–2030.



208 This means that even with extreme redistribution, Madagascar does not have the domes-
209 tic resources needed to eliminate extreme poverty by 2030. To give one last example of
210 the shortfall of resources in the lowest-income countries, the anti-extreme-poverty cap for
211 Burundi in the scenario of 7% growth would need to be as low as 8.60\$/day.

212 In most of the paper, I focus on the definition of extreme poverty employed in the
213 first SDG. However, the \$2.15 threshold has been criticized for inaccurately measuring
214 poverty (Deaton 2010; Deaton and Dupriez 2011; Woodward and Abdallah 2010). First,
215 this poverty line is barely sufficient to satisfy one's caloric requirements and is too low to
216 procure a healthy diet or non-food necessities. Second, the PPP adjustments applied to
217 PIP data before computing the poverty rates are based on prices of an average consump-
218 tion basket rather than on prices of subsistence goods (Sullivan et al. 2023). Therefore, the
219 cost of a subsistence diet varies across countries. For instance, Moatsos (2016) computes
220 that it is \$1.44 in Malawi vs. \$4.10 in Kenya (in 2011 PPP \$). Building on earlier work
221 by Allen (2017) that addresses these issues, Moatsos (2016) computes a country-specific
222 poverty line. This basic consumption (or BCS) poverty line corresponds to the local price
223 of the cheapest diet that meets caloric and protein requirements, completed with a ration
224 of fat, sugar, and basic non-food requirements (see also Moatsos 2021). This alternative
225 measure indicates that poverty is more prevalent than the official poverty line suggests.
226 Despite missing data in many countries (including India and the D.R.C.), 14 countries
227 have an average consumption level below this basic consumption poverty line in 2030 in
228 the 3% growth scenario. These countries (which include e.g. Nigeria) do not have suffi-
229 cient resources to lift their population above the BCS poverty line, equal to \$4.35/day in
230 median, even after extreme domestic redistribution.

231 BCL found that 62 countries could not eradicate severe poverty (defined as
232 \$₂₀₀₅2/day) with an antipoverty cap at \$₂₀₀₅13/day, while 27 could not even do so with
233 a cap at \$₂₀₀₅2/day. Their findings cannot be exactly reproduced with the revised PIP
234 data, as the switch from 2005 to 2017 PPPs has altered not only the level but also the
235 distribution of incomes (for the same reason, the results of BCL and Ravallion cannot be
236 compared). When I replicate the computations of BCL (with their survey years but after
237 scaling the original thresholds into 2017 PPPs by a factor 2.15/1.25 = 1.72), I find that
238 52 (resp. 30) countries could not eradicate severe poverty with a cap at \$22.36/day (resp.
239 \$3.44/day). In other words, the revision of PIP data resulted in an apparent enrichment.
240 Looking ahead, in our baseline scenario with 3% growth, we find that in 2030, 34 (resp.
241 6) countries will not be able to eradicate severe poverty with a cap at \$22.36/day (resp.

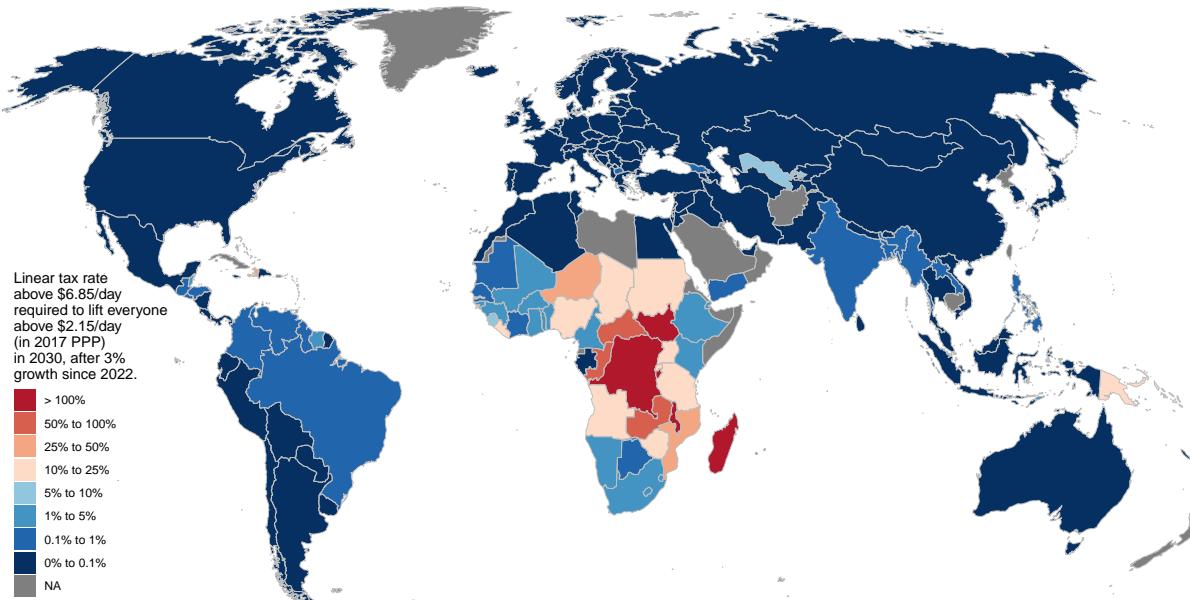
²⁴² \$3.44/day).

²⁴³ 3.4 Antipoverty taxes

²⁴⁴ Figure 2 presents the (additional) tax rate above \$6.85/day required to generate
²⁴⁵ enough revenues to close the domestic extreme poverty gap, in the baseline scenario of 3%
²⁴⁶ growth. The threshold of \$6.85/day is defined by the World Bank as the median national
²⁴⁷ poverty line of upper middle-income countries. It corresponds to an “acute” poverty line
²⁴⁸ which can be understood as the consumption level that can sustain a minimally decent
²⁴⁹ life (Hickel 2019; Kikstra et al. 2021). In contrast, the extreme poverty line of \$2.15/day
²⁵⁰ corresponds to the consumption per capita below which one is undernourished (Allen
²⁵¹ 2017).

²⁵² Consistently with the previous findings, taxing income at a 100% rate above \$6.85/day
²⁵³ would not generate enough revenues to eliminate extreme poverty in the five poorest
²⁵⁴ countries. In Nigeria, closing the extreme poverty gap would require taxing the “non-
²⁵⁵ acutely-poor” at a marginal rate of 20%. On average over Sub-Saharan Africa, the anti-
²⁵⁶ extreme-poverty tax would be 49%, and 70% in low-income countries (defined by the
²⁵⁷ World Bank as countries with a GNI per capita below \$1,135 per year). Yet, imposing

Figure 2: Linear tax rate above \$6.85/day eradicating extreme poverty (in %). In this idealized policy, all tax revenue is transferred to the extreme poor and lift them at \$2.15/day, assuming away distortions, and after a yearly growth of 3% over 2022–2030.



258 such a large tax burden on any income above just \$6.85/day seems unrealistic.

259 Figure 3 presents the anti-extreme-poverty tax on incomes above \$18.15/day, in a very
260 optimistic scenario of 7% growth. The threshold of \$18.15/day per person corresponds to
261 the U.S. federal poverty line for a family of four and represents a more realistic threshold
262 above which taxes could be increased in the Global South. The anti-extreme-poverty tax
263 rates on the “non-poor” in this 7% growth scenario are comparable to the rates on the
264 non-acutely-poor in the baseline scenario. In India, the required tax rate would be 10%
265 in the scenario with 7% growth until 2030, 36% with 5.5% growth (the country’s 2014–
266 2019 trend), and unachievable (at 156%) with 3% growth. With sustained growth, the
267 contribution required of the Indian non-poor seems large but possible. Therefore, India
268 seems able to eliminate extreme poverty by 2030 with its domestic resources. The same
269 thing cannot be said of Sub-Saharan Africa.

270 3.5 The credible potential of domestic redistribution

271 A final way of approaching the issue is to set a tax schedule, compute how much
272 revenues it would generate in each country, and estimate the income floor that these rev-
273 enues could finance (by topping up the incomes of the poorest to the income floor). As

Figure 3: Linear tax rate above \$18.15/day eradicating extreme poverty (in %). In this ide-
alized policy, all tax revenue is transferred to the extreme poor and lift them at \$2.15/day,
assuming away distortions, and after a yearly growth of 7% over 2022–2030.

