



**United
Nations**

Department of
Economic and
Social Affairs

Income poverty trends at the world and regional levels: Impacts of the COVID-19 crisis

ERADICATING POVERTY AND HUNGER IN ALL THEIR FORMS AND DIMENSIONS TO ACHIEVE THE 2030 AGENDA

Virtual Expert-Group Meeting on Inclusive and Resilient Recovery from COVID-19 for Sustainable Livelihoods, Well-being and Dignity for All

28-29 July 2010 and 2-3 August 2021

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United Nations DESA

Income poverty data

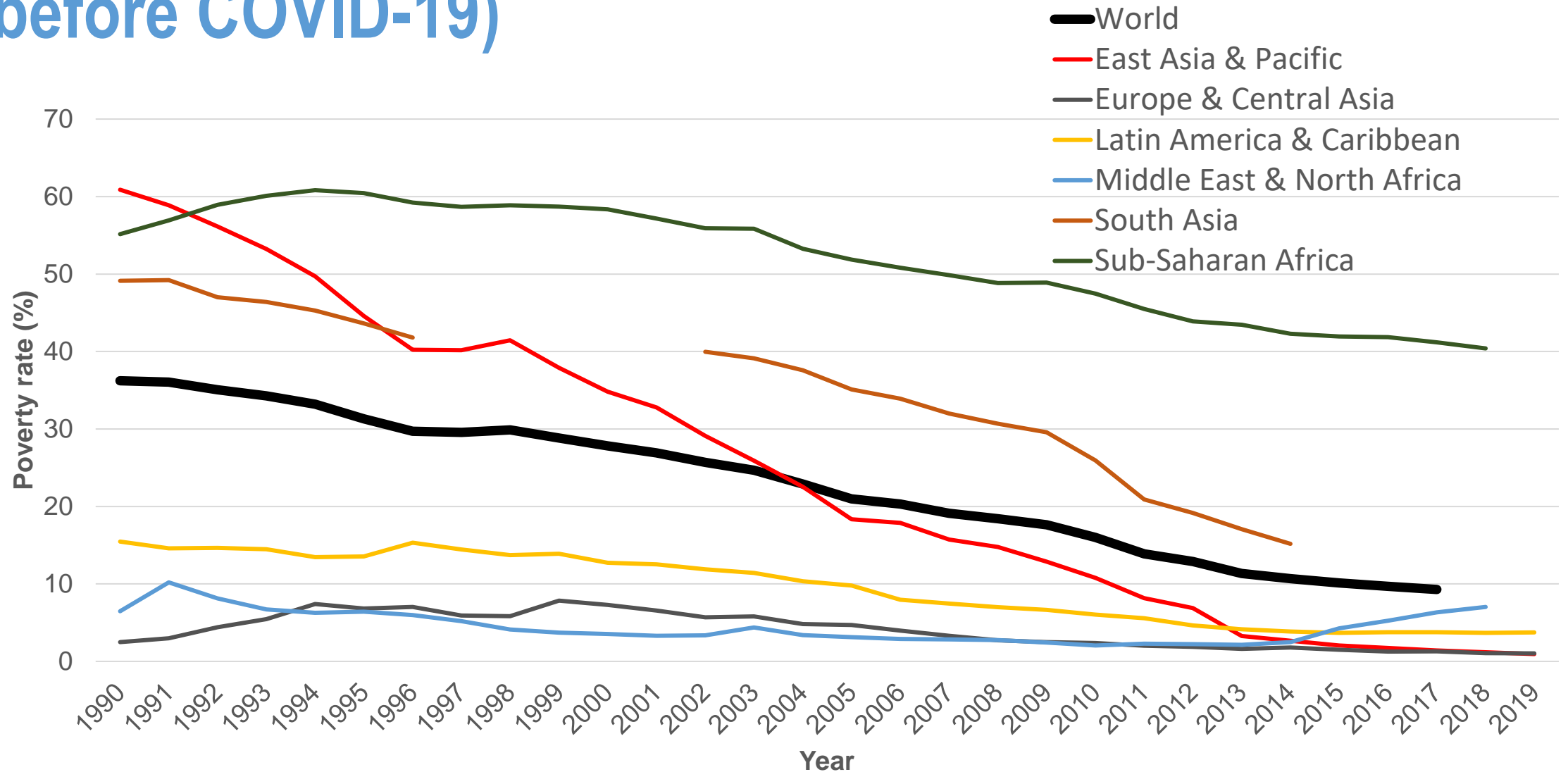
- Data
 - World Bank's **PovcalNet**
 - <http://iresearch.worldbank.org/PovcalNet/>
- PovcalNet contains the data used for the monitoring of poverty at the **world and regional levels for SDG 1**
- The data cover 167 countries, approximately **98% of the world's population**
- Data sources
 - Household surveys carried out by National Statistical Offices

