



PROGRESSIVE ECONOMY TRADE FACT OF THE WEEK: 550 million people escaped extreme poverty in the last decade.

THE NUMBERS: Extreme poverty* in developing countries –

	Share of Population	Number of people
2008	22.4%	1.29 billion
1999	34.7%	1.74 billion
1981	52.2%	1.94 billion

* World Bank's calculation of people living at or below \$1.25 per day, in constant dollars.

WHAT THEY MEAN:

Reviewing data from the World Bank's February 29th survey of poverty rates around the world, *Thailand Focus* (the weekly newsletter from the Royal Thai Embassy in Washington) takes quiet pride in a remarkable achievement:

“In 1981, 22 percent of Thais lived in extreme poverty. By 2000, that number was approximately 4 percent, and by 2009, it was 0.37 percent.”

In a single generation, then, the kingdom has essentially eliminated extreme poverty. (Which the Bank defines as life on or below \$1.25 per day, per person, in 2005 dollars.) Taken as a whole, the Bank's report shows that Thailand's achievement is especially fast but not unique. Between 1999 and 2008, extreme poverty rates fell by two-thirds throughout East and Southeast Asia: in neighboring Cambodia, the rate dropped from 60 percent in 1999 to 22 percent in 2008; to the south in giant Indonesia, from 47 percent to 18 percent. And though Asia has cut poverty unusually quickly, the Bank's data show similar trends almost everywhere:

- *Sub-Saharan Africa:* The extreme poverty rate fell from 58 percent in 1999 to 47 percent in 2008, with especially quick drops in Ethiopia - from a near-universal 86 percent in 1999 to 54 percent in 2008 – and Botswana.
- *Latin America and the Caribbean:* down by half, from 12.8 percent to 6.5 percent, with Mexico's little-publicized but steep drop from 19 percent to 5 percent pacing the region.
- *The Middle East:* down to 2.7 percent, with Jordan's drop from 12 percent to 2 percent fastest.

- *Central & Eastern Europe*: 20 years after the Berlin Wall came down and the Soviet Union broke up, the Bank's calculation finds deep poverty down to 0.5 percent, or essentially eliminated.

The Bank report's data are only complete through 2008, but include cautious estimates for 2010 as well. These suggest that despite the financial crisis, poverty has continued to fall - probably to 20 percent in 2010, which would reduce the number of people in extreme poverty by another 100 million.

Cautioning against complacency and self-congratulation, the Bank reminds readers that many millions of people remain below the line. But nonetheless, its figures show poverty falling faster across the last decade than ever before; and a rate of poverty, very likely, lower than at any time in human history. The end of poverty: not a dream.

FURTHER READING:

Data -

The World Bank's survey of extreme poverty rates:

<http://web.worldbank.org/WBSITE/EXTERNAL/NEWS/0,,contentMDK:23130032~pagePK:34370~piPK:34424~theSitePK:4607,00.html>

And a data tool, PovcalNet, allowing you to look up poverty rates by world, region, and country from 1981 to 2008 (or sometimes 2010):

<http://iresearch.worldbank.org/PovcalNet/index.htm>

Four success stories -

The Royal Thai Embassy's *Thailand Focus* on poverty rates and next steps:

http://royalthaiembassy.cmail3.com/t/ViewEmail/r/37C09AA06B605BDE#toc_item_2

And an analysis in change in Thai poverty rates over time. See page 244 for a satisfyingly brightening map of poverty rates by province, 1988-2004:

http://siteresources.worldbank.org/INTPGI/Resources/342674-1092157888460/493860-1192739384563/10412-13_p241-260.pdf

The *Washington Post* looks at middle-class Mexico:

http://www.washingtonpost.com/world/mexicos-middle-class-is-becoming-its-majority/2012/03/14/gIOA9R0KJS_story.html?hpid=z2

The *Voice of America* on poverty reduction in Ethiopia:

<http://www.voanews.com/english/news/africa/east/Ethiopia-Hails-Poverty-Reduction-Despite-Rising-Inflation-Population-Growth-142949105.html>

The U.S.' Millennium Challenge Corporation, an aid policy innovation of the Bush administration, explains its aid compact with Jordan:

<http://www.mcc.gov/pages/countries/program/jordan-compact>

Analysis & Ideas –

Charles Kenny's *Getting Better* (2009) looks at the data and offers some explanations:

<http://www.amazon.com/Getting-Better-Development-Succeeding-Improve/dp/0465020151>

Center for Global Development: <http://www.cgdev.org/>

U.S. Policy –

Then – Roosevelt's Four Freedoms address imagines a world free from want:

<http://www.fdrlibrary.marist.edu/fourfreedoms>

Now – The Millennium Challenge Corporation, an aid innovation of the 2000s, focuses on reforming countries: <http://www.mcc.gov/>