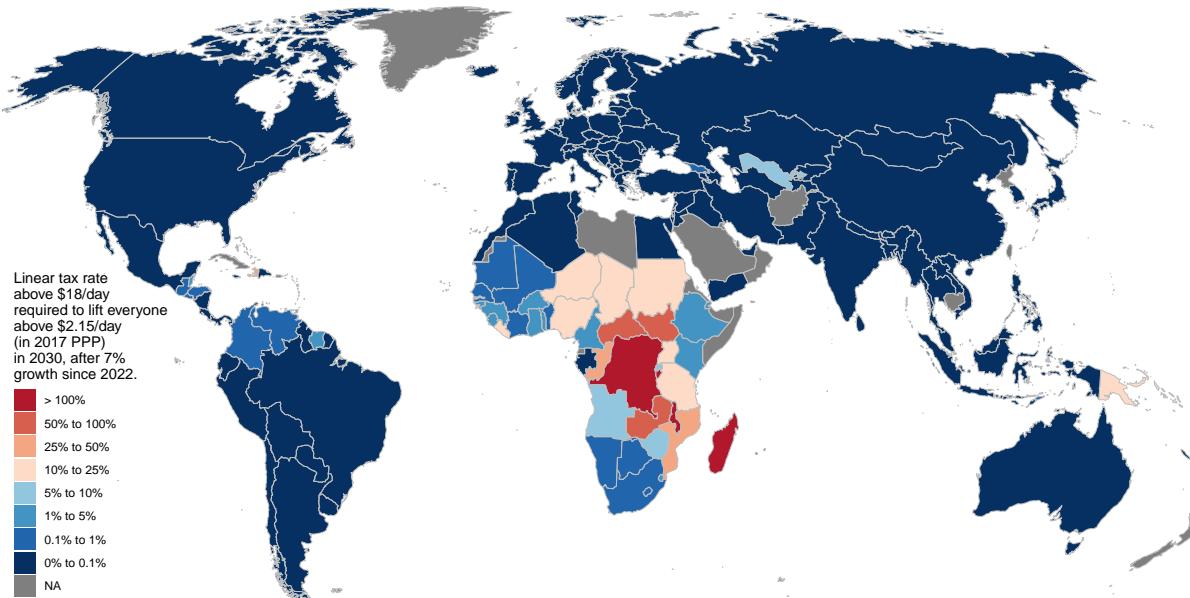
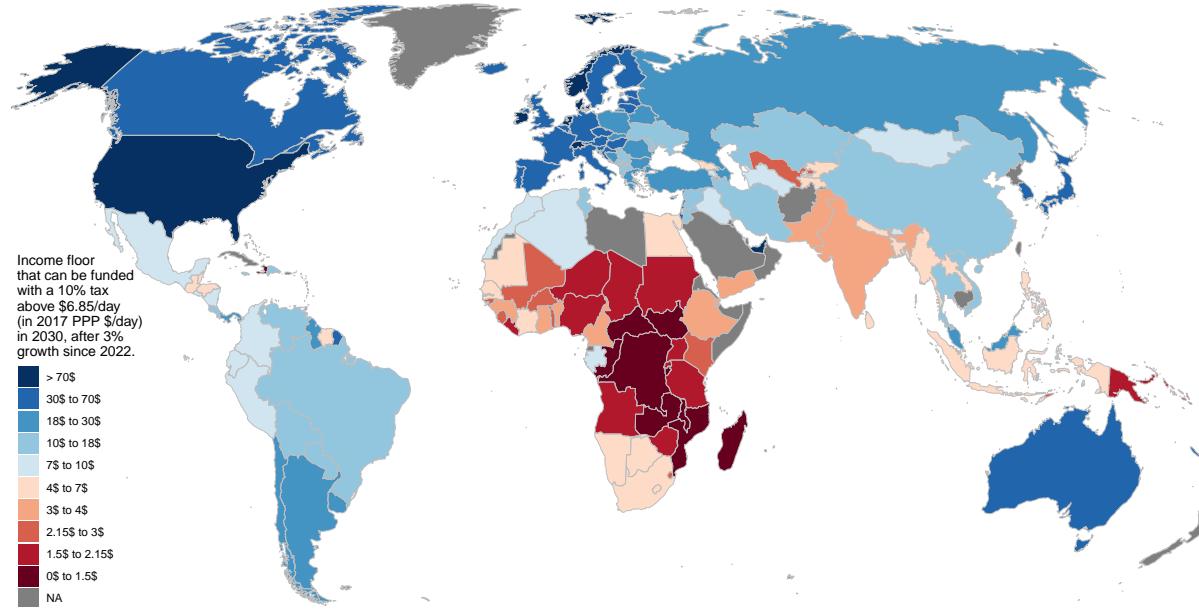


Figure 4: Income floor that can be funded with a 10% marginal tax on income above \$6.85/day (in 2017 PPP \$/day). In this idealized policy, all tax revenue is transferred to the poorest and lift them at the income floor, assuming away distortions, and after a yearly growth of 3% over 2022–2030.



274 I have already explored extreme redistributive policies, I analyse here a more reasonable
 275 tax schedule. Namely, I consider a 10% marginal tax rate on income above \$6.85/day. Al-
 276 though the tax base may be too wide (affecting people on the verge of acute poverty) and
 277 the tax rate too low for top incomes, this simple tax schedule seems to correctly reflect the
 278 fiscal capacity of governments. Note that the value of the income floor depends on the
 279 whole income distribution: the top of the distribution determines the revenues that can
 280 be generated; and the bottom dictates the cost of raising low incomes up to a given floor.

281 Figure 4 presents the income floor that can be funded in 2030 with our simple tax in a
 282 3% growth scenario. While the number of countries unable to eradicate extreme poverty
 283 through this tax totals 23, a figure akin to the count of low-income countries at 27, a mere
 284 13 countries fall into both categories. For example, while Ethiopia (a low-income country)
 285 can finance an income floor of \$3.08/day, Nigeria (classified as a lower-middle-income
 286 country) can only finance a floor of \$1.83/day.

287 Even in a scenario with 7% growth from 2023 onwards, 10 countries have an income
 288 floor below \$2.15 in 2030. Note that the picture does not significantly change when adjust-
 289 ing top incomes so that aggregate consumption matches national accounts: 8 countries
 290 are still unable to close the extreme poverty gap despite very optimistic growth in this

²⁹¹ robustness check. In contrast, if the 7% growth had started in 2016 (as the SDGs were set
²⁹² up), the 10% tax would have been sufficient to eliminate extreme poverty in all countries
²⁹³ except in Madagascar, where a tax of 23% would have been required.

²⁹⁴ At least two of the SDGs spell out how the elimination of extreme poverty could be
²⁹⁵ funded. First, the target 8.1 aims for “at least 7 per cent gross domestic product growth per
²⁹⁶ annum in the least developed countries”. As we have seen, a sustained high growth since
²⁹⁷ 2016 would have permitted the least developed countries to eliminate extreme poverty
²⁹⁸ through the mobilization of their domestic resources. However, high growth has never
²⁹⁹ materialized in these countries. Second, the target 17.2 calls for “Developed countries to
³⁰⁰ implement fully their official development assistance commitments, including the com-
³⁰¹ mitment by many developed countries to achieve the target of 0.7 per cent of ODA/GNI
³⁰² to developing countries and 0.15 to 0.20 per cent of ODA/GNI to least developed coun-
³⁰³ tries” (LDCs). Foreign aid falls short of both the overall target (at 0.37% of developed
³⁰⁴ countries’ GNI) and the LDCs’ target (at 0.06%). While just four countries are meet-
³⁰⁵ ing their commitments (Luxembourg, Sweden, Norway, and Germany), the U.S. only
³⁰⁶ allocates 0.23% of its GNI to foreign aid ([OECD 2023](#)). The global extreme poverty gap
³⁰⁷ (0.17% of global real GDP) is a bit lower than the shortfall of foreign aid relative to the
³⁰⁸ target (0.2% of global nominal GDP), suggesting that extreme poverty could be signifi-
³⁰⁹ cantly reduced if developed countries respected their commitment. However, to meet the
³¹⁰ broader SDGs and “end poverty in all its forms”, the 0.7% target would not suffice and
³¹¹ international solidarity should be significantly strengthened.

³¹² 3.6 The potential of global redistribution

³¹³ In this section, we highlight the potential of globally redistributive policies to close the
³¹⁴ global poverty gap in 2030 in the baseline scenario of 3% growth.

³¹⁵ If applied to the global level, the tax of the previous section would bring the global
³¹⁶ Gini from .62 down to .51 and finance an income floor at \$8.6/day, thereby closing the
³¹⁷ \$6.85/day poverty gap. By comparison, applied at the national level, it would only bring
³¹⁸ the global Gini down to .59 and reduce the poverty gap from 4.5% to 3.7% of global
³¹⁹ income.

³²⁰ To close the *extreme* poverty gap, a 1.2% marginal tax above 100\$/day (i.e.
³²¹ \$36,500/year) would suffice. Such a tax would result in 3.4% of global income being
³²² transferred from the rich to the extreme poor, but would only involve 0.14% of global
³²³ income being transferred from one country to another. With contributions of up to 0.4%

³²⁴ of a country's income (in the U.S.), aggregate consumption would increase by more than
³²⁵ 10% in 9 countries.

³²⁶ In reality, the global tax rates required to eradicate poverty may well be lower than just
³²⁷ indicated, because our calculations used the raw PIP data instead of converting them to
³²⁸ nominal terms and rescaling them to national accounts. Once I rescale the data to national
³²⁹ accounts, (which are more accurate in high-income countries), a mild 0.3% marginal tax
³³⁰ above \$100/day suffices to close the extreme poverty gap. Raising that rate to 10% would
³³¹ collect 3.4% of the world income, enough to finance a global income floor of \$7/day and
³³² end absolute poverty "in all its forms" (extreme and acute). These rates are expressed
³³³ on top of the current tax system and apply to post-tax income. For example, the last
³³⁴ tax schedule would leave unaffected the 95% of the world's population whose per capita
³³⁵ after-tax income is less than \$36,500/year, and would reduce the after-tax income of those
³³⁶ at \$73,000/year by 5%.

