## **BOXES**

## 1. POVERTY

The changed picture in 2008-2010: the World Bank has recently updated its database on global and regional extreme poverty estimate for 2010. The new estimates should be interpreted with care particularly in Africa excluding North Africa where less than 65% of the total population is represented in survey data. With that caveat the latest estimates show that the combination of high food and fuel prices and the economic and financial crisis have slowed the rate of poverty reduction. The estimated poverty rate in 2008 is higher than previously estimated (49.2% compared to 47.5% in previous estimates) and there is expected to be only a marginal decline to 48.5% between 2008-2010. On this basis the World Bank projects a continued rise in the absolute number of poor - from 399 million in 2008 to 414 million in 2010 –28 million above the previous estimate of 386 million for 2008.

**Looking ahead to 2015:** Based on recent survey data, the World Bank projects that the poverty rate in Africa excluding North Africa will decline by about 1.2 percentage point a year between 2010-2015, approximately the same rate as between 2005-2008. By 2015, it is expected that there will be, for the first time, declines in both the poverty rate (from 48.5% in

2010 to 42.3%) and the absolute number of poor (from 414 million in 2010 to 408 million). However at country level, only 16 countries in Africa excluding North Africa have achieved or made enough progress to achieve the poverty goal of halving the poverty rate by or close to 2015. Five more countries are likely to achieve the target with an additional push leaving more than half of the countries off target, many seriously.

**Global perspective:** Although progress has slowed, global poverty rates have nonetheless continued to fall. The most recent World Bank estimates indicate that the global poverty rate fell to 20.6% in 2010 compared to 43.1% in 1990, showing that the MDG target of halving extreme poverty has been achieved. However slower progress in Africa excluding North Africa is altering the geography of poverty. The poverty rate in East Asia and the Pacific is projected to fall from 56.2% in 1990 to 5.5% in 2015. While South Asia is projected to have roughly the same number of poor as Africa excluding North Africa in 2015 (around 400 million), the poverty rate is still expected to fall by more than half - from 53.8% in 1990 to 23.2% in 2015 - about half the projected poverty rate in Africa excluding North Africa (42.3%).

	1990	1993	1996	1999					2015 <sup>2</sup>
Share of Population living on less than US\$1.25 per day a/ (%)									
Africa excluding North Africa	56.5	59.4	58.1	57.9	55.7	52.3	49.2	48.5	42.3
Middle East & North Africa b/	5.8	4.8	4.8	5	4.2	3.5	2.7	2.4	2.6
Share of Population living on less than US\$1.25 per day a/ (millions)									
Africa excluding North Africa	290	330	349	376	390	395	399	414	408
Middle East & North Africa b/	13	12	12	14	12	10	9	8	9

1 (provisional); 2 (projections) at Using 2005 purchasing power parity (PPP) estimates. bt Data are not available for North Africa separately.

Sources: World Bank Global Monitoring Report (2013) and World Development Indicators (April 2013).

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