Income poverty definitions

▪ International poverty lines

- Standard: Proportion of the population that lives on **less than \$1.90 a day**
 - *Extreme poverty*
- Proportion of the population that lives on **less than \$3.20 a day**
 - *Lower middle-income countries*
- Proportion of the population that lives on **less than \$5.50 a day**
 - *Upper middle-income countries*

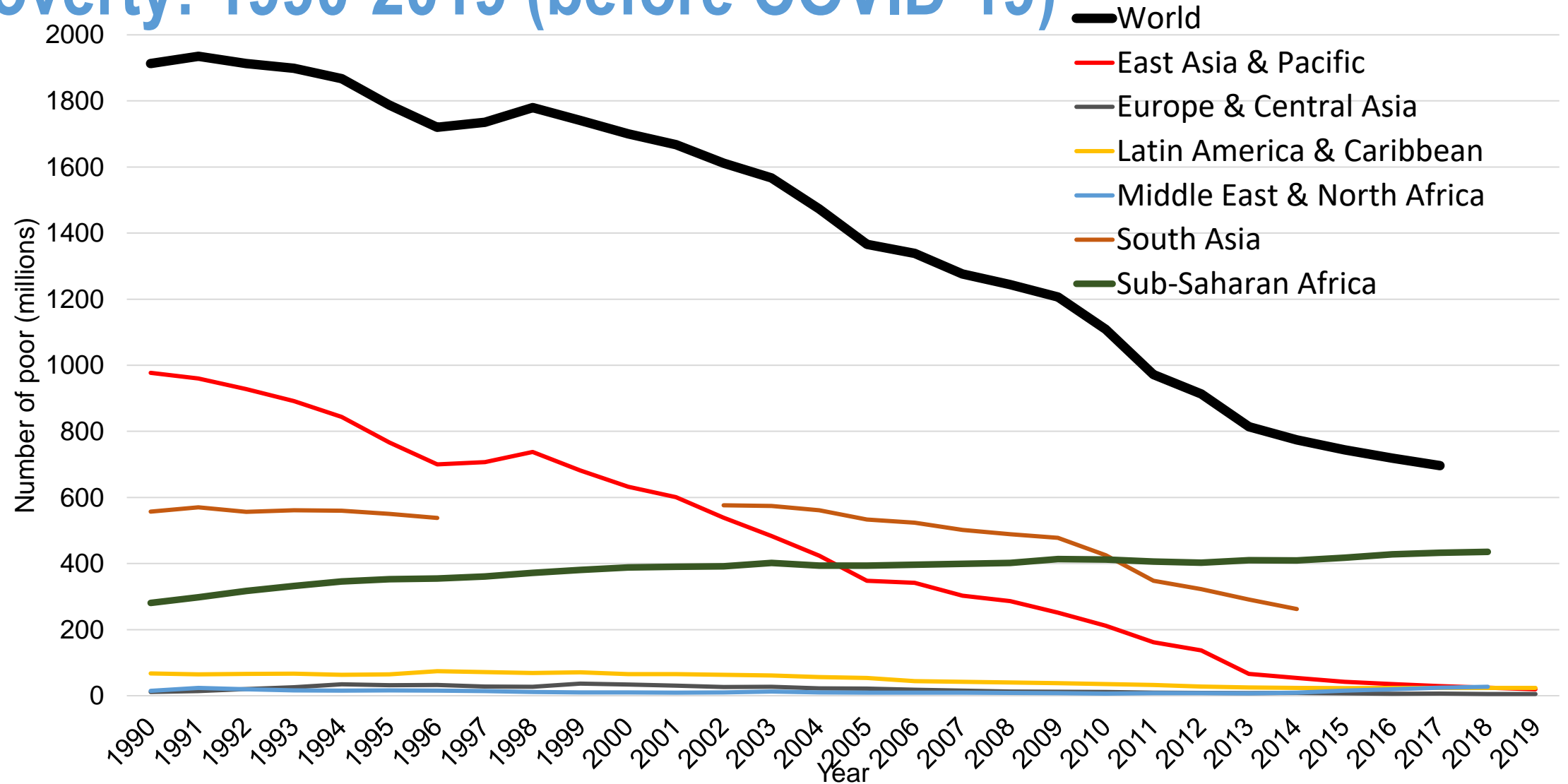
Trends in extreme income poverty rates: 1990-2019 (before COVID-19)



