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Chair of the CGIAR

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## Taking Action against Climate Change in Ethiopia and South Africa

While the negative effects of climate change have been studied for many years, international attention has recently begun to focus on the major challenges it poses to rural livelihoods and food security. There is now consensus that at least some impacts of a warmer world are irreversible, meaning that adaptation—especially in the most vulnerable regions of the world such as rural Africa—must begin swiftly.

IFPRI's Environment and Production Technology Division is working to provide policymakers and researchers in Ethiopia and South Africa with tools to better understand, analyze, and form policy decisions that will support their adaptation strategies to global change. The division's research indicates that while farmers in the case-study river basins of both countries are acutely aware of long-term changes in temperature and precipitation and the potential adverse impacts on food production and livelihoods, only about half have made actual adjustments in their farming practices.

Recognizing the importance of moving from awareness to action, IFPRI organized workshops in Pretoria and Addis Ababa so policymakers and

*(continued on page 8)*



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## Cutting Poverty: Learning from the Leaders

*A few developing countries have succeeded in quickly and dramatically reducing the share of their populations living in poverty. What lessons do these countries' experiences offer the rest of the developing world?*

The year 2007 marks the halfway point toward the Millennium Development Goals (MDGs), which were adopted in 2000 and have a deadline of 2015. The MDGs are predicated on the hope that countries can cut poverty deeply and quickly. But can they? After seven years, many developing countries are not on

track to meet the goal of halving poverty by 2015. Is it just too difficult to cut poverty by that much in such a short span of time?

In fact, some countries have done it. China reduced the share of its population living in poverty from 53 percent to 8 percent over the course of 20 years, and a number of Asian countries have made

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## Sprinkles Reduce Anemia Among Poor Children



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**F**our out of ten pre-school children in developing countries suffer from anemia, a condition that often condemns them to a life of poor health, impaired development, and even premature death. A recent IFPRI–Cornell University study provides compelling evidence that developing countries can combat anemia with an iron-based powder sprinkled on food.

The nutritional supplement known as Sprinkles—a blend of micronutrients—has proven highly effective in reducing anemia, a serious health condition often brought about by iron deficiency. Developed by Stanley Zlotkin, a professor of nutrition at the University of Toronto and founder of the Sprinkles Global Health Initiative, the supplement reduced anemia among poor children in rural Haiti by more than half in two months.

The research, published in the March 2007 issue of the *Journal of Nutrition*, is the first to show that Sprinkles are effective in reducing anemia when included in a food-aid program targeted to women and young children and implemented under challenging, real-life conditions in a developing country. Children in the study were enrolled in a food-aid program that included cereals fortified with iron and other micronutrients. After Sprinkles were added to their food for two months, anemia rates dropped from 54 to 24 percent, whereas they remained unchanged for children who did not receive the Sprinkles. Seven months after supplementation ended, anemia rates had decreased to 14 percent among children who received the Sprinkles.

“Sprinkles are an effective and practical tool in reducing anemia among children,” said Marie Ruel, director of IFPRI’s Food Consumption and Nutrition Division and coauthor of the study. “When combined with other food-aid initiatives, the potential impact is huge.”

The study also found that fortified food aid (at current fortification levels) is insufficient to prevent anemia in infants and young children, even if mothers are advised to complement the donated commodities with locally available, iron-rich foods. The high cost of some iron-rich foods, such as meat, could partly explain this outcome.

The results of this study in Haiti have global implications. Indeed, Sprinkles have been effective in reducing micronutrient deficiencies in other developing countries, such as Bangladesh, Ghana, and Indonesia. Collaborators on the study include World Vision-Haiti, the Micronutrient Initiative, and the U.S. Agency for International Development (USAID)-funded Food and Nutrition Technical Assistance (FANTA) Project, managed by the Academy for Educational Development.

For more information, including an audio commentary by Marie Ruel, visit [www.ifpri.org/media/20070723sprinkles.asp](http://www.ifpri.org/media/20070723sprinkles.asp). ■

## IFPRI Offers Bibliographic Database

**I**n order to meet the needs of applied economists working on plant and livestock biodiversity, IFPRI, the CGIAR’s Systemwide Genetic Resources Programme, and the International Livestock Research Institute have developed a unique bibliography of economics literature on plant and livestock genetic resources.

Known as ECOGENLit, the bibliography is a comprehensive database of peer-reviewed literature that is updated on a regular basis. It is organized under broad themes such as biodiversity of crops and plants, animal genetic resources, and economics literature about biodiversity measurements. Users can also search the database by author, title, keyword, and publication year. Researchers and others can submit papers that have been published in peer-reviewed journals or been accepted for presentation in professional meetings or for publication as working papers at universities or other research or academic institutions.

The collection can be accessed at [www.ifpri.org/pubs/sgrp/index.asp](http://www.ifpri.org/pubs/sgrp/index.asp) and is also available on CD-ROM. For more information, contact [IFPRI-info@cgiar.org](mailto:IFPRI-info@cgiar.org). ■

## Map Your Collaborative Processes with Net-Map

**H**ow do different stakeholders reach consensus? How can coalitions achieve common goals? How do research findings flow through policy networks and influence decision-making? How are network structures linked to the efficiency of a governance system?

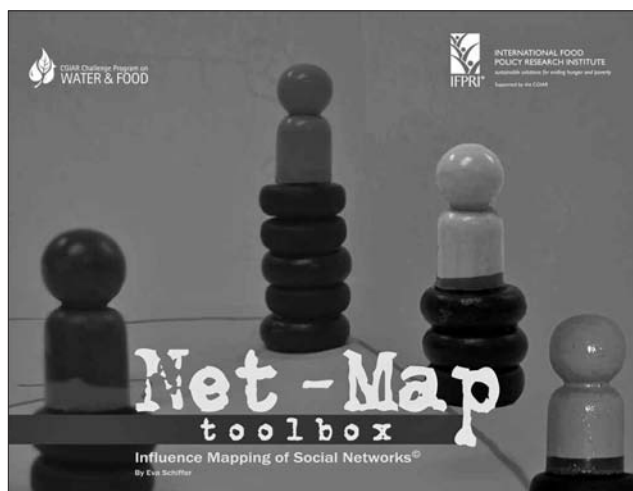
These are just some of the questions that researchers, development practitioners, policymakers, and community members alike can explore with the help of an innovative new tool called Net-Map.