³³⁷ Although internationally redistributive taxes have yet to take off, the proposal of
³³⁸ a global wealth tax is gaining momentum (Piketty 2022). A 2% tax on individual net
³³⁹ wealth above \$1 billion would raise \$214 billion a year, slightly more than the global ex-
³⁴⁰ treme poverty gap (Alstadsæter et al. 2024). Moreover, a global tax on the wealthiest 1%
³⁴¹ can raise enough revenues to close the global acute poverty gap and lift everyone above
³⁴² \$6.85/day. For example, the WID wealth tax simulator shows that a tax consisting of a 4%
³⁴³ marginal rate above \$1 million and 10% above \$100 million would raise 4.4% of the global
³⁴⁴ GDP. More generally, a global tax on millionaires designed to be revenue-maximizing in the
³⁴⁵ long-run has the potential to finance the eradication of acute poverty.

³⁴⁶ In a nutshell, whereas poverty alleviation cannot be achieved rapidly without inter-
³⁴⁷ national solidarity, it can be financed by reasonable contributions from the global top 1%.

³⁴⁸ 4 Discussion

³⁴⁹ To paraphrase the UN (2022), "as things stand, the world is not on track to end poverty
³⁵⁰ by 2030." I have shown that the only prospect for low-income countries to eliminate ex-
³⁵¹ treme poverty on their own is the combination of strong growth, ambitious policies of so-
³⁵² cial programs and domestic redistribution, and time. With record growth and profound
³⁵³ government commitment, China has officially eradicated extreme poverty in 2021. The
³⁵⁴ D.R.C. is poorer now than China in 1990, so even if it reproduces the Chinese miracle,
³⁵⁵ it will not be able to eradicate extreme poverty on its own before 2055. In contrast, in-

356 international solidarity might be able to end poverty more quickly and at a much lower
357 welfare cost. In this paper, I have illustrated the magnitude of the required transfer of
358 resources with idealized international taxes, but in reality this could take other forms
359 such as a systemic change in the rules or structures of the world economy. To be fair, this
360 paper only presents the orders of magnitude of global inequality. In practice, structural
361 factors that sustain poverty (like wars or corruption) can also hamper the effectiveness of
362 international action.

363 **Data and code availability**

364 All data and code of as well as figures of the paper are available on
365 github.com/bixiou/domestic_poverty_ereadication.

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JEL codes D63, I32, P16.

⁵⁰² **Keywords** Poverty gap, Sustainable Development Goals, Domestic resource mobilization, Re-distribution, Fiscal capacity, Extreme poverty.

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528 **A Appendix**

529 **A.1 Additional figures**

530 Many more figures (with varying poverty lines, taxation thresholds, growth scenarios,
531 etc.) are available on github.com/bixiou/domestic_poverty_eradication. Also, any
532 custom figure can be easily produced using this code.

Figure A1: Linear tax rate above \$6.85/day eradicating extreme poverty (in %). Data has been rescaled to match HFCE aggregate from national account. In this idealized policy, all tax revenue is transferred to the extreme poor and lift them at \$2.15/day, assuming away distortions, and after a yearly growth of 3% over 2022–2030.

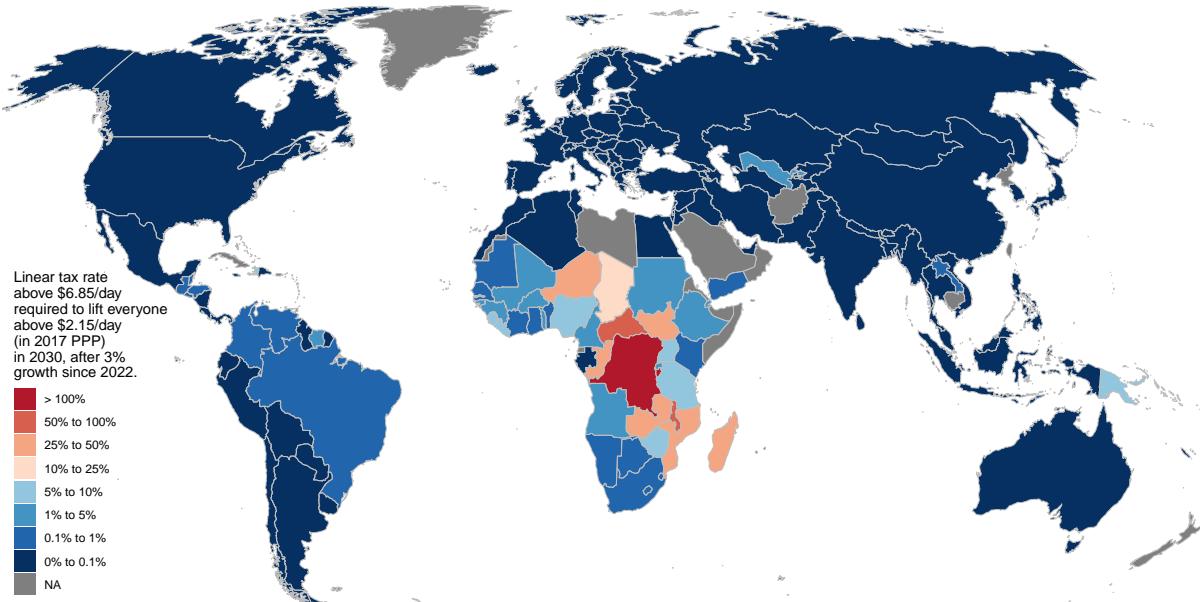


Figure A2: Linear tax rate above \$6.85/day eradicating extreme poverty (in %). In this idealized policy, all tax revenue is transferred to the extreme poor and lift them at \$2.15/day, assuming away distortions, with growth until 2030 predicted at the country level.

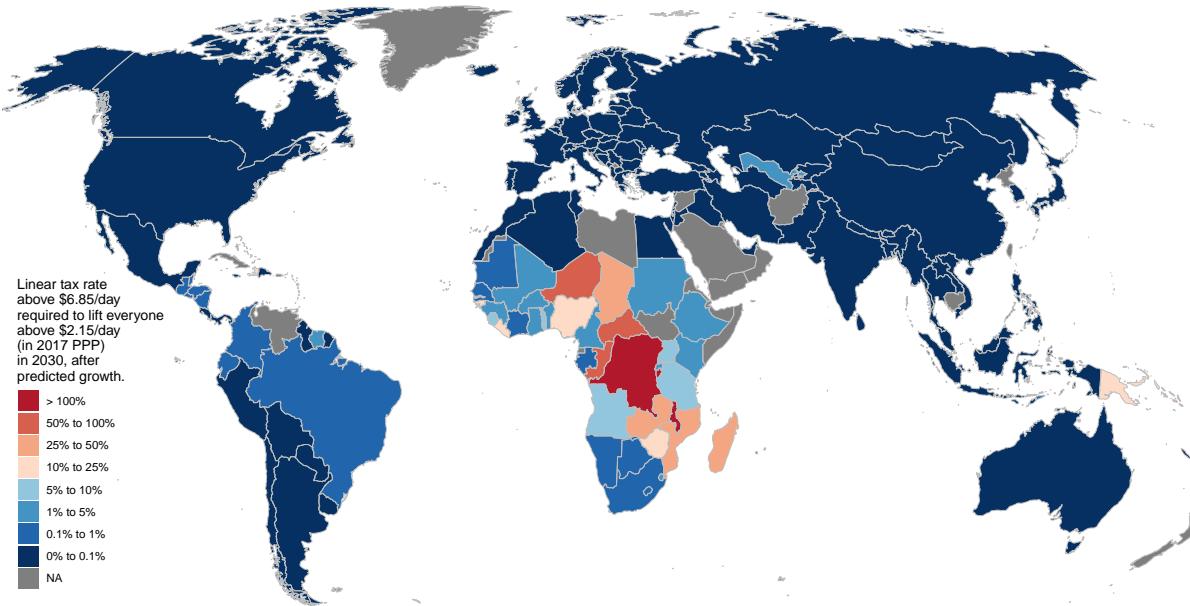


Figure A3: Linear tax rate above \$18.15/day eradicating extreme poverty (in %). In this idealized policy, all tax revenue is transferred to the extreme poor and lift them at \$2.15/day, assuming away distortions, and after a yearly growth of 3% over 2022–2030.

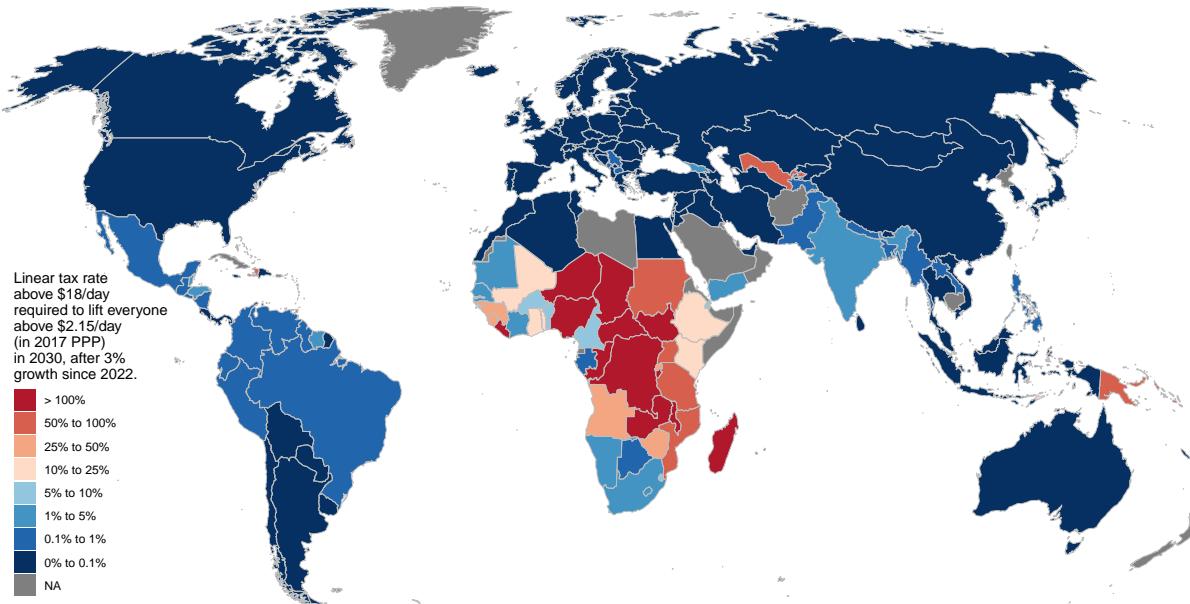


Figure A4: Linear tax rate above \$18.15/day eradicating extreme poverty (in %). Data has been rescaled to match HFCE aggregate from national account. In this idealized policy, all tax revenue is transferred to the extreme poor and lift them at \$2.15/day, assuming away distortions, and after a yearly growth of 7% over 2022–2030.