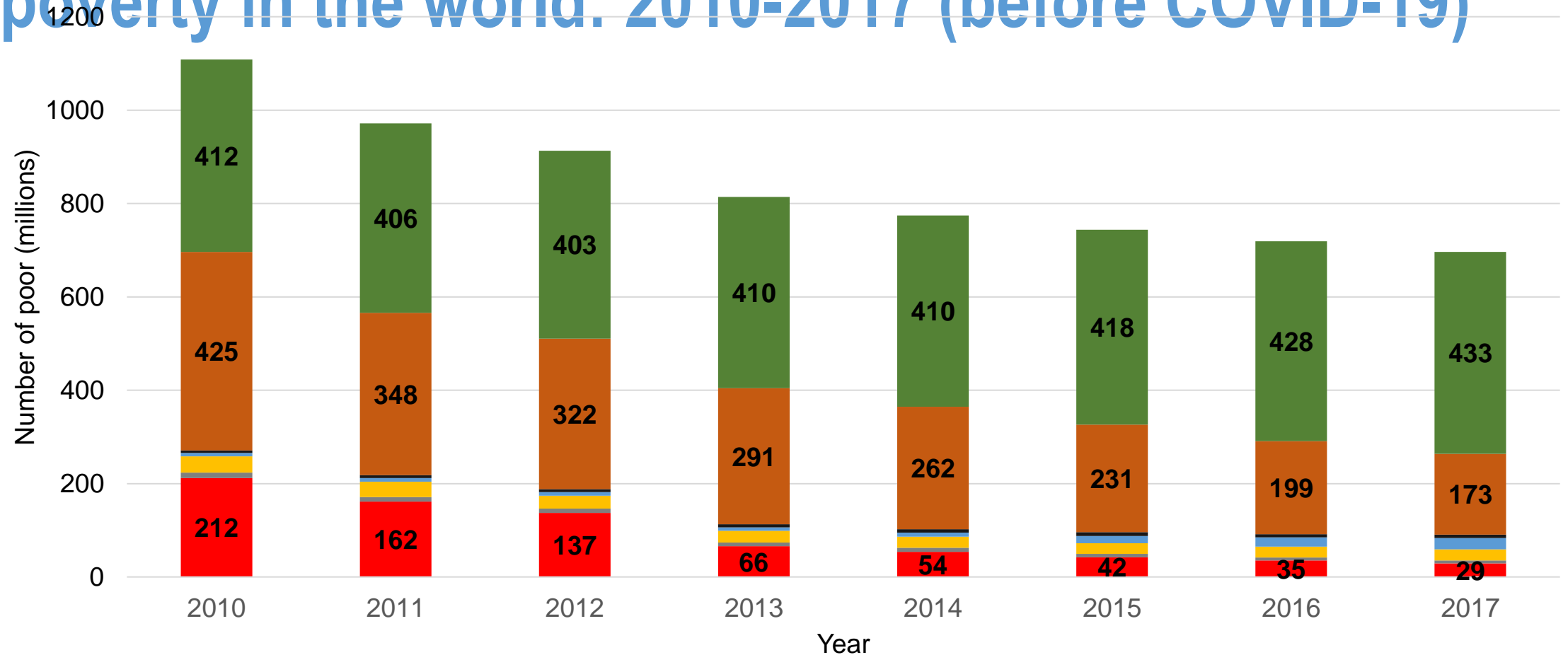
Trends in extreme poverty rates: 1990-2019 (before COVID-19)

- ***The world's share of people in extreme poverty decreased rapidly:*** 36.2% in 1990; 9.3% in 2017
- However, ***deceleration in latest 5 years***
- ***Very rapid decrease in East Asia and the Pacific:*** 60.9% in 1990 (highest of all regions); < 1% in 2019 (lowest of all developing regions); Responsible for the world's decrease in extreme poverty
- ***Rapid decrease in South Asia:*** 49.1% in 1990; 15.2% in 2014
- ***Very slow decrease in sub-Saharan Africa:*** 55.1% in 1990; 40.4% in 2018 (highest of all regions)
- ***Increase in the Middle East and Northern Africa in recent years*** (conflicts)
- ***Slight increase in Latin America and the Caribbean in recent years*** (inequality)