Designed by IFPRI postdoctoral fellow Eva Schiffer, Net-Map uses board-game-like figures to represent the different actors involved in a given project or process. Linkages between these actors are drawn using different colors to represent the various types of connections existing between them, such as funding sources, decisionmaking authority, or information flow. After identifying who is involved and how they are linked, each actor's level of influence is determined and is indicated through the use of "influence towers." Finally, users map the goals of each actor, so that all the objectives—complimentary or competing—become clear.

"Net-Map is an influence-mapping tool that can enhance how people work together," says Schiffer. "By being asked to visualize the collaborative process, users are able to identify who is involved in a given activity, how they are linked, and how much influence they carry."

In addition to facilitating learning processes, Net-Map can also be used to collect complex data about social networks and actor attributes that can be analyzed both quantitatively with the help of social network analysis programs and in more qualitative-visual ways.

A Net-Map field toolbox will be available next year. In the meantime, users can learn how to use the tool by downloading the Net-Map manual at [www.ifpri.org](http://www.ifpri.org), and can create their own actor pieces and influence towers. ■



## Remembering Dale Hathaway, IFPRI's First Director General

**D**ale E. Hathaway, the founding director general of IFPRI, passed away on September 29. He headed IFPRI from 1975 to 1977, guiding it in response to the world food crises and famines of the 1970s. Joachim von Braun, IFPRI's current director general, noted that "Dale has made a tremendous contribution by getting IFPRI started and putting it on a strong and independent path. Dale was a leading mind and actor in the national and global agricultural policy arena."

A specialist in agricultural trade economics, Hathaway was a professor at Michigan State University and a member of the Ford Foundation staff before he joined IFPRI. He represented the Ford Foundation at the World Food Conference, which was convened in 1974 in the wake of global food shortages. Thereafter Hathaway served as project officer for a food policy initiative on behalf of IFPRI's three founding institutions: the Ford and Rockefeller foundations and the International Development Research Centre (Canada).

After getting IFPRI well on its way, Hathaway joined the U.S. Department of Agriculture, where he became undersecretary for international affairs and commodity programs. Later he served as the executive director of the National Center for Food and Agricultural Policy.

In 2005, looking back at IFPRI thirty years after its founding, Hathaway drew from his vast experience to propose four lessons about international trade. The fourth lesson describes well what he had in mind when he headed a newly established independent research institute in 1975: "Trade negotiations require continued support through impartial facts and analysis. Granted, trade negotiations will remain a political business. The idea that rationality will drive negotiations is an illusion. On the other hand, relying on solid and impartial facts will help us all to become more effective." ■

*“In some instances we have worked directly with governments to develop tailor-made insurance solutions . . . By managing their exposure to natural catastrophes, governments stand to benefit in different ways, including stabilizing their finances, enabling faster recovery, and reducing the likelihood of political instability following a major disaster.*”



## **Katherine Sierra, Vice President of Sustainable Development, The World Bank, and Chair of the Consultative Group on International Agricultural Research**

*IFPRI Forum talks to Katherine Sierra about what the international community needs to do to accelerate efforts to reduce global poverty and hunger.*

**FORUM:** The first United Nations Millennium Development Goal (MDG) sets the target of reducing the world’s proportion of poor and hungry people by half between 2000 and 2015. In your view, will we see a markedly different world in 2015 than we saw in 2000, in terms of poverty and hunger?

**Katherine Sierra:** I do think that the world of 2015 will be markedly different from the world of 2000. Whether the difference is positive or negative depends on the decisions and actions we take today. We all know the numbers by now: there are 1.2 billion poor people in the world (living on less than \$1 per day) and 75 percent of them are rural; 852 million people suffer from acute and chronic hunger. Most of the poor are involved in farming or rely on natural resources for their livelihoods, so the first MDG will only be achieved by 2015 by harnessing the power of agriculture for development.

In terms of poverty and hunger and our progress in meeting the first MDG, the United Nations’s MDG report for 2007 shows that countries are making slow progress on both fronts. Specifically, the number of people in extreme poverty fell from about 33 percent of total world population to below 20 percent between 1990 and 2004. Progress on hunger has been slower, and it remains to be seen whether all regions will meet this target by 2015, particularly in Sub-Saharan Africa and South Asia. But we need to ask ourselves critical questions as we make progress towards these goals.

First, what is the quality of the growth we’re achieving? Economic growth has clearly contributed to poverty reduction over the past 20 years, but the accompanying rise in inequality is worrying. In East Asia, the region with the most significant growth between 1990 and 2004, income inequality is a major concern. Furthermore, the growth in some developing and middle-income countries is undercutting their environmental health and depreciating their natural resource base.

Second, are we making progress on hunger in all of its forms? If we focus our efforts solely on acute hunger, we’re only reaching roughly 10 percent of the hungry. The other 90 percent who suffer from chronic and hidden hunger need to be high on our agenda as well.

What trends will most impact our ability to reduce poverty and feed the world? There are many global trends that are impacting the agricultural sector, which most of the poor still rely on for their livelihoods.