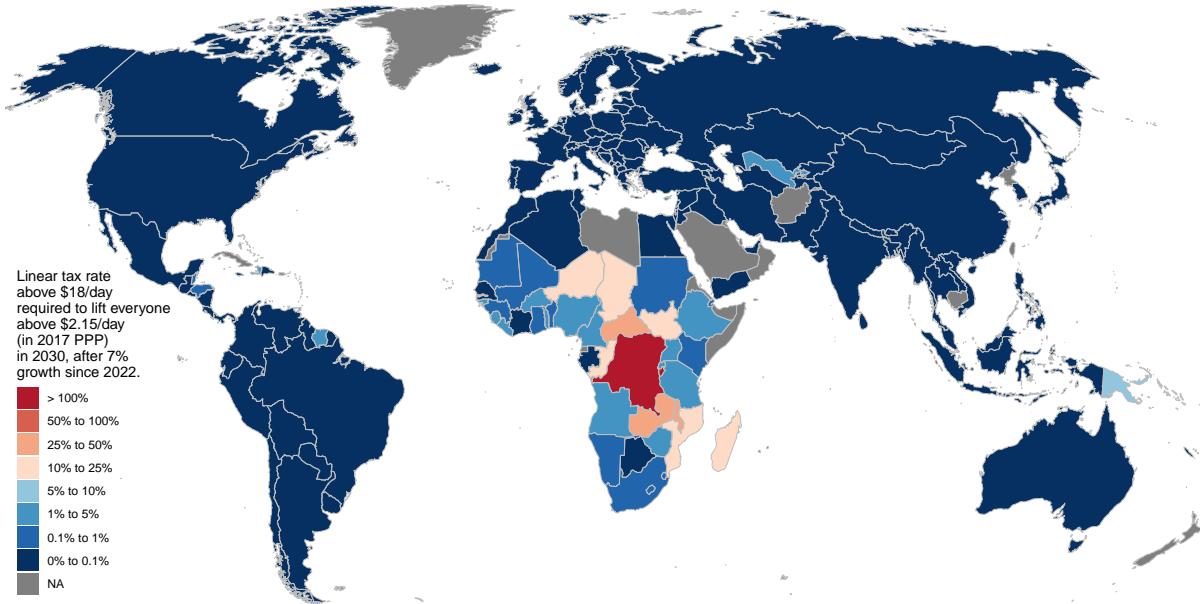


Figure A5: Linear tax rate above \$18.15/day eradicating extreme poverty (in %). In this idealized policy, all tax revenue is transferred to the extreme poor and lift them at \$3.65/day, assuming away distortions, and after a yearly growth of 3% over 2022–2030.

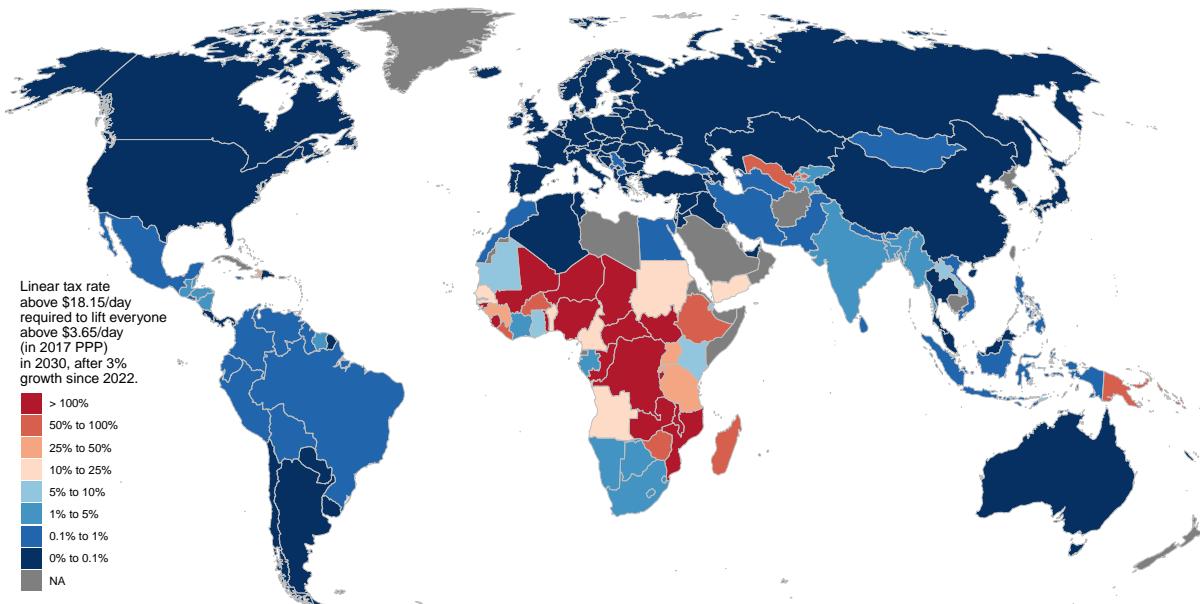


Figure A6: Linear tax rate above \$18.15/day eradicating extreme poverty (in %). In this idealized policy, all tax revenue is transferred to the extreme poor and lift them at \$6.85/day, assuming away distortions, and after a yearly growth of 3% over 2022–2030.

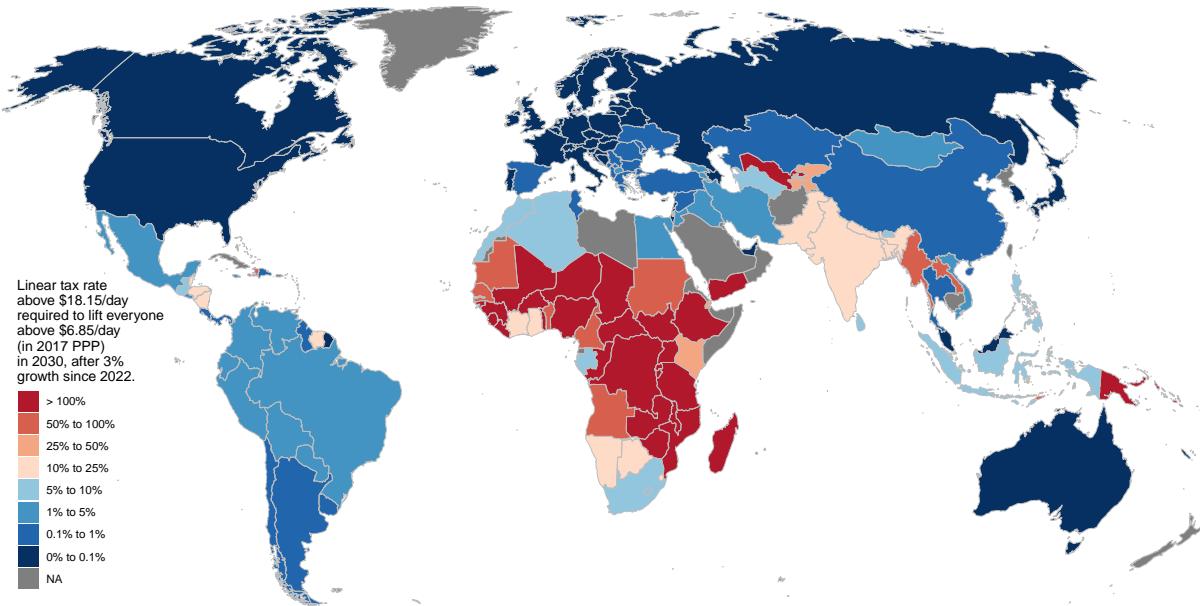


Figure A7: Linear tax rate above \$6.85/day eradicating extreme poverty (in %). In this idealized policy, all tax revenue is transferred to the extreme poor and lift them at \$6.85/day, assuming away distortions, and after a yearly growth of 3% over 2022–2030.