Trends in the number of people living in extreme poverty: 1990-2019 (before COVID-19)



Trends in the number of people living in extreme poverty in the world: 2010-2017 (before COVID-19)



- East Asia and Pacific
- Middle East and North Africa
- Sub-Saharan Africa
- Europe and Central Asia
- Other high Income
- Latin America and the Caribbean
- South Asia

Trends in the number of people living in extreme poverty: 1990-2019 (before the COVID-19 pandemic)

- The ***number of people living in extreme poverty decreased in the world***
 - 1 billion 913 million in 1990
 - 696 million in 2017
- The ***number has also decreased in all the regions, except one***
- ***Very rapid decrease in East Asia and the Pacific***
 - 977 million in 1990 (highest of all regions)
 - 29 million in 2017
- ***Rapid decrease in South Asia***
 - 557 million in 1990
 - 425 million in 2010 (higher than in sub-Saharan Africa)
 - 173 million in 2017 (lower than in sub-Saharan Africa)
- ***Increase in sub-Saharan Africa (rapid population growth)***
 - 281 million in 1990
 - 412 million in 2010 (higher than in South Asia)
 - 433 million in 2017 (highest of all regions)
 - Over half of the world's extremely poor people now live in SSA

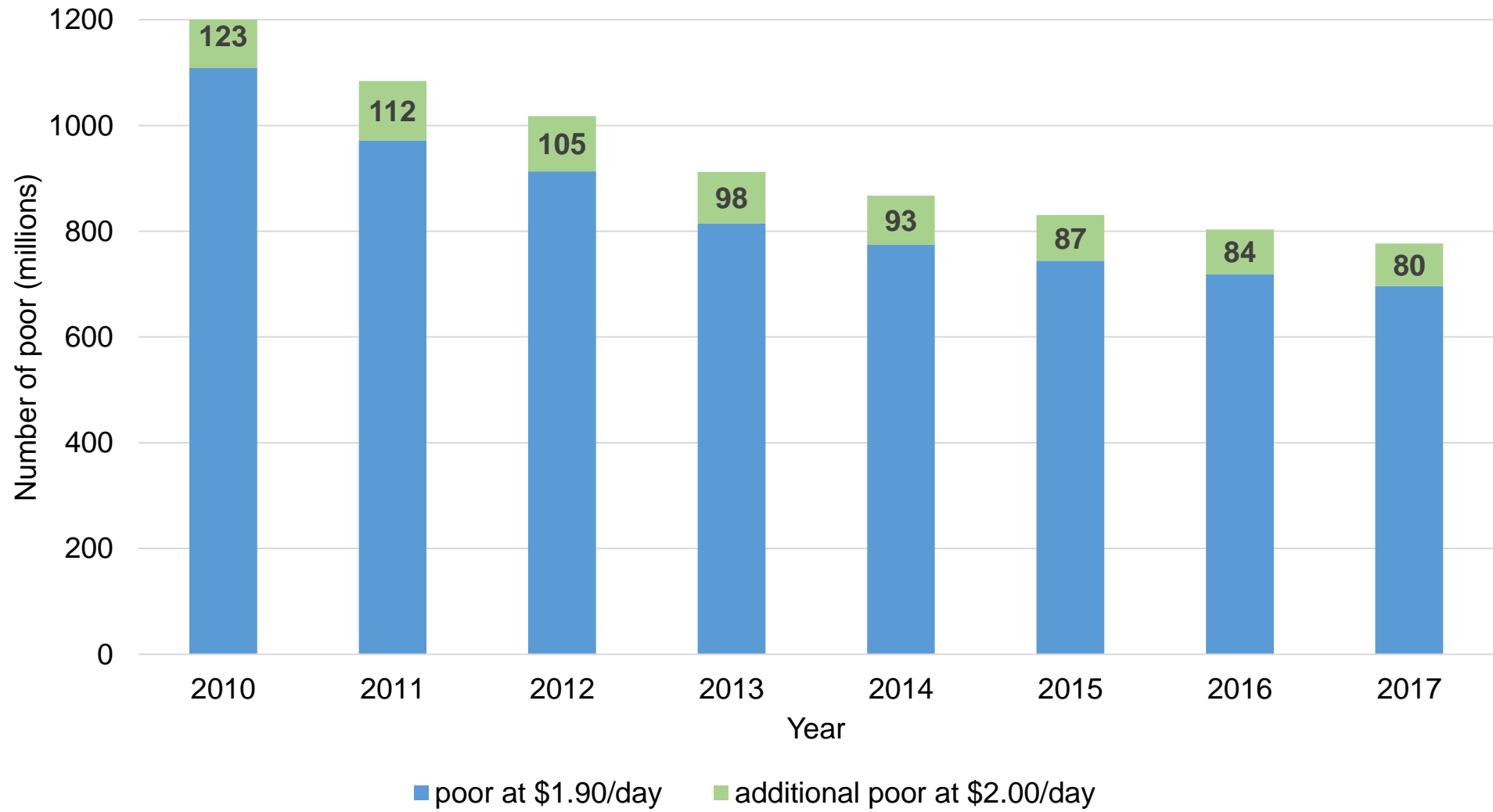


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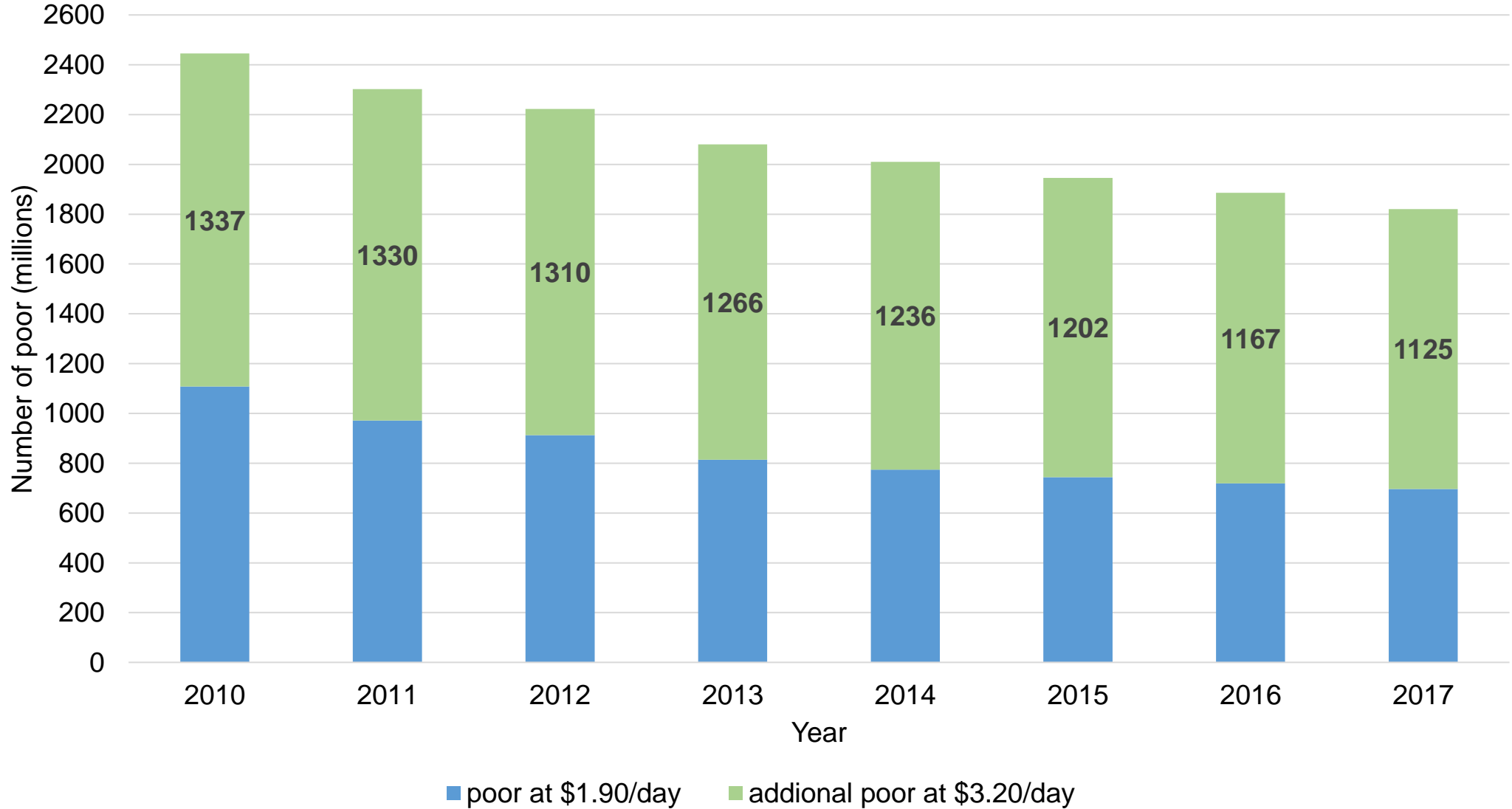
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Additional number of people living in poverty in the world: \$2.00/day poverty line vs. \$1.90/day, 2010-2017



