Goal 1. End poverty in all its forms everywhere

Your subtitle

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# The sory behind Global poverty

The first target of Goal 1 of the SDG is to eliminate extreme poverty by 2030. Based on the historical trend of the most recent data, the World seems to be going in the right direction to meet the goal. In 1990, 34 percent of the population (1.9 billion people) lived with less than $1.9 a day (PPP 2011 prices). 25 years later, 0.061 percent of theme escaped extreme poverty, leaving behind 734 million people (10 of the population).

If we assume that the trend of poverty reduction will remain the same over the next decade as it has been during the last 25 years, Goal 1 would be met by **2024!**. Unfortunately, this optimistic scenario is not support by the data. Let’s see why.

First, the underlying data of the Global poverty rate in a given year are the poverty rates of all the countries in the world. In some of them, the poverty rate is high, but in others it is low. The dispersion of poverty rates in a given years is so wide that scale at which global poverty is usually analized must be increased to make room for all the poverty rates to fit the chart. At this scale, the decreasing pace of global poverty does not seem that rapid anymore.

How could it be then that the dispersion of poverty rates has remained relatively constant over time and yet global poverty rate has decreased? This is so because global poverty is a population-weigthed average of country poverty rates. The larger the country the more it weighs in the global average.

By looking closely at the underlying data, we find that the world-wide poverty story of the last 25 five years is mainly explained by the economic performance of two countries: China and India. Out of the 1.2 billion people that escaped poverty from 1990 to 2015, 909 million (79 percent) is due to these two countries. The other 21 percent is the contribution of the rest of the world.

China, in particular, has reduced its poverty rate from 57 percent in 1993 to 0.7 percent in 2015. The number of extreme poor in China is so small today that it bearly counts in the global average. India, on the other, though it has reduced by half its poverty rate, it still has some room to contribute to reduce global poverty.

During the same period, other countries have reduced their poverty rate as well, but many small countries still have poverty rates that are way higher than the world average. Unfortunately, most of those countries belong to Subsaharan Africa and in many of them poverty has increased during during the last decade.

Other regions like Latin America and Europe and Central Asia are not doing that bad. Most of the their countries have poverty rates below the global average and the great majority has reduced their povety rates over the same period.

Summing up, this is how the world looks today. The higest poverty rates are concentrated in Africa and South Asia and only two countries, India and Nigeria. have x of the poor. Yet, How do we expect it will look like inthe future?

Accordint to x, if we assume an accelerated economic growth and a constant reduction of inequality in all the countries, the best projection of global poverty still fails to eliminate global poverty by 2030. In contrast, projections of poverty rates that assume poor economic growth and rising welfare inequality are about 14 percent.

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