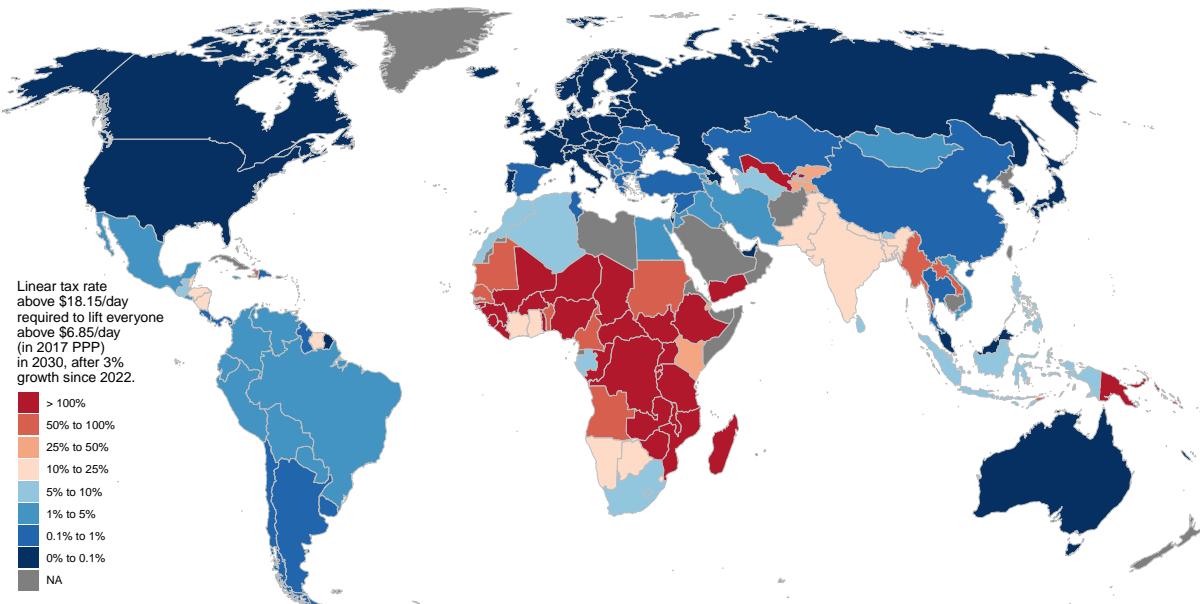


Figure A8: Income floor that can be funded with a 10% marginal tax on income above \$6.85/day (in 2017 PPP \$/day). In this idealized policy, all tax revenue is transferred to the poorest and lift them at the income floor, assuming away distortions, and after a yearly growth of 7% over 2022–2030.

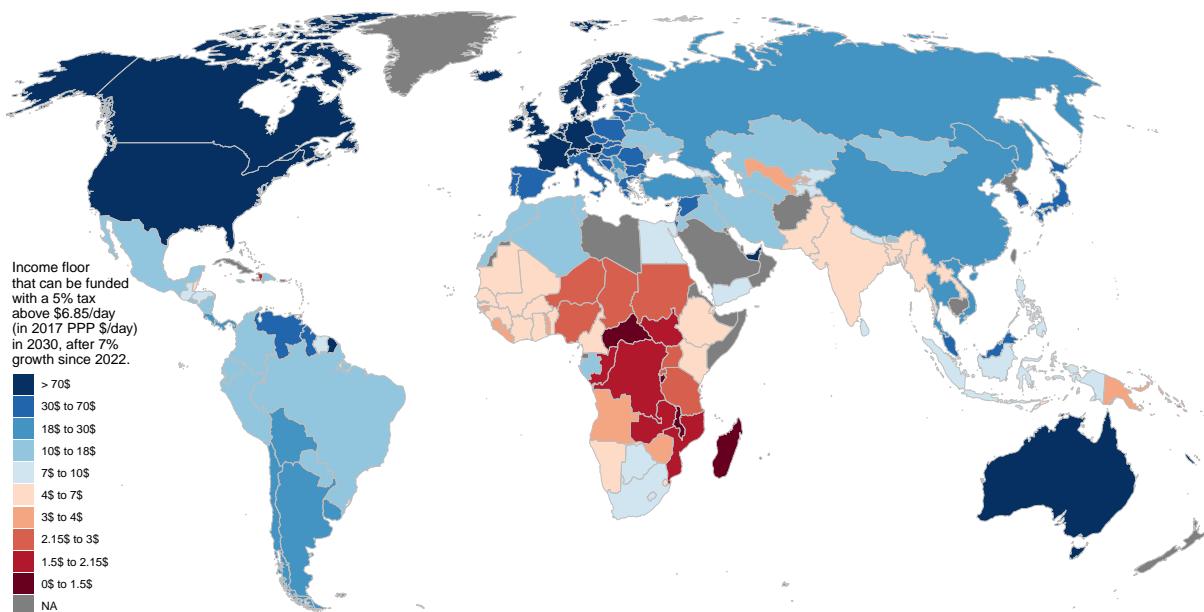
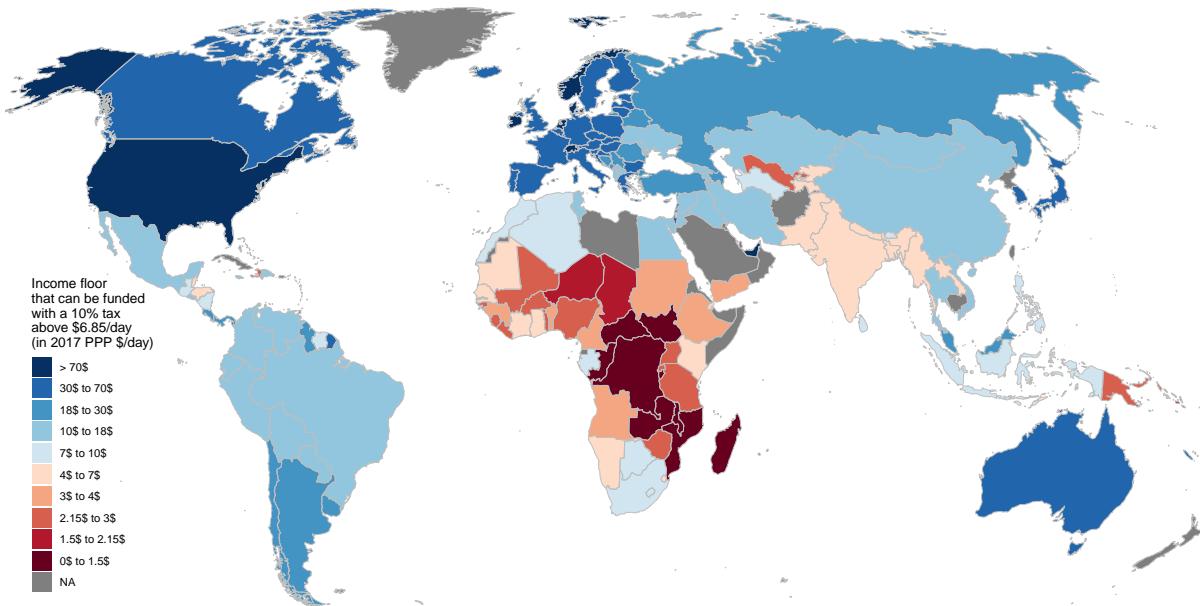


Figure A9: Income floor that can be funded with a 10% marginal tax on income above \$6.85/day (in 2017 PPP \$/day). Data has been rescaled to match HFCE aggregate from national account. In this idealized policy, all tax revenue is transferred to the poorest and lift them at the income floor, assuming away distortions, and after a yearly growth of 3% over 2022–2030.



533 A.2 Additional tables

Table A1: Mean income in major lower-income countries in various years and growth scenarios, survey years and factor used to rescale incomes to national accounts (in countries with HFCE to survey ratio above 1).

Indicator	Year of Survey	Mean consumption/income (in \$/day)	BCL				HFCE to survey ratio		
			2022	2030 estimate	Trend	survey year			
World	2018	17.2	18.6	23.6	32.3	22.9	23.3	2009	1.42
Low-Income Countries	2015	3.6	3.8	5.3	8.5	4.4	4.6	2008	1.11
Sub-Saharan Africa	2016	4.2	4.3	5.5	7.4	5.1	4.8	2009	1.34
Angola	2018	5.5	4.7	6.0	8.1	5.2	3.3	2009	1.71
Bangladesh	2016	4.5	6.1	7.7	10.5	8.0	9.6	2010	1.90
Benin	2018	4.7	5.3	6.7	9.0	6.0	6.1	2003	1.25
Burkina Faso	2018	5.0	5.2	6.6	9.0	6.2	6.5	2009	0.75
Burundi	2013	2.3	2.0	2.5	3.4	2.1	1.6	2006	0.75
Cameroon	2014	5.8	6.1	7.7	10.5	6.8	6.7	2007	1.18
Chad	2018	3.8	3.4	4.4	5.9	3.9	2.6	2003	0.92
D.R. Congo	2012	2.0	2.6	3.2	4.4	3.0	2.8	2005	0.91
Ethiopia	2015	3.7	5.1	6.4	8.7	7.0	8.1	2011	0.91
Ghana	2016	5.1	6.0	7.6	10.3	7.3	7.6	2006	1.96
Guinea	2018	4.4	4.8	6.1	8.3	5.6	6.9	2007	1.12
Haiti	2012	3.9	3.6	4.5	6.2	3.9	3.5	2001	1.73
India	2019	5.3	5.6	7.1	9.7	7.3	8.6	2010	2.19
Ivory Coast	2018	5.7	6.4	8.1	10.9	7.4	8.6	2008	1.67
Kenya	2015	4.2	5.0	6.3	8.6	5.8	6.1	2005	1.99
Madagascar	2012	1.6	1.6	2.0	2.7	1.8	1.7	2010	2.04
Malawi	2019	2.1	2.0	2.5	3.4	2.3	2.2	2010	NA
Mali	2018	5.0	4.9	6.2	8.3	5.4	5.7	2010	0.94
Mozambique	2014	2.9	2.9	3.7	5.0	3.4	3.1	2008	NA
Nepal	2010	5.2	7.7	9.8	13.3	9.4	11.0	2010	1.30
Niger	2018	2.9	3.0	3.9	5.2	3.5	3.5	2008	0.86
Nigeria	2018	3.7	3.6	4.5	6.1	4.1	3.2	2011	NA
Pakistan	2018	5.0	5.3	6.7	9.1	6.2	6.8	2008	2.35
Papua New Guinea	2009	3.5	4.3	5.4	7.3	4.8	4.8	1996	NA
Rwanda	2016	3.1	3.8	4.8	6.6	4.9	5.5	2011	1.45
Senegal	2018	6.0	6.3	8.0	10.8	7.2	8.2	2011	1.11
South Sudan	2016	2.2	2.2	3.3	5.5	NA	2.2	NA	NA
Sudan	2014	4.6	3.4	4.3	5.9	3.6	2.7	2009	1.94
Tanzania	2018	3.3	3.4	4.4	5.9	4.1	4.3	2007	1.43
Uganda	2019	3.5	3.6	4.5	6.1	4.2	4.1	2009	1.33
Uzbekistan	2003	1.6	4.0	5.1	6.9	5.2	5.5	NA	NA
Yemen	2014	4.5	4.5	7.2	13.3	NA	4.5	2005	NA
Zambia	2015	3.0	3.0	3.7	5.1	3.4	2.9	2010	NA
Zimbabwe	2019	4.5	4.4	5.5	7.5	4.7	4.0	NA	1.10