Additional number of people living in poverty in the world: \$3.20/day poverty line vs. \$1.90/day, 2010-2017



Precariousness of the situation of the poor

- A lot of people live not far above the \$1.90/day poverty line
 - ***Progress on poverty is fragile***
- If the poverty line is increased to \$2.0/day, i.e., by just 10 cents
 - an additional 123 million people would have lived in poverty in 2010
 - ***an additional 80 million people would have lived in poverty in 2017***
- ***There are over 1 billion people living between the \$1.90/day and \$3.20/day poverty lines***
 - 1 billion 337 million in 2010
 - 1 billion 125 million in 2017



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Impacts of the COVID-19 crisis

- *Increasing poverty*
 - *The COVID-19 pandemic has laid bare the precariousness of the situation of poor people*
 - *The poorest people are the most affected by COVID*
- *Increasing inequality*
- *Unequal vaccination access*
- *Rising hunger and food insecurity*
- *Unequal economic recovery*
- *Setbacks in the majority of the SDGs. The effect differs across indicator and country*
- *The poverty setbacks caused by COVID-19 are **not irreversible***



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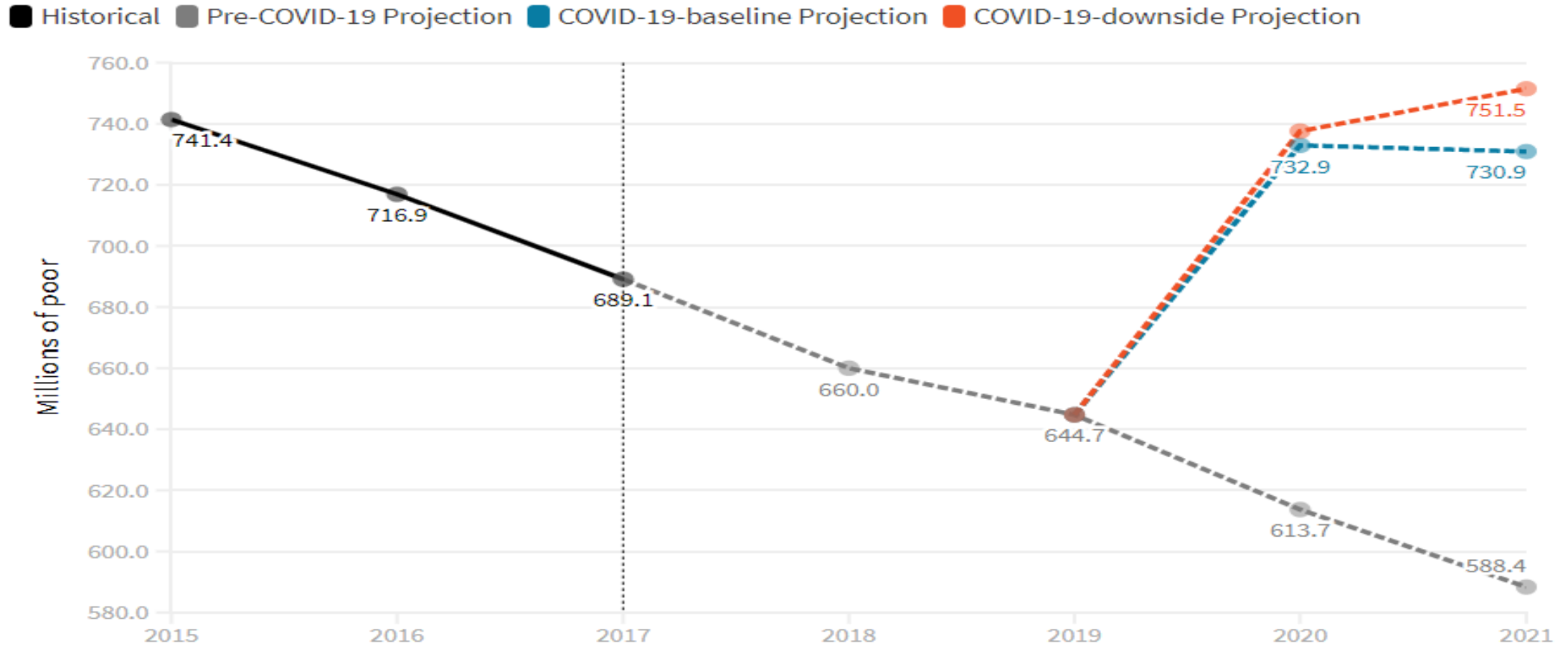
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Role of social protection

