



INTRODUCTION

Despite considerable progress in poverty reduction in the past decade, millions of people around the world remain preoccupied solely with survival, and hunger is a reality in their everyday lives. Today, there are about 1 billion extremely poor people in the developing world who subsist on less than \$1 a day. Of those, half a billion live on less than 75 cents a day and 162 million live on less than 50 cents. The most unfortunate consequence of widespread poverty is that more than 800 million people cannot afford an adequate diet. Chronically underfed and largely without assets other than their own labor power, they remain highly vulnerable to the crushing blows of illness and natural or man-made calamities. These extreme poor are a group that hovers on the outer limits of human survival.

In September 2000, the Millennium Declaration was adopted by 189 member states of the United Nations, whereby the heads of states confirmed their countries' commitment to achieving the eight Millennium Development Goals (MDGs) by 2015. The first MDG is to halve—between 1990 and 2015—the proportion of people living on less than \$1 a day

and suffering from hunger. The explicit inclusion of “hunger” in the first goal appropriately focuses attention on the most critical problem of the poorest.

Will the poverty and hunger MDG be met? If it is, at least 800 million people will still be trapped in poverty and hunger in 2015. But who will have moved out of poverty and hunger and who will remain left behind? This report addresses these questions by developing a better understanding of the characteristics of the world's poorest and hungry and by examining whether business as usual is likely to improve their welfare. The analysis—which is based on a detailed, issue-specific, and intertemporal information base representing the regions and countries of the world—suggests it is not.

We find that while remarkable progress has been made in some regions (notably East Asia and the Pacific), progress has been slow in regions where poverty and hunger are severe. As a result, the first MDG goal seems far out of reach for most of Sub-Saharan Africa.

We also find that within regions, poverty just below \$1 a day has fallen faster than poverty below 50 cents a day. This suggests it has been

easier to reach those living closer to the dollar-a-day line rather than those living well below it. In fact, the incidence of poverty below 50 cents a day has proven somewhat intractable in many regions of the world. Although there have been some improvements in this group over time, progress against poverty is so slow that business as usual will not be enough to reach these extremely poor people within an acceptable period of time.

Who are the poorest and the hungry? We find that three-quarters of those living on less than 50 cents a day—the world's poorest 162 million—are in Sub-Saharan Africa. An analysis of household data from 20 countries representing all major developing regions of the world shows that those in hunger and

poverty often live in remote rural areas, are more likely to be from ethnic minorities, and have less education, assets, and access to markets.

The report is organized into five chapters. Following this introduction, Chapter 2 examines where the poor and hungry live, and includes country rankings and trends in poverty and hunger. Chapter 3 presents the findings of the analysis of household survey data on the incidence and correlates of extreme poverty and hunger. Chapter 4 brings together an understanding of the major causes of persistent poverty and hunger to determine what roles culture, gender, disability, remoteness, and repeated shocks play. Chapter 5 concludes.