Table A2: Expected poverty and growth in major lower-income countries: trend and projected growth rate, poverty rates and gaps at \$2.15 and \$6.85/day in 2030 after 3% growth since 2022.

Indicator	Growth	Growth	Poverty rate			Poverty gap		
	Trend 2014–2019	Autoregressive Projection	\$2.15	\$3.65	\$6.85	\$2.15	\$3.65	\$6.85
World	3.4	2.9	5	15	38	0.1	0.8	4.4
Low-Income Countries	1.9	2.3	27	52	80	3.9	15.5	56.7
Sub-Saharan Africa	1.0	2.0	24	50	79	3.2	13.6	52.9
Angola	-4.2	1.3	28	49	75	3.7	13.6	47.9
Bangladesh	5.8	3.4	1	13	58	0.0	1.1	16.0
Benin	1.8	1.7	7	29	69	0.4	4.3	29.3
Burkina Faso	2.7	2.1	15	45	73	1.1	8.1	37.9
Burundi	-2.6	0.9	60	84	96	19.0	63.9	181.6
Cameroon	1.2	1.5	15	35	62	1.2	6.1	26.7
Chad	-3.4	1.7	23	57	86	2.8	16.9	71.5
D.R. Congo	1.2	2.1	45	73	91	11.2	39.5	122.7
Ethiopia	6.0	4.0	7	26	71	0.5	4.1	28.9
Ghana	2.9	2.5	13	30	61	1.3	5.5	24.9
Guinea	4.6	1.9	4	25	69	0.3	3.6	29.3
Haiti	-0.3	1.1	37	59	83	8.2	24.4	76.1
India	5.5	3.4	3	21	68	0.1	2.3	23.3
Ivory Coast	3.9	1.9	3	19	56	0.1	2.0	17.7
Kenya	2.6	1.9	12	37	71	1.0	6.8	35.5
Madagascar	1.1	1.3	72	88	97	35.4	96.0	244.4
Malawi	1.0	1.8	59	84	96	18.1	61.7	177.3
Mali	2.1	1.4	7	34	71	0.4	5.2	34.1
Mozambique	0.9	2.2	52	76	90	12.3	39.2	113.1
Nepal	4.5	2.5	1	5	40	0.0	0.4	7.5
Niger	1.7	1.6	28	67	90	3.8	23.1	90.9
Nigeria	-1.3	1.8	20	50	84	2.4	14.3	64.1
Pakistan	3.2	2.0	1	15	68	0.0	1.3	22.4
Papua New Guinea	1.5	1.6	21	45	76	2.9	12.2	49.3
Rwanda	4.8	3.0	25	57	84	2.9	15.9	64.2
Senegal	3.3	1.7	3	20	58	0.1	2.0	18.5
South Sudan	NA	NA	47	72	91	12.4	40.5	122.8
Sudan	-2.9	0.8	18	54	88	2.1	14.9	70.5
Tanzania	2.8	2.3	26	61	87	3.1	18.7	74.9
Uganda	1.7	2.2	27	59	85	3.6	18.3	71.7
Uzbekistan	4.0	3.3	12	43	82	1.4	9.4	51.5
Yemen	NA	NA	4	23	64	0.2	2.9	23.2
Zambia	0.0	1.9	53	71	87	15.4	40.8	109.6
Zimbabwe	-1.0	0.9	29	55	79	3.3	15.1	55.1

Table A3: Antipoverty caps for major lower-income countries in 2030.

Poverty line (\$/day)	2.15	2.15	2.15	2.15	2.15	2.15	BCS	3.44	3.44
Growth scenario	3%	3%	7%	7%	Projection		3%	3%	BCL
HFCE rescaling		✓		✓		✓			
World	442.6	1785.2	618.7	2442.3	384.3	1741.9	$+\infty$	376.0	204.3
Low-Income Countries	29.7	200.7	160.9	518.9	15.7	101.1	$+\infty$	13.1	3.8
Sub-Saharan Africa	37.7	636.1	52.8	1119.1	31.0	631.5	$+\infty$	16.3	6.6
Angola	63.1	896.5	132.4	1283.4	41.1	755.7	6.0	20.7	15.2
Bangladesh	69.0	1461.6	$+\infty$	$+\infty$	71.4	1506.2	NA	50.1	7.6
Benin	50.1	376.6	79.0	523.0	40.1	333.0	30.5	24.4	8.4
Burkina Faso	49.4	49.4	90.5	90.5	40.9	40.9	24.7	25.1	11.1
Burundi	3.4	3.4	8.6	8.6	2.1	2.1	2.5	2.5	2.3
Cameroon	53.8	326.9	97.0	476.0	40.4	275.0	17.3	29.5	14.2
Chad	16.4	16.4	34.2	34.2	12.4	12.4	10.1	6.9	4.7
D.R. Congo	6.7	6.7	14.7	14.7	5.6	5.6	NA	3.2	2.0
Ethiopia	43.8	43.8	71.7	71.7	51.2	51.2	19.2	22.0	4.4
Ghana	47.8	1501.7	85.1	2067.0	43.8	1440.7	30.1	26.3	9.8
Guinea	21.6	160.4	35.0	225.3	18.2	143.5	17.2	13.2	6.3
Haiti	18.5	593.3	39.5	895.7	12.1	466.8	4.5	7.9	4.9
India	56.1	1750.5	79.1	2378.6	58.3	1804.3	NA	35.3	13.5
Ivory Coast	55.4	1127.2	80.2	1534.2	48.5	1028.7	NA	32.5	13.6
Kenya	42.1	1291.1	75.4	1775.5	33.6	1174.5	14.1	19.3	6.4
Madagascar	2.0	200.7	4.6	422.2	1.8	125.5	2.0	2.0	1.6
Malawi	3.6	7.6	9.1	44.4	2.7	4.6	8.2	2.5	2.1
Mali	33.8	33.8	55.6	55.6	25.3	25.3	27.1	16.9	9.5
Mozambique	21.0	61.9	59.5	166.8	15.6	46.0	28.9	4.5	2.9
Nepal	66.3	660.2	$+\infty$	$+\infty$	63.5	635.2	38.2	56.9	10.8
Niger	16.2	16.2	38.4	38.4	11.3	11.3	8.0	5.0	2.9
Nigeria	14.2	102.5	29.5	177.8	11.1	79.9	5.9	7.0	4.1
Pakistan	55.9	1875.4	$+\infty$	$+\infty$	51.2	1740.1	20.1	36.3	11.5
Papua New Guinea	20.6	123.2	39.2	212.0	16.1	95.1	NA	11.1	3.6
Rwanda	32.0	451.2	74.1	664.8	32.3	452.6	7.2	10.9	3.1
Senegal	72.7	250.6	103.0	344.4	62.9	223.3	60.8	41.7	17.6
South Sudan	6.8	19.7	24.9	135.9	NA	NA	NA	3.3	NA
Sudan	20.0	819.5	49.0	1148.3	11.5	661.9	4.3	6.7	7.9
Tanzania	23.7	378.8	57.8	567.6	19.4	345.9	9.6	7.5	3.3
Uganda	29.9	314.0	77.3	483.3	23.3	281.0	10.4	8.5	3.7
Uzbekistan	22.7	139.0	44.9	213.8	24.1	144.8	36.2	10.8	NA
Yemen	60.2	237.9	$+\infty$	$+\infty$	NA	NA	NA	30.2	7.7
Zambia	11.8	30.0	27.5	91.8	9.3	22.5	3.7	4.6	3.0
Zimbabwe	40.6	133.1	85.3	235.7	26.7	83.7	NA	17.2	NA

Table A4: Antipoverty tax required to eliminate extreme poverty (at \$2.15/day) in major lower-income countries in 2030 (marginal rate in %).