*Shifting consumer demand* is influencing research and production systems worldwide. As priorities of the market lean to high-value agricultural products from animals, fruits, and vegetables, they create new opportunities for farmers. We cannot let poor producers who traditionally furnished these items be squeezed out of the market because they cannot meet

changing new demands for food safety and quality. We also need to ensure continued attention to the productivity of basic food staples as even a slight slackening of the steady yield growth of many years could lead to exploding prices of foods purchased by the world's poor. The last 30 years were a time of mostly relatively low food prices, which may have contributed to complacency about world food issues.

*Global food prices* have, however, increased 26 percent in the past three years due to drought and disease and pest epidemics, but also due to the rapid increase in the use of foodcrops to produce biofuels. While increased prices may positively impact the incomes of some farmers, many who are not connected to global markets will not reap the benefits. Also, the impact on the urban poor and many rural poor who purchase their food is significant.

*Short-term climate variability and medium- to long-term climate change* will increase risk and vulnerability in food production systems, aggravating price and food access problems. We are seeing this even today: with the shortening cycles of floods and droughts across the world, entire annual crop harvests are being wiped out in a matter of days.

*Biofuels* have already had an impact on crop production and land use patterns and subsequently on food prices.

**FORUM:** What do you see as the main responsibilities of developing- and developed-country governments in achieving meaningful and sustainable reductions in poverty and hunger? And what roles should international organizations such as the World Bank and the CGIAR play in reducing poverty and hunger?

**Katherine Sierra:** I'm glad you asked what developing- and developed-country governments need to do, because all too often these discussions focus only on the responsibilities of the developing ones. There are key areas—such as trade, aid, and climate change—where all countries need to make changes to achieve the first MDG.

The World Bank has advocated for both developing and developed countries to lower barriers to trade in agriculture. Much more progress is needed. We've learned that market liberalization has had both positive and negative impacts on developing-country economies, depending on how it was implemented. Organizations like the World Bank can help countries through the transition by supporting policy and regulatory reforms and expanding their capacity for implementation to enhance productivity and competitiveness. These efforts, matched with investments in science, technology, institutions, and infrastructure can help smallholder farmers reap the benefits of a global economy.

Richer countries must also do much more to finance global public goods—such as research for greater agricultural productivity while sustaining natural resources.

The CGIAR is a key organization in this work. We also need to engage with our partner countries in the South to improve the efficiency of public spending in agriculture, and in contributing to clearer rules of the game in areas such as sanitary and phytosanitary (SPS) protocols that respond to the new realities of global trade.

The risks presented by climate variability and climate change are going to be especially challenging with regard to achieving the first MDG. The CGIAR needs to continue developing, testing, and rolling out new technologies with traits for drought and flood tolerance as well as pest and disease resistance. The Bank and other development organizations can help by funding the CGIAR and its national partners to address these challenges through new research and technologies and by creating the enabling environment (policy, governance, finance, empowerment) that allows these new technologies to have a positive benefit for societies and for the poorest in those societies.

Over the past 25 years, agriculture has been increasingly neglected by governments and donors, despite its growth and poverty-reducing potential. The problems of world poverty, inadequate growth in many agriculture-dependent countries, and growing pressures on the environment are mounting fast. These challenges can be tackled by using agriculture for development, but first the sector needs greater focus and funding.

The share of agriculture in official development assistance (ODA) declined sharply, from 12 percent of total ODA in 1990 (\$6.6 billion) to 3.5 percent in 2004 (\$3.4 billion). During most of that time, World Bank lending for agricultural activities also declined dramatically, from about 31 percent of total lending in 1990–1991 (\$3 billion) to less than 10 percent in 2000–2001 (\$872 million).

However, I'm happy to say that we have reversed this decline in recent years. World Bank lending in agriculture and rural development is now stable at around US\$3 billion, and I think that number can and should increase. Moreover, a recent analysis shows that in the past five years 75 percent of International Development Association funds for agriculture have gone to Sub-Saharan Africa and South Asia, where poverty and hunger are most critical.

**FORUM:** In your view, which strategies, policies, and interventions have been most successful in eradicating extreme poverty and hunger so far?

**Katherine Sierra:** The success of the Green Revolution cannot be overlooked. The work by international and national agricultural research centers increased production,

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*“I am quite certain that the insurance industry can make a major contribution to help developing nations develop by allowing their people to deal with risks they face in everyday life.”*

lowered food prices, raised rural incomes, increased caloric intake, and most certainly saved lives. Studies of the original Green Revolution show that there was, however, bad with the good. There are questions about the sustainability of intensive cultivation. Yields are leveling off in many areas, brought on by environmental impacts of soil degradation and salinity, chemical pollution, and aquifer depletion.

Kofi Annan has called for a Green Revolution for Africa, and Robert Zoellick echoed that call in a recent speech. But it is important for all of us to absorb the lessons of the last 50 years and make sure that the Green Revolution for Africa is an “ever”-Green Revolution adapted to the very different situation of Africa today compared to Asia 30 years ago. The especially difficult issues of geography, climate, demography, infrastructure, external policy environment, and institutional bases need to be factored in in deriving action plans. We have knowledge and technology now to make food production more environmentally and socially sustainable. We need to apply lessons learned from using subsidy programs to provide inputs to agriculture, many of which did not benefit the poorest farmers. We need a parallel investment effort in critical infrastructure—roads, electricity, information and communication technologies—to make it possible for poor farmers to reach markets. Moreover, we need to apply the lessons of empowerment to our efforts. We know from experience that the poor, themselves, are among the most valuable sources of agricultural knowledge and are adept at adapting and helping to generate new technologies. They must be part of the solution.

**FORUM:** In your view, what should be done now about the half of the world’s poor and hungry population that the MDGs will not have addressed by 2015?

**Katherine Sierra:** The World Development Report 2008 does an outstanding job of outlining the issues we face that should determine our priority actions. The difficult message is that we need to proceed on all fronts. There are no silver bullets to solve the problem of poverty and hunger. Instead, we need to collaborate much more so that government actions and donor interventions achieve a critical mass of reform that will have measurable impacts. In other words, the totality of donor activities in developing countries needs to be greater than the sum of its parts.

