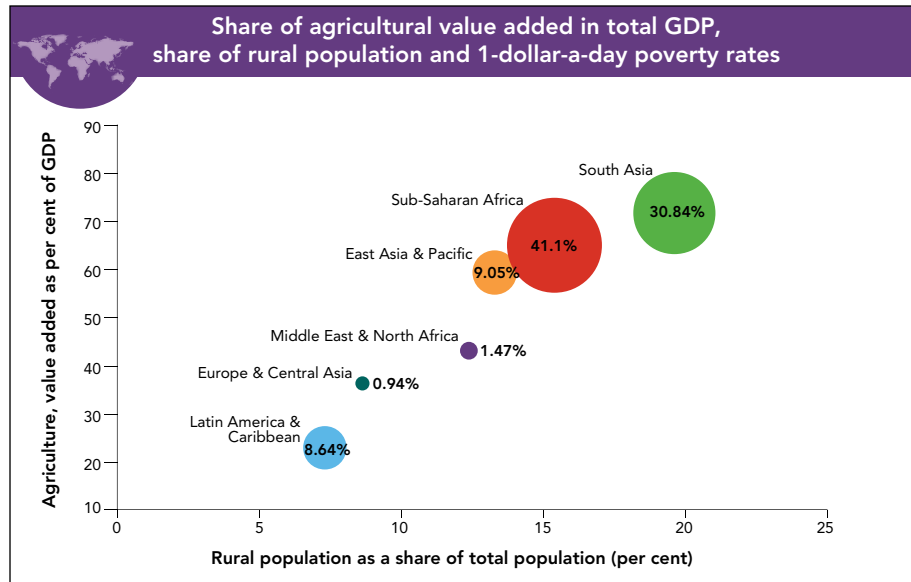


INTRODUCTION



Source: Poverty rates—Ravallion, Chen and Sangraula (2007); share of agricultural value added and share of rural population—World Bank (2007).

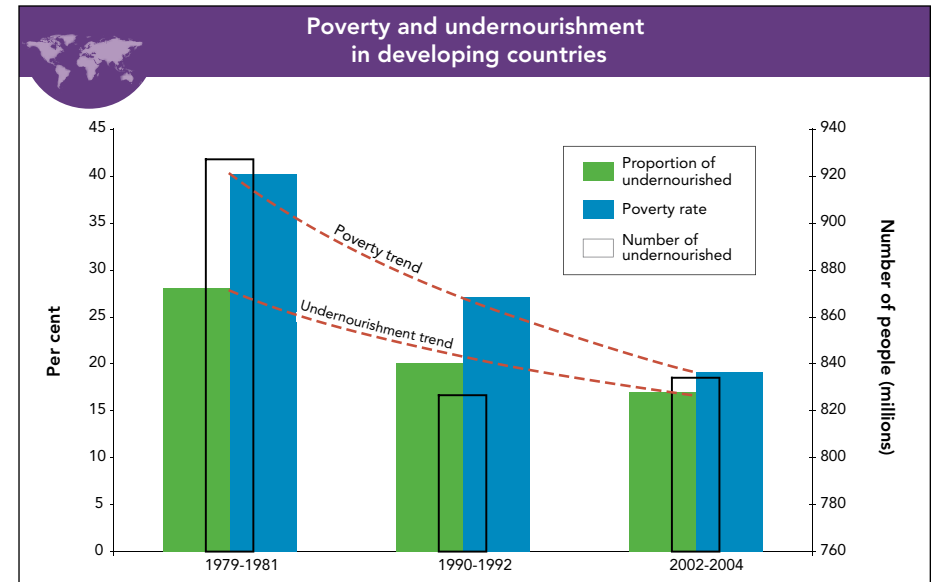
Note: The bubbles represent estimates for 1-dollar-a-day poverty rates in 2004.

Agriculture is key to poverty reduction

Strong agricultural growth has been a consistent feature of countries that have successfully managed to reduce poverty. GDP growth generated in agriculture is, on average, four times more effective in benefiting the poorest half of the population than growth generated outside agriculture, although this effect declines as countries get richer.¹

Endnotes

- 1 World Bank (2007), *World Development Report 2008*.
- 2 J. Von Braun, A. Patel and W. Soyinka (2007), "Eliminating hunger and reducing poverty: three perspectives", IFPRI 2006-2007 Annual Report Essays, <http://dx.doi.org/10.2499/0896299171AR0607E>; and U. Gentilini and P. Webb (2005), "How are we doing on poverty and hunger reduction? A new measure of country-level progress", World Food Programme, mimeo.



Source: Poverty rates—Ravallion, Chen and Sangraula (2007); undernourishment rates—FAO (2006).

Note: Dotted lines are logarithmic trends in poverty and undernourishment rates.

Poverty rates have declined more rapidly than undernourishment. Where inequality is high and where a sizeable number of extremely poor people live in relative isolation from the broader economy, those at the bottom of the income scale typically benefit very little from economic growth.²

Sources for graphs and maps

- World Bank (2007), *World Development Indicators 2007*.
- M. Ravallion, S. Chen and P. Sangraula (2007), "New evidence on the urbanization of global poverty", Policy Research Working Paper No. 4199, Washington, D.C.: World Bank.
- FAO (2006), *The State of Food Insecurity in the World 2006*.