Taxation threshold (\$/day)	6.85 3%	18.15 7%	18.15 3%	18.15 Trend	18.15 Projection	6.85 7%	6.85 3%	18.15 7%
Growth scenario								
HFCE rescaling						✓	✓	
World	0.2	0.1	0.3	0.4	0.3	0.2	0.1	0.1
Low-Income Countries	14.6	5.5	44.5	112.2	125.9	31.0	2.9	9.5
Sub-Saharan Africa	11.5	8.3	30.1	61.5	42.5	15.5	3.3	5.1
Angola	11.4	9.1	28.2	177.2	44.3	18.0	3.8	3.6
Bangladesh	0.1	0.0	0.6	0.0	0.4	0.1	0.0	0.0
Benin	1.5	0.7	6.8	12.8	13.8	3.0	0.2	0.8
Burkina Faso	3.2	1.3	9.7	11.1	14.7	4.7	0.5	3.2
Burundi	285.8	449.4	> 10k	> 10k	> 10k	600.7	69.5	285.8
Cameroon	3.1	2.0	9.9	19.6	17.9	5.3	0.8	2.1
Chad	19.3	16.1	130.6	> 10k	246.0	33.9	3.2	19.3
D.R. Congo	103.1	155.2	743.7	2482.0	1239.1	140.8	26.8	103.1
Ethiopia	2.2	1.1	10.3	2.0	5.9	1.3	0.3	2.2
Ghana	3.6	3.5	13.9	14.3	16.6	4.2	1.1	1.0
Guinea	1.8	2.1	36.0	10.4	85.3	3.3	0.2	1.0
Haiti	32.7	34.3	97.3	242.0	164.6	52.9	12.5	8.3
India	0.5	0.1	1.6	0.4	1.2	0.4	0.0	0.1
Ivory Coast	0.4	0.2	2.0	1.2	3.9	0.8	0.1	0.0
Kenya	3.8	2.8	15.9	19.5	25.9	5.9	0.8	0.8
Madagascar	620.6	2019.5	> 10k	> 10k	> 10k	1072.2	179.7	32.3
Malawi	260.0	354.8	> 10k	> 10k	> 10k	397.8	63.8	93.7
Mali	1.9	0.9	12.0	21.2	30.9	4.3	0.2	1.9
Mozambique	45.8	32.0	89.2	151.8	109.9	56.1	16.6	31.4
Nepal	0.0	0.0	0.1	0.0	0.2	0.0	0.0	0.0
Niger	28.5	17.6	123.5	222.1	228.3	50.2	4.7	28.5
Nigeria	19.5	22.7	187.6	> 10k	387.0	33.7	3.0	9.8
Pakistan	0.0	0.0	0.3	0.1	1.0	0.2	0.0	0.0
Papua New Guinea	13.2	15.2	75.0	136.5	128.1	20.9	3.5	8.4
Rwanda	12.9	8.2	41.2	20.8	40.7	12.7	2.8	4.3
Senegal	0.4	0.2	1.5	1.2	3.1	0.8	0.1	0.3
South Sudan	101.6	52.3	603.5	> 10k	NA	NA	11.7	49.8
Sudan	17.8	12.4	73.0	2942.7	197.9	46.4	2.8	2.0
Tanzania	17.7	10.0	62.2	68.1	86.3	23.7	3.0	5.1
Uganda	18.3	12.1	52.4	81.4	69.8	24.4	4.1	6.8
Uzbekistan	8.5	8.1	51.7	31.7	44.2	7.5	1.6	4.8
Yemen	0.9	0.0	3.8	86.1	NA	NA	0.0	0.6
Zambia	58.2	60.1	166.2	362.1	216.7	74.3	23.7	39.6
Zimbabwe	10.5	6.1	27.2	107.9	56.9	20.5	2.6	7.8

Table A5: Antipoverty tax required to eliminate severe poverty (at \$3.65/day) in major lower-income countries in 2030 (marginal rate in %).

Taxation threshold (\$/day)	6.85	18.15	18.15	18.15	18.15	6.85	6.85	6.85	18.15
Growth scenario	3%	7%	3%	Trend	Projection	7%	3%	7%	
HFCE rescaling						✓		✓	✓
World	1.0	0.5	1.4	1.7	1.6	1.1	0.4	0.7	0.3
Low-Income Countries	57.2	25.1	174.5	388.0	464.3	114.4	13.4	37.3	15.8
Sub-Saharan Africa	49.2	42.2	129.2	224.3	172.5	63.1	16.7	21.9	12.5
Angola	41.2	38.0	102.3	510.7	151.6	61.6	15.8	13.0	7.5
Bangladesh	3.8	1.7	19.0	3.5	15.2	3.1	0.4	0.9	0.2
Benin	16.4	12.3	72.2	118.6	126.0	27.1	3.3	8.5	3.5
Burkina Faso	23.4	16.4	70.8	78.6	97.3	30.9	6.6	23.4	16.4
Burundi	963.8	1983.9	> 10k	> 10k	> 10k	1787.8	306.7	963.8	1983.9
Cameroon	16.2	13.8	51.6	91.0	84.4	24.7	5.2	11.0	6.9
Chad	116.1	146.6	785.2	> 10k	1304.4	179.7	29.0	116.1	146.6
D.R. Congo	362.1	659.4	2611.6	8008.2	4168.2	473.6	113.8	362.1	659.4
Ethiopia	18.4	16.4	85.8	24.8	55.7	12.4	4.0	18.4	16.4
Ghana	15.8	16.1	60.3	62.0	71.3	18.2	5.2	4.2	2.1
Guinea	21.5	35.3	441.1	152.0	929.6	36.5	3.3	12.7	6.7
Haiti	97.1	108.3	288.8	681.1	473.9	152.1	39.3	24.8	15.4
India	8.3	3.8	28.6	8.3	23.6	7.0	1.2	1.5	0.3
Ivory Coast	6.3	3.8	28.6	18.1	49.5	10.1	1.1	2.1	0.6
Kenya	25.2	22.5	106.9	127.0	162.2	36.6	6.4	5.4	2.2
Madagascar	1683.2	6551.1	> 10k	> 10k	> 10k	2730.1	582.8	87.7	53.4
Malawi	886.5	1596.0	> 10k	> 10k	> 10k	1260.5	287.0	319.5	223.4
Mali	23.1	19.5	149.6	232.4	312.3	43.2	4.1	23.1	19.5
Mozambique	146.1	122.9	284.4	441.9	337.8	172.4	64.0	100.1	71.2
Nepal	1.0	0.5	4.7	2.1	6.2	1.3	0.1	0.5	0.2
Niger	172.7	171.6	747.5	1165.2	1190.4	261.7	46.1	172.7	171.6
Nigeria	115.2	197.4	1107.3	> 10k	2067.2	179.9	26.0	57.6	36.4
Pakistan	6.5	2.2	35.3	30.8	62.2	11.6	0.4	0.9	0.1
Papua New Guinea	54.8	74.0	312.4	540.0	509.4	83.0	17.0	35.2	27.8
Rwanda	69.4	61.7	222.3	129.5	220.5	68.8	20.9	23.4	11.5
Senegal	6.2	3.2	23.7	20.1	44.0	10.9	1.0	4.7	1.8
South Sudan	333.2	216.6	1978.2	> 10k	NA	NA	48.3	163.3	66.9
Sudan	124.1	120.0	509.8	> 10k	1125.3	263.7	27.4	14.1	5.4
Tanzania	105.4	96.6	370.5	396.7	475.1	130.7	29.3	30.6	14.4
Uganda	91.9	81.8	263.4	372.6	331.2	115.9	28.0	34.3	18.0
Uzbekistan	57.2	62.5	347.6	220.2	300.4	50.7	12.7	32.6	18.3
Yemen	10.3	0.9	45.3	560.7	NA	NA	0.3	7.1	0.5
Zambia	154.0	176.1	440.1	898.2	560.3	192.0	69.3	105.0	91.9
Zimbabwe	47.7	39.4	123.6	375.2	221.7	80.1	16.9	35.5	24.1

Table A6: Antipoverty tax required to eliminate acute poverty (at \$6.85/day) in major lower-income countries in 2030 (marginal rate in %).