There are exceptional new opportunities to invest in agriculture. New markets for high-value products—horticulture, livestock, feed, and processed biofuels—are expanding rapidly. Institutional innovations (in value chains, finance, public–private partnerships, and producer organizations) and technological innovations (in biology and information) are facilitating supply responses.

World Development Report 2008 identifies three typologies of countries where efforts to address poverty and hunger need tailored responses.

In agriculture-based economies, much of Sub-Saharan Africa, where agriculture accounts for 25–45 percent of GDP and where 70 percent of the poor are in rural areas, agriculture must be the engine of overall growth and poverty reduction. We need strong investment in science and technology, but also management systems, empowerment, infrastructure, and policy and regulatory reform to enhance sustainable use of natural resources.

In transitioning and urbanizing economies—those where agriculture contributes less to GDP but where rural poverty still presents a challenge to varying degrees—we need to focus on improving market access and addressing income inequalities, which prevent the poor who are net providers of food from earning a decent living and the poor who are net consumers of food from being able to afford it.

The challenge to achieving the first MDG is not going to be easy. However, I believe that we have the knowledge to meet that challenge. What we need now are resources and political will to make it happen. At the World Bank, our regions and many sectors are working with our clients to assess the needs and priorities to operationalize the recommendations of the new World Development Report, and we expect this to lead to concrete interventions that will move us closer to achieving the first MDG in a sustainable and equitable way. ■

## Urgent Action Needed for the World's Most Deprived

Joachim von Braun

Seven years ago, more than 100 nations made a bold commitment via the Millennium Development Goals (MDGs) to halve the proportion of people living in extreme poverty and hunger between 1990 and 2015. Now, midway between the declaration and the deadline, there is mixed news to report—while the world is on track to reach this goal at the global level, many countries are not, and millions of poor people are certain to be left behind.

Though the number of poor people has plummeted at an historic pace worldwide, progress so far has varied widely across the developing regions of the world. In Asia, the number of poor people fell by 300 million during the past two decades, particularly in East Asia and the Pacific. But poverty in Latin America and the Caribbean increased slightly during this time. And Sub-Saharan Africa tells a far gloomier story: poverty there jumped by a staggering 58 million people.

Such dramatically different outcomes between regions beg the question: Are today's development efforts actually reaching those most in need, or are they primarily benefiting those who are simply easier to reach, leaving the very poorest behind?

Answering this question requires a more nuanced understanding of just who the poor are. Often, they are viewed as a uniform group facing similar challenges. Underscoring this notion is the "dollar-a-day" measurement, the threshold defined by the international community as absolute poverty, below which survival is in question. Currently, 1 billion people worldwide fit into this category.

But such a large number masks the multitude of people living in varying degrees of poverty—all of them poor; but some of them even more desperately poor than others.

New research by the International Food Policy Research Institute (IFPRI) finds that those who live closer to the dollar-a-day line have been much easier to reach than those living well below it. In fact, the incidence of poverty below half a dollar a day—ultra poverty—has proved intractable in many regions of the world, where 162 million people are trapped in a vicious cycle of poverty and hunger. This is a significant number of people: if all of the ultra poor were concentrated in a single nation, it would be the world's seventh most populous country after China, India, the United States, Indonesia, Brazil, and Pakistan.

It is clear that a better understanding of the degrees of poverty and their associated challenges is needed to accelerate progress toward achieving the MDG target. So, who are the poorest of the poor? They are individuals who face exclusion because of their ethnicity, gender, or disability; they are households living in remote, typically rural, areas unconnected to roads, markets, schools, and health services; they are people with few assets with which to access credit or cope in the aftermath of a catastrophe, such as illness or natural disaster.

IFPRI research found that the poorest households are generally four times less likely to be connected to electricity than households living above the dollar-a-day line. In every part of the world, the poorest men and women are the least

educated in society, and their children are less likely to attend school.

Given such limited opportunities, poverty is inherited from generation to generation and increasingly diminishes the chances for a better livelihood. Development efforts that do not focus on the poorest of the poor will not be sufficient to achieve the MDG target.

What is urgently needed now is policies and programs that focus on access to markets, credit, education, health care, and other basic needs—tools that will equip people to move out of poverty. With the majority of the world's poorest living in rural areas, special attention must also be paid to agriculture and rural development. But all this cannot be accomplished through economic growth alone. To truly reach the poorest, growth must be equitable and the benefits must be widespread.

In October, experts from around the world gathered in Beijing for the conference, "Taking Action for the World's Poor and Hungry People," jointly organized by IFPRI and the Chinese State Council Leading Group Office on Poverty Alleviation and Development. The conference aims to address these very issues and identify a way forward.

In a mere eight years, the deadline set by the global community to reduce poverty and hunger will be here. Will today's most deprived people have a more promising, healthier, and secure life in 2015? Let us work urgently to ensure that they do. ■

*Joachim von Braun is IFPRI's director general.*

## Strengthening Communities, Reducing Poverty: Nigeria's Fadama Project

Poverty remains entrenched in Nigeria, where 70 percent of the rural population lives below the poverty line. In 2005, the Nigerian government launched a project to increase the income of farmers, fishers, and other poor people in fadama areas—low-lying floodplains where poverty is concentrated. Built around community-defined priorities, the project, led by the World Bank, has sought to generate income, empower local communities, and improve the way governments reach poor and vulnerable groups, such as women, the elderly, disabled, and people with HIV/AIDS. Specifically, the project provides demand-driven extension services, increases local capacity to resolve conflicts over natural resources, develops rural infrastructure such as roads, and increases the capacity of beneficiaries to manage economic activities.