- ***Countries with solid social protection systems were able to respond faster*** and better to the COVID-19 pandemic
- New social protection measures were more effective at reaching people living in poverty than before. But these measures were too temporary
- Need additional investment

World Bank's nowcast of extreme poverty: 2015-2021

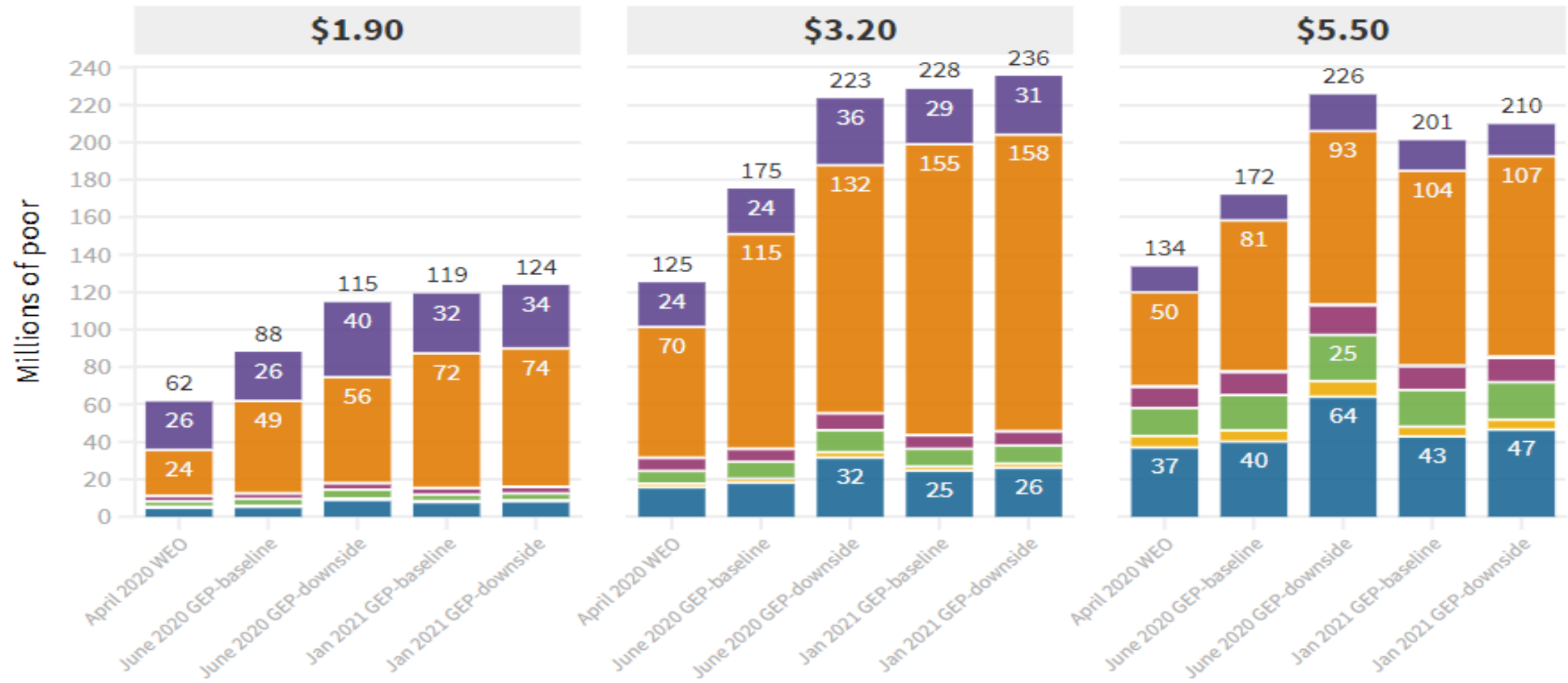


Source: [Lakner et al \(2020\) \(updated\)](#), [PovcalNet](#), [Global Economic Prospects](#).