Taxation threshold (\$/day)	6.85	18.15	18.15	18.15	18.15	6.85	6.85	6.85	18.15
Growth scenario	3%	7%	3%	Trend	Projection		7%	3%	7%
HFCE rescaling							✓	✓	
World	5.8	3.1	8.1	8.1	8.8	6.2	2.4	4.0	2.0
Low-Income Countries	210.0	107.8	640.1	1269.2	1592.3	392.5	57.5	136.8	68.1
Sub-Saharan Africa	190.8	198.4	501.4	753.1	634.2	231.9	78.5	85.1	58.6
Angola	145.1	153.3	360.6	1450.0	506.1	205.7	63.8	45.8	30.2
Bangladesh	58.3	54.6	289.5	91.3	250.1	50.9	13.0	13.6	5.2
Benin	110.9	129.5	489.2	713.7	747.4	160.7	34.8	57.4	37.3
Burkina Faso	109.5	111.8	331.0	358.6	422.7	134.1	45.0	109.5	111.8
Burundi	2738.5	6734.8	> 10k	> 10k	> 10k	4724.1	1041.1	2738.5	6734.8
Cameroon	70.6	75.5	224.7	365.9	342.8	100.4	28.5	47.7	37.7
Chad	491.2	858.6	3323.0	> 10k	5051.1	695.7	170.0	491.2	858.6
D.R. Congo	1125.8	2436.1	8119.6	> 10k	> 10k	1422.3	420.2	1125.8	2436.1
Ethiopia	128.1	147.4	597.2	208.3	415.6	92.5	36.1	128.1	147.4
Ghana	71.4	83.1	272.4	279.2	317.1	80.8	26.9	18.9	11.1
Guinea	175.2	444.1	3599.3	1477.9	6695.5	262.8	41.2	103.7	83.7
Haiti	303.5	368.9	902.7	1963.9	1412.4	453.5	133.9	77.4	52.5
India	85.5	71.2	294.9	124.4	258.1	75.9	23.1	15.7	6.6
Ivory Coast	54.2	55.6	247.7	175.8	375.2	76.2	15.9	17.8	8.9
Kenya	132.1	162.4	559.3	642.7	780.9	176.2	46.3	28.1	15.6
Madagascar	4283.8	> 10k	> 10k	> 10k	> 10k	6674.3	1662.0	223.1	152.2
Malawi	2547.3	5496.2	> 10k	> 10k	> 10k	3462.5	988.3	917.9	769.2
Mali	150.1	222.5	972.8	1361.4	1709.9	236.7	46.4	150.1	222.5
Mozambique	421.3	411.3	820.2	1194.4	948.2	484.0	214.2	288.6	238.4
Nepal	19.9	13.8	93.9	47.9	116.8	23.8	3.9	11.0	4.4
Niger	678.9	959.1	2939.1	4183.6	4257.3	936.1	257.9	678.9	959.1
Nigeria	517.8	1182.9	4976.7	> 10k	8603.3	748.6	155.6	258.9	218.2
Pakistan	109.5	112.7	590.7	542.4	830.0	154.3	22.8	14.4	5.2
Papua New Guinea	222.4	350.3	1266.8	2058.6	1953.5	318.5	80.6	142.8	131.6
Rwanda	280.9	335.9	899.7	593.0	893.9	279.2	113.8	94.5	62.9
Senegal	56.3	52.5	214.5	190.7	333.4	82.7	16.6	42.1	29.2
South Sudan	1009.5	864.8	5994.0	> 10k	NA	NA	193.0	494.9	267.0
Sudan	585.9	821.8	2406.0	> 10k	4500.9	1054.7	187.5	66.5	36.7
Tanzania	421.2	537.3	1480.9	1564.0	1809.7	497.8	163.0	122.4	80.3
Uganda	359.2	417.4	1029.6	1351.5	1234.0	431.9	143.1	134.1	91.7
Uzbekistan	313.3	482.6	1904.2	1326.4	1694.7	286.1	98.3	178.7	141.7
Yemen	82.5	18.0	363.7	2537.4	NA	NA	6.1	57.3	10.5
Zambia	414.3	513.9	1183.8	2283.8	1476.0	505.8	202.3	282.4	268.1
Zimbabwe	174.3	180.5	451.9	1156.5	736.9	266.1	77.5	129.9	110.7

Table A7: Income floor (in \$/day) financed by a 10% tax above \$10/day for major lower-income countries in 2030.

Growth scenario over 2022–2030	3%	3%	Projection	7%	7%	7% since 2015
HFCE rescaling		✓	✓		✓	
World	8.6	10.3	8.4	10.1	12.1	14.4
Low-Income Countries	1.9	2.2	1.5	1.7	3.3	3.6
Sub-Saharan Africa	2.1	2.7	1.9	2.5	3.1	3.9
Angola	2.1	3.2	1.7	2.8	3.1	4.6
Bangladesh	4.4	6.2	4.6	6.4	6.4	8.7
Benin	3.2	3.8	2.8	3.4	4.8	5.5
Burkina Faso	2.8	2.8	2.6	2.6	4.1	4.1
Burundi	0.9	0.9	0.7	0.7	1.3	1.3
Cameroon	3.1	3.5	2.6	3.0	4.5	5.1
Chad	1.8	1.8	1.6	1.6	2.8	2.8
D.R. Congo	1.0	1.0	0.9	0.9	1.6	1.6
Ethiopia	3.1	3.1	3.4	3.4	4.7	4.7
Ghana	3.1	5.2	2.9	5.0	4.6	7.3
Guinea	3.0	3.4	2.7	3.1	4.7	5.1
Haiti	1.3	2.3	1.0	2.0	1.9	3.3
India	3.8	5.9	3.9	6.1	5.6	8.2
Ivory Coast	4.1	5.6	3.6	5.1	6.0	7.9
Kenya	2.8	4.5	2.5	4.1	4.1	6.3
Madagascar	0.5	1.3	0.4	1.2	0.9	1.8
Malawi	0.9	1.1	0.8	1.0	1.3	1.6
Mali	3.0	3.0	2.5	2.5	4.4	4.4
Mozambique	1.3	1.4	1.2	1.3	1.8	2.0
Nepal	5.8	6.7	5.5	6.4	8.4	9.5
Niger	1.7	1.7	1.5	1.5	2.5	2.5
Nigeria	1.8	2.2	1.6	1.9	2.8	3.2
Pakistan	3.9	6.1	3.6	5.7	5.8	8.5
Papua New Guinea	2.0	2.3	1.7	2.0	3.0	3.4
Rwanda	2.0	2.7	2.0	2.7	2.9	3.8
Senegal	4.1	4.4	3.6	3.9	6.0	6.3
South Sudan	0.9	1.2	NA	NA	2.0	2.3
Sudan	1.9	3.3	1.5	2.7	2.8	4.5
Tanzania	1.9	2.6	1.8	2.4	2.8	3.6
Uganda	1.8	2.4	1.7	2.2	2.7	3.4
Uzbekistan	2.2	2.6	2.3	2.7	3.4	3.8
Yemen	3.6	4.0	NA	NA	7.8	8.3
Zambia	1.0	1.2	0.9	1.0	1.5	1.7
Zimbabwe	2.1	2.3	1.7	1.9	3.1	3.3

Table A8: Net gain per country of a global antipoverty tax above \$100/day, for most populous countries in 2030 after 3% growth since 2022. Note that revenues are likely underestimated without HFCE rescaling, and the cost overestimated in lower-income countries with HFCE rescaling (as the extra income is wrongly attributed to the sole top 1%, which often concentrates the entire taxable base).

Tax rate	1.2%	1.2%	0.3%	0.3%	10%	10%
HFCE rescaling		✓		✓		✓
Revenues (% global income)	0.15	0.41	0.04	0.10	1.20	3.42
International transfers	0.14	0.31	0.04	0.09	1.17	2.32
Income floor (\$/day)	2.17	3.31	1.44	2.14	4.29	7.00
Gini	0.62	0.71	0.62	0.71	0.60	0.65
Low-Income Countries	4.05	10.47	1.17	3.28	22.24	50.86
Sub-Saharan Africa	3.26	8.63	0.86	2.52	19.94	44.26
Algeria	0.00	-0.27	0.00	-0.07	0.04	-0.41
Angola	3.84	5.87	1.19	2.03	19.27	24.99
Argentina	-0.05	-0.37	-0.01	-0.09	-0.40	-3.07
Bangladesh	0.03	-0.22	0.00	-0.12	2.47	4.62
Brazil	0.00	-0.04	0.00	0.00	-0.26	-0.96
Canada	-0.20	-0.29	-0.05	-0.07	-1.65	-2.42
China	-0.01	-0.17	0.00	-0.04	-0.09	-0.97
Colombia	0.15	-0.30	0.08	-0.04	0.50	-2.96
D.R. Congo	11.53	32.00	3.45	11.05	54.50	126.84
Egypt	0.00	-0.81	0.00	-0.21	0.78	-4.83
Ethiopia	0.52	2.92	0.05	0.48	7.27	30.50
France	-0.16	-0.20	-0.04	-0.05	-1.36	-1.69
Germany	-0.19	-0.28	-0.05	-0.07	-1.60	-2.36
India	0.13	0.02	0.00	-0.10	4.62	6.07
Indonesia	0.00	-0.49	0.00	-0.16	1.42	-0.82
Iraq	0.00	-0.30	0.00	-0.07	0.07	-1.52
Italy	-0.15	-0.25	-0.04	-0.06	-1.30	-2.25
Japan	-0.14	-0.25	-0.04	-0.07	-1.15	-2.12
Kenya	1.05	1.92	0.19	0.36	11.05	14.07
Mexico	0.01	-0.57	0.00	-0.14	0.12	-4.45
Mozambique	12.59	28.74	4.08	10.77	52.87	103.65
Myanmar	0.03	0.35	0.00	0.01	1.93	12.30
Nigeria	2.51	9.51	0.39	2.10	22.09	59.44
Pakistan	0.01	-0.35	0.00	-0.16	3.38	4.76
Philippines	0.05	-0.36	0.00	-0.13	1.70	-0.24
South Korea	-0.10	-0.16	-0.02	-0.04	-0.82	-1.30
Spain	-0.12	-0.16	-0.03	-0.04	-1.03	-1.48
Sudan	2.23	5.17	0.33	0.95	23.73	33.87
Tanzania	3.27	9.65	0.45	2.08	28.28	52.23
Thailand	-0.01	-0.37	0.00	-0.09	-0.10	-2.88
Turkey	-0.0635	-0.50	-0.02	-0.13	-0.51	-4.04
Uganda	3.77	10.36	0.75	2.62	27.30	54.13
UK	-0.18	-0.30	-0.04	-0.07	-1.48	-2.46
USA	-0.42	-0.58	-0.11	-0.14	-3.51	-4.78
Vietnam	-0.01	0.00	0.00	-0.01	-0.01	0.59