To gauge the success of the project, called Fadama II, the World Bank asked IFPRI to evaluate outcomes. IFPRI researchers Ephraim Nkonya, John Pender, and Tewodaj Mogues conducted an in-depth evaluation, finding that after its first full year of operation the project had increased average household incomes by 60 percent. As a result of its favorable impacts, the project won the African Award for Excellence from the World Bank in September 2007.

The evaluation assessed not only Fadama II's success in increasing the incomes of beneficiaries, but also its impacts on asset acquisition and other needs of the villagers. The study revealed that after only one year, project beneficiaries had benefited from reduced travel time to the nearest town and acquired productive assets, such as agroprocessing equipment and small-scale irrigation equipment, which are likely to continue to increase their incomes. The percent increase in the value of productive assets of the poor was significantly higher than that for other groups, suggesting that the project successfully targeted poor and vulnerable people with its support for productive asset acquisition.

The evaluation also highlighted some areas for improvement. For instance, the project had limited impact on incomes of the poorest households, possibly owing to their weaker capacity to manage assets. The evaluation also found that credit services are needed to provide competitive loans to the poor. Changes in the next phase of the project can overcome these and other shortcomings and make the project more sustainable. IFPRI researchers are contributing to the design of the next phase of the project. ■

### Taking Action against Climate Change *(continued from page 1)*

researchers could discuss next steps for adaptation and mitigation. The main barriers to farm-level adaptation were lack of credit in South Africa and lack of information in Ethiopia. Both countries will require a cross-sectoral approach, focusing on irrigation, education of farmers, and enhanced support to subsistence agriculture. Ethiopian policymakers highlighted the need to open global carbon markets to afforestation and soil carbon sequestration, which would allow the country to finance much-needed adaptation while supporting mitigation. In South Africa, participants pointed out that markets were not serving the information, credit, and other needs of small-scale subsistence farmers, who tend to be the most vulnerable to droughts, floods, fires, and hailstorms.

To help developing countries identify the best adaptation strategies, IFPRI is also working to improve modeling tools for global and regional water and food policy assessments, develop scenarios to gauge the impact of responses and adaptation, and enhance national and international capacity to undertake their own assessments.

Associated with the CGIAR's Challenge Program on Water and Food, the project is funded by the German Federal Ministry for Economic Cooperation and Development. Partners include the Centre for Environmental Economics and Policy in Africa, the Ethiopian Development Research Institute, the Ethiopian Economics Association, and the University of Hamburg. ■

# Real Action to Reduce Extreme Poverty and Hunger

*At the midway point in the effort to achieve the Millennium Development Goals, an IFPRI 2020 conference in Beijing considers how to overcome the most intractable poverty and hunger.*

On October 17, the International Day for the Eradication of Poverty, some 400 people gathered in Beijing, China, to share ideas on how to overcome extreme poverty and hunger. After all, even if the poverty and hunger Millennium Development Goal is achieved, millions of people will still be living with the most brutal forms of poverty and hunger.

To focus attention on this troubling reality, the 2020 Vision initiative of the International Food Policy Research Institute (IFPRI) and the Chinese State Council Leading Group Office on Poverty Alleviation and Development co-organized a conference called “Taking Action for the World’s Poor and Hungry People,” held October 17–19 in Beijing, to examine what new and different action is required to improve their welfare. The conference was hosted by the International Poverty Reduction center in China, IFPRI, and the Chinese Academy of Agricultural Sciences. “It’s clear that current efforts are not reaching the poorest people,” said Rajul Pandya-Lorch, head of IFPRI’s 2020 Vision initiative. “This conference is designed to help shed light on the reasons why and point the way to more effective action.”

The conference looked at what steps are needed to improve the welfare of the world’s poorest and hungry people, based on the best available research and experience and focusing on several critical questions: Who are the poorest of the poor and those most afflicted by hunger? What are the key pathways out of extreme poverty and hunger? Which strategies, policies, and interventions have been successful in eradicating extreme poverty and hunger so far?

Participants at the conference included leading researchers and practitioners from NGOs, international agencies, and the private sector from 40 countries. Altogether more than 400 international and Chinese policymakers and thinkers attended, including about 25 participants at the ministerial and vice ministerial levels. The three days of proceedings included

*Hui Liangyu, Vice-Premier of China’s State Council*



more than 100 scientific and policy presentations and rich discussions on theoretical and practical aspects of poverty and hunger alleviation.

## Who Are the Poorest People?

To design and implement effective policies and programs for overcoming poverty among the most destitute, policymakers need to know more about who the poorest people are, where they live, and why their poverty persists. New IFPRI research sheds light on people living below the US\$1-a-day threshold, showing that the ultra poor (those living on less than 50 cents a day) are concentrated in Sub-Saharan Africa—the only region where ultra poverty predominates. In Asia, on the other hand, most of the poor live just below the dollar-a-day line, and only a small minority are ultra poor (see sidebar on “The World’s Most Deprived”).

Why is poverty so persistent in some places? According to Partha Dasgupta of Cambridge University, many poor people are stuck in poverty traps—situations in which people find themselves unable to climb out of poverty, owing either to fixed costs of survival that they are not able to meet or to complementary processes that lead to a spiraling of misery. One example might occur when a shock harms local institutions that govern natural resources. As common property becomes scarcer, households need more hands just to survive and they often increase the family size. But higher fertility puts more pressure on natural resources, thus creating a vicious circle.

Conference presentations also made clear that progress has been made on measuring poverty in more accurate and useful ways and on targeting policies more effectively to the poor. Nonetheless, there is some debate about how much decision-makers should rely on indicators of income poverty as compared with more multidimensional measures.

Attention was drawn to often-overlooked minorities and marginalized people, who make up a substantial share of the poor. Lennart Bage, president of the International Fund for Agricultural Development (IFAD) pointed out, “There are an estimated 370 million indigenous peoples worldwide. They are 5 percent of the world’s population but represent 15 percent of the world’s poor. Put simply, indigenous people and ethnic minorities are among the poorest in the world.” Because these people are often socially and economically excluded, their potential and capacity often go untapped, at great cost to themselves and their communities. A number of speakers discussed options for overcoming the hurdles faced by marginalized people, including women and people with disabilities.

