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sustainable solutions for ending hunger and poverty

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**Background materials are available at:**

<http://www.ifpri.org/media/20071106mostdeprived.asp>

### ***The World's Poorest People Not Being Reached***

*New Study Examines Plight of Poor Living on Less than 50 Cents a Day*

**Washington, DC**—Despite much progress reducing poverty worldwide, a substantial number of the world's poorest people are being left behind, according to a new report by the International Food Policy Research Institute (IFPRI).

The report, *The World's Most Deprived: Characteristics and Causes of Extreme Poverty and Hunger*, finds that 162 million of the world's poorest people—the “ultra poor”—survive on less than 50 cents a day. If concentrated in a single nation, they would comprise the world's seventh most populous country.

“About one billion people today live on less than a dollar a day,” said Akhter Ahmed, IFPRI senior research fellow and lead author of the report. “However, this number masks a multitude of people living in varying degrees of poverty—all of them poor, but as this research shows, some even more desperately poor than others.”

The report is the first to use household poverty data from 1990 to 2004 to look below the dollar-a-day poverty line and examine who the poorest people are, where they live, and how they have fared over time. Three categories of poverty in Asia, Latin America and the Caribbean, and Sub-Saharan Africa are examined in the study: *subadjacent poor* (those living on between \$0.75 and \$1 a day), *medial poor* (those living on between \$0.50 and \$0.75 a day), and *ultra poor* (those living on less than \$0.50 a day).

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Released following the international conference, “Taking Action for the World’s Poor and Hungry People,” facilitated by IFPRI in Beijing, China last month, the report finds that the very poorest people have benefited the least from substantial reductions in poverty around the world during the past 15 years. If the decline had been equal in all three categories of poverty, the number of ultra poor people would have fallen by nearly 4 percent; in reality, it declined by less than 2 percent, or less than half the expected rate.

Across developing regions, poverty reduction has differed markedly. East Asia and the Pacific experienced a substantial reduction in the number of people living at all levels of poverty, including the poorest. In South Asia, there has been a significant decrease in the number of people living on less than 50 cents a day, while poor people living closer to the dollar-a-day line fared much better. However, ultra poverty rates have fallen only minimally in Sub-Saharan Africa, and the region is currently home to three-quarters of the world’s poorest people.

The report also finds that despite a global trend of poverty shifting toward urban centers, poverty is still most acute and widespread in rural areas. Poverty rates are at least twice as high in rural areas, and the ultra poor are nearly four times more likely to live in rural areas than in urban areas.

“The dismally slow progress in reaching people living in ultra poverty clearly shows that ‘business as usual’ is not good enough,” said Ruth Vargas Hill, IFPRI researcher and co-author of the study. “Reaching the poorest people within an acceptable timeframe requires all members of the international community, from policymakers to civil society, to take action. Knowing who the poorest people are, where they live, and the unique challenges they face is an essential first step.”

The report shows that the poorest people typically belong to socially excluded groups, live in remote rural areas with little access to roads, markets, education, and health services, and have few assets. Households living in ultra poverty are on average four times less likely to have electricity than households living above the dollar-a-day line, and the poorest adults, men and women alike, are significantly less likely to have access to education.

The daily challenges faced by the ultra poor can over time lead to poverty traps—conditions from which individuals or groups cannot emerge without outside assistance. The report identifies three common

causes of poverty traps: inability of poor families to invest in the education of their children; limited access to credit for those with few assets; and reduced productivity due to malnutrition.

In the poorest households, children are less likely to go to school and have fewer chances for a more secure future. Poverty and hunger inherited at birth, or resulting from unexpected events, can also persist for years. These circumstances—particularly serious illness—explain the descent of many households into extreme poverty. Additionally, the exclusion of certain groups, such as ethnic minorities, disadvantaged castes and tribes, and those suffering from ill-health and disability, prevents much-needed access to resources and markets and increases the likelihood of poverty.

“New and different action is urgently needed to improve the livelihoods of the world’s poorest people. Measures to promote pro-poor growth need to be combined with effort action for social protection,” said Joachim von Braun, IFPRI director general.

The report offers several recommendations for policymakers to reduce poverty, particularly in Sub-Saharan Africa:

- Improve access to markets and basic services for those in the most remote rural areas;
- Provide insurance to help households deal with health crises;
- Prevent child malnutrition;
- Invest in education and physical capital for those with few assets; and
- Address the exclusion of disadvantaged groups.

“This research provides deeper insights into identifying the poorest and hungry people,” said Ahmed. “Only by understanding the challenges faced by the world’s most deprived people can we forge a new future free of extreme poverty and hunger.”

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*The International Food Policy Research Institute (IFPRI) seeks sustainable solutions for ending hunger and poverty. IFPRI is one of 15 centers supported by the Consultative Group on International Agricultural Research, an alliance of 64 governments, private foundations, and international and regional organizations. Please visit our website at [www.ifpri.org](http://www.ifpri.org).*