Note: Extreme poverty is measured as the number of people living on less than \$1.90 per day. 2017 is the last year with official global poverty estimates. Regions are categorized using PovcalNet definition.

COVID-19 induced new poor in 2020

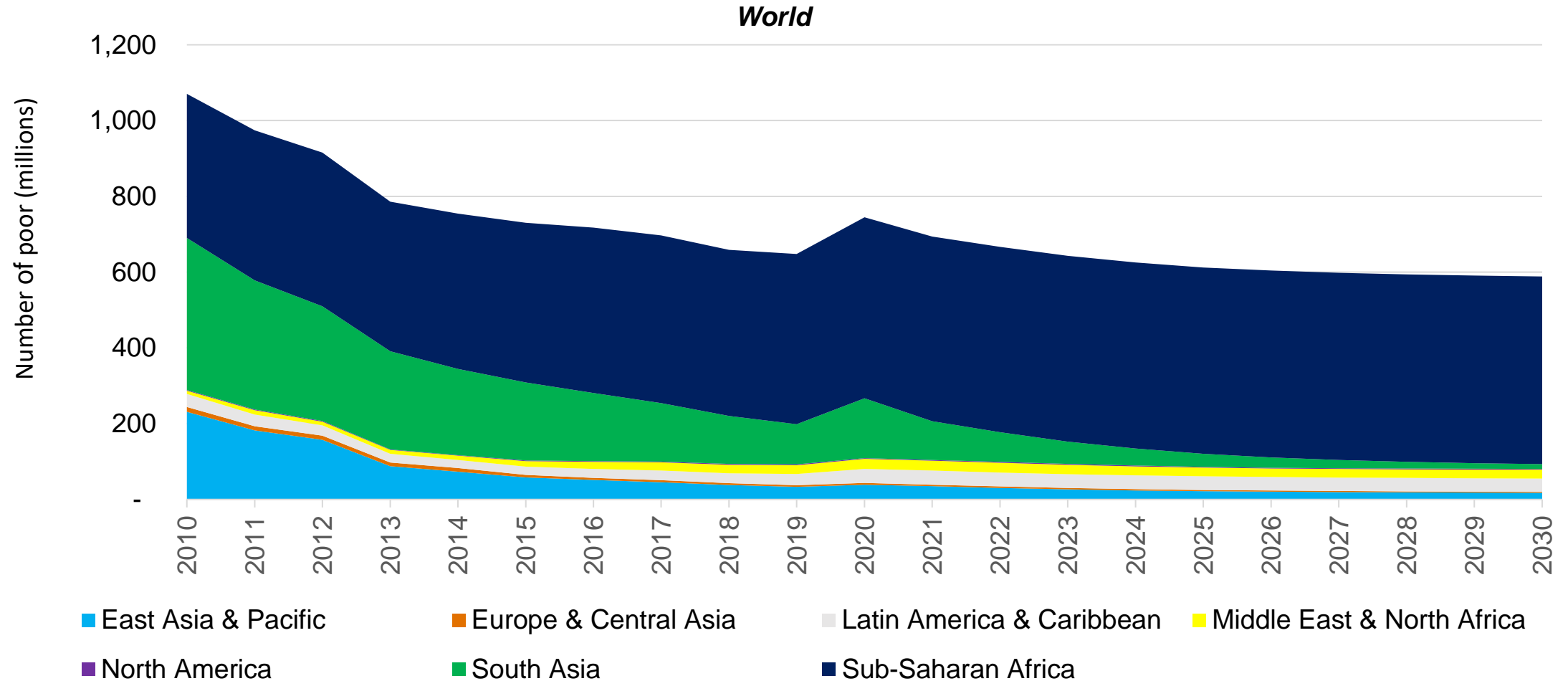
■ East Asia & Pacific
 ■ Europe & Central Asia
 ■ Latin America & Caribbean
 ■ Middle East & North Africa
■ Rest of the world
 ■ South Asia
 ■ Sub-Saharan Africa



Source: Lakner et al. (2020) (updated), PovcalNet, Global Economic Prospects.

Trends in the number of people living in extreme poverty: 2010-2019 and 2020-2030 (before and after COVID-19)

Source: [Homi Kharas \(2021\)](#) based on [Brookings \(2021\)](#)



THANK YOU!



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