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**Real Action to Reduce Extreme Poverty & Hunger** *(continued from page 9)***Not Only Growth ...**

Several key areas for action emerged from the conference discussions. A consensus arose that developing countries and their partners could do a great deal to reduce poverty by, for example, promoting inclusive growth with an emphasis on rural growth, given that most poor people still live in rural areas. Ernest Debrah, Ghana's minister of food and agriculture, pointed out that Ghana had halved hunger nine years ahead of the Millennium Development Goal target date of 2015 by adopting a poverty reduction strategy based on rural development, macroeconomic stability, provision of infrastructure, and good governance.

Yet not all growth is equal in terms of reducing poverty. Martin Ravallion of the World Bank explained that growth does much more to reduce poverty in countries with low inequality than it does in countries with high inequality. Inequality is not always bad, however, said Ravallion. "The bottom line is that there are both good and bad inequalities. The good are those that both reflect and reinforce market incentives, that allow people, including poor people, to take up opportunities," he said. "By bad inequalities, I essentially mean inequalities of opportunity."



*Ursula Schäfer-Preuss,  
Vice President, Asian  
Development Bank*

**... But Also Social Protection Matters**

Some groups—including children, the elderly, the disabled, excluded groups, and people living in remote areas—are simply not in a position to take advantage of growth to rapidly improve their livelihoods. For these people, social protection policies implemented at an early stage—before poor people reach outright destitution—are key. Such policies can include safety nets, social security, and health insurance. Summing up a session on reducing vulnerability and enhancing social protection, Ling Zhu of the Chinese Academy of Agricultural Sciences pointed out that it is critical to tailor interventions to the problem. Cash transfers conditional, for example, on children's school attendance or participation in health services, can help reduce both short-term and long-term poverty—although they are not a silver bullet. Social security and health insurance schemes may be difficult to implement, but they are important to manage the high levels of risk that poor people face.

Several countries with successful records of poverty reduction shared their experiences. Brazil has already achieved MDG1—cutting extreme poverty in half. Patrus Ananias de Souza, Brazil's minister of social development and fight against hunger, described the country's combination of growth in the services sector and social protection policies, including one called Bolsa Familia. The program has helped raise poor people's purchasing power and helped stimulate local economies. In recent years, Brazilians at all income levels have experienced increased incomes, with the poorest groups showing higher rates of growth than the richest.

**Learning from Other Countries and Regions**

The appropriate mix of policies is different for different countries and regions. Although country-specific contexts need to be taken into account, in general discussions pointed to the need for African countries to increase agricultural growth, overcome conflicts, and improve the policy environment. Asian countries should work to overcome exclusion and inequality, reduce child undernutrition, and connect small farmers to value chains. Latin American countries should focus on improving education quality, better targeting social expenditures, and enhancing local capacity.

There was particular interest in China's experience, given its striking success in reducing poverty over the past three decades. Hui Liangyu, vice premier of China's State Council, said the country's poverty reduction was based on pro-poor growth, agricultural and rural reform, the mainstreaming of poverty reduction efforts into national economic and social strategies, capacity building in poor areas, and mobilization of all walks of life in the poverty reduction effort. Although China still must make further progress in reducing development gaps within its society, said Hui Liangyu, "the Chinese government will in the future further strengthen collaboration with relevant countries and international organizations to strive for more sustainable economic growth mechanisms, more balanced global poverty reduction strategies, and more inclusive anti-poverty partnerships, as well as to holistically enhance development capability and poverty reduction efforts."



Harris Mule, Executive Director, Top Investment Management Services, Ltd.

### Mobilizing Social Entrepreneurs and the Poor Themselves

The conference reinforced the idea that a wide range of actors are needed to participate in the global

effort to eradicate hunger and reduce poverty. One such group consists of social entrepreneurs—people who identify and solve problems on a large scale, driven by a passion to create social change and a belief in the ability of all people to contribute. Such people, however, are still in short supply, according to Suresh Babu, an IFPRI senior research fellow. “To build capacity for social innovation and entrepreneurship, we need to re-orient education systems toward problem solving and entrepreneurship education, identify and encourage policy entrepreneurs at national levels, and scale up of innovative interventions using social entrepreneurship,” he said.

In addition to appropriate actions from developing-country governments, developed-country governments, and the development community, success will depend on the participation of poor people themselves, acting as agents of change. Vijay Kumar, chief executive officer of India’s Society for the Elimination of Rural Poverty, pointed out that 8.7 million extremely poor women have been organized into self-help groups in Andhra Pradesh, India. These groups have succeeded in undertaking activities such as marketing, bulk purchasing of commodities, and exerting pressure on local governments for the provision of services, improving their livelihoods in the process.

United Nations Secretary-General Ban Ki-Moon sent a message to the conference along these lines: “Today, the world must refocus its attention, and its resources, on the places and people that are being left behind. As we do, we must bear in mind that none are more committed to ending poverty than the poor themselves. Often, all they lack is the guidance, the tools, and the opportunities to win this fight.”

### Moving Ahead

IFPRI prepared a statement in consultation with conference participants and incorporating many of the ideas discussed at the conference to serve as a call for moving ahead (see sidebar on “The Way Forward”). Different countries and regions will need to pursue a different mix of policies and programs. But any successful strategy for reducing poverty and eliminating hunger is likely to include inclusive growth; better access to assets, infrastructure, and markets for poor people; strong social protection policies; investments in health, nutrition, and education; and policies to include the excluded.

“Going beyond the Millennium Development Goals to fight extreme poverty and hunger is not just a matter of a project here and a project there,” said IFPRI Director General Joachim von Braun in his closing remarks. “Instead, it involves strategy and meeting a complex policy challenge. The conference offered strategic guidance. To actually meet the challenge, new action for and with the poor is needed now.”

To learn more about the conference and associated outputs, go to <http://www.ifpri.org/2020chinaconference/index.htm>. ■

—Reported by Heidi Fritschel

Note: Photos on pages 9-11 come from Infocenter, LGOPAD, China.

## The World’s Most Deprived

Although the extremely poor are typically characterized as people living on less than a dollar a day, a new IFPRI 2020 report released at the Beijing conference looks below the dollar-a-day poverty line to examine who the poorest people are, where they live, and how they have fared over time. *The World’s Most Deprived: Characteristics and Causes of Extreme Poverty and Hunger*, by Akhter U. Ahmed, Ruth Vargas Hill, Lisa C. Smith, Doris M. Wiesmann, and Tim Frankenberger examines three categories of poverty. The *subadjacent poor*, who live on between US\$0.75 and US\$1 a day, account for 485 million people worldwide. The *medial poor*, who live on between US\$0.50 and US\$0.75 a day, make up 323 million people. And the *ultra poor*, who live on less than US\$0.50 a day, make up 162 million people, and they have benefited the least from poverty reductions. If concentrated in a single nation, the ultra poor would constitute the world’s seventh most populous country.

Although most of the dollar-a-day poor live in South Asia, three-quarters of the ultra poor live in Sub-Saharan Africa. The research shows that the very poorest households are often located in remote rural areas, furthest from roads, markets, schools, and health services. They frequently face exclusion because of ethnicity, gender, or disability. And they have few assets, little education, and poor access to credit.

Moving the poorest people out of poverty will require effective action to improve their access to markets and basic services, particularly in remote rural areas; provide insurance against health shocks; prevent child malnutrition; invest in education; and address the exclusion of disadvantaged groups.

For more information or to download the full report, go to <http://www.ifpri.org/2020/dp/vp43.asp>. ■

## The Way Forward

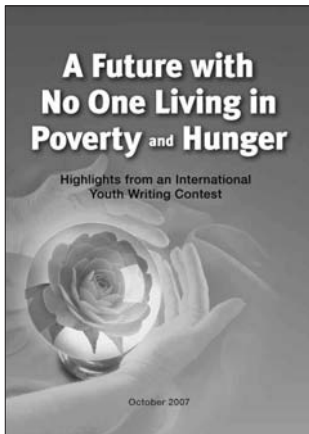
As part of the consultation process associated with the conference, IFPRI prepared a statement entitled “Taking Action for the World’s Poor and Hungry People: IFPRI’s Call for a Way Forward.” Designed to stimulate international debate on the way forward and action, the statement summarizes the challenges facing efforts to overcome extreme poverty and hunger, identifies established facts about poverty and hunger, proposes actions to accelerate poverty and hunger reduction, and describes needed political and institutional changes. The priority actions proposed in the statement are excerpted here:

1. Focusing on inclusive growth—A different pattern of growth, that includes the poorest and hungry from the beginning, is needed.
2. Improving access to assets and markets—Appropriate property rights are needed to address inequality in assets.
3. Phasing in social protection more quickly and comprehensively—Policies that encourage “pro-poor” growth need to be re-balanced with social protection policies.
4. Accelerating investments in health and nutrition programs, particularly for children and women—Many of the poorest, including children and women, need special interventions that address their health and nutrition constraints.
5. Including the excluded—The above-mentioned actions all require an effective state that is responsive to the needs of the poorest and the socially excluded.

The statement highlights that effective action requires political and institutional change in terms of (1) a set of political core issues; (2) scaling up of successful experiments; (3) new attention to the political process for creating broad-based support for action; (4) decentralization of government with sound governance; and (5) improved capacity to implement programs.

Sound priority setting requires a framework that captures synergies and trade-offs, analyses based on solid data, consideration of alternative options, and a strong evaluation culture.

To read the full statement, go to <http://www.ifpri.org/2020chinaconference/wayforward.asp>. ■



## Youth Perspectives on Poverty and Hunger

In conjunction with the conference, IFPRI organized a writing contest through which youth could share their thoughts on ways of overcoming poverty and hunger. More than 600 young people from 39 countries submitted entries. The winning essay and other outstanding entries have been published in a booklet called *A Future with No One Living in Poverty and Hunger: Highlights from an International Youth Writing Contest*. The following is an excerpt from the winning entry.

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*again, I'm not pushing the world's guilt onto your shoulders alone.  
certainly no one  
could possibly have that weight thrust upon them.  
but you're not off the hook yet. you see,  
what have you done to help?  
...I thought so.  
you get your slice of blame now, served with a side of disappointment. no extra charge.  
don't worry.  
your indigestion is completely normal.  
this stuff is hard to swallow.*

—Ashley Eberhart, Age 16, United States

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similar progress. Chile also cut poverty sharply—the share of people living in poverty fell from 40 percent to 17 percent in 12 years. Ghana made significant progress as well; although poverty remains high there, the country reduced the incidence of poverty from 52 percent to 40 percent in just 7 years.

Do these countries' experiences offer lessons that could be useful to other developing countries seeking to cut poverty rapidly? Is there a recipe for rapid poverty reduction that other countries can follow? Yes and no.

According to Alberto Valdes, a research associate at the Catholic University of Chile in Santiago, "Most of the work by economists has shown that rapid economic growth is the most effective way to reduce poverty because it creates employment and provides government revenues that are needed to implement social programs. The task is how to achieve a balance between rapid growth and delivering the benefits of that growth to the poor." Broadly speaking then, most countries that have succeeded in dramatically reducing poverty have done so by promoting growth and then ensuring that the benefits of growth are reliably shared with the poor. But the details of this strategy—how countries achieve growth and pass its benefits to the poor—vary widely.

### Economic Liberalization and Social Spending

In the early 1980s, economic prospects for Chile looked dim. A financial crisis during 1982–83 pushed gross domestic product down by 16 percent. Unemployment was soaring at 30 percent. About half of the population lived in poverty, and 30 percent lived in extreme poverty (on less than US\$1 a day). By 1987, however, the share of the poor had fallen to 40 percent and has been decreasing steadily since, reaching 17 percent in 1998 and 13.7 percent in 2006. Unemployment has also fallen, to about 7.5 percent today. What happened?

After the financial crisis, the government took steps to increase economic growth, resulting in rapidly growing exports and reduced unemployment, and although poverty rates fell, poverty persisted. When the government reduced spending in 1988, social spending declined, leading to a deterioration of public health services, reduced wages for teachers, and lowered pensions for the elderly. These changes occurred in the context of a nondemocratic government, raising complex questions about the relationships between governance and poverty reduction.

A new democratic government came into office in 1990 committed to a strategy of growth with equity. To boost growth, the government continued unilateral tariff reductions, reformed capital markets, and eliminated government debt. "Trade policy was a radical reform," says Valdes, "but a country of 16 million people cannot expect to grow quickly with a closed economy."

These steps rapidly bore fruit—the country grew at an average of 6 percent annually from 1990 to 2000. This growth resulted in more jobs and higher wages for Chilean workers, but the govern-

ment was also committed to tackling poverty with extensive social policies, which it paid for through increased taxes. The Chilean government raised the real minimum wage by 17 percent between 1989 and 1991. It increased pensions and raised transfers to disadvantaged families, the disabled, and the unemployed. It also expanded public spending on public health, housing for the poor, and especially education.

Economic reforms also included deregulation and privatization that occurred from the late 1970s onward, says Valdes: "Even until today the government is committed to reliance on private enterprise to deliver infrastructure, saving the government billions of dollars which became available for social spending."

Several studies of Chile have examined the country's experience to determine what made the most difference in poverty reduction: economic growth or pro-poor policies? Both were important, they found. Economic growth explains at least 60 percent of Chile's poverty reduction, and its anti-poverty programs can take credit for the remainder.

### Agricultural Reforms and Local Innovation

As in Chile, the policy changes that led to China's success in poverty reduction were crisis-driven. In the late 1970s, the population was growing but collective agriculture was inefficient and unproductive, leading to severe food shortages. "The Great Leap Forward and the Cultural Revolution left China on the verge of crisis," says Shenggen Fan, director of IFPRI's Development Strategy and Governance Division. "Without reform, there would have been social unrest."

Du Runsheng was one of the architects of China's reforms. According to Du, to cope with their food shortages, groups of peasants in the province of Anhui decided to contract collective land to families. Central government officials were initially divided on whether to allow this change, but they let the experiment, called the "household responsibility system," go forward in very limited scope. Chinese leaders then decided to adopt a flexible approach, allowing areas that were experiencing food shortages to use the household responsibility system, rich areas to adopt contracts with compensation linked to output, and intermediate areas to choose their own production systems. Results came quickly—by the second year, the food-shortage areas had food for their populations and the other areas increased production as well.

From there, however, reform occurred slowly. "The household responsibility system policy shook the people's communes to the

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core," Du wrote in an account of the process published by IFPRI. "To promote the household responsibility system and ward off its early demise, resistance to it had to be reduced as much as possible and facilitation boosted."

Throughout the 1980s, China gradually extended reforms to allow rural people to set up enterprises, invest their own money in these enterprises, and migrate to cities to work. Chinese officials raised the price the government paid for grain and allowed regions within China to trade agricultural goods with one another.

Between 1985 and 2005, China's economy grew between 8 and 10 percent a year. The policy changes lifted 400 million people out of poverty in China between 1981 and 2001. Why was growth so successful in reducing poverty? One factor was that reforms took place in the rural sector. "The sectoral pattern of growth is important," says Martin Ravallion, director of the World Bank's Development Research Group. "Agricultural growth was so effective in reducing poverty in China because land was relatively equally distributed." This equal land distribution allowed rural people to benefit directly from improved agricultural productivity. Growth in other sectors, like manufacturing and services, also lowered poverty, but not to the extent that agricultural growth did, he says.

Xiaobo Zhang, an IFPRI senior research fellow, also points out that China adopted a strategy of "learning by doing" and "scaling up from the bottom." Chinese officials allowed for local innovations in institutions and watched to see the results of these experiments so they could decide whether the ideas were worth spreading to other regions. One bottom-up idea involved acquiring capital for small rural industries. China opened the way for the formation of village enterprises, but because the state-owned banks would not lend to these enterprises, it was difficult for them to come up with start-up capital. Building big factories was out of the question. Instead, villages in Zhejiang province divided up production processes into small units and formed a production chain, with each household responsible for one narrow stage of production. "This system reduces the entry requirements for participation in the enterprise," Zhang says. "Everybody can participate."

### **Industrialization, Agrarian Reform, and Redistribution**

Malaysia's approach to poverty reduction focused heavily on industrialization. In 1970, 49 percent of the population was living in poverty. The year before, Malaysia had been hit by rioting that arose from the sharp class and racial divisions that existed between the country's poorer ethnic Malays and the more prosperous ethnic Chinese and Indian populations. The government responded by adopting the New Economic Policy, based on a strategy of growth with equity. (Just Faaland, a former IFPRI director general from Norway, played an important role in helping to conceptualize the policy change.) The policy promoted foreign investment and rapid industrialization, including movement of rural people into relatively well-paying factory jobs in urban areas, explains Jeffrey Henderson, a professor of international economic sociology at the University of Manchester, who has studied economic governance and poverty reduction in Malaysia.

To ensure that the Malays would benefit from this growth, Malaysia set up an affirmative action system, with quotas reserved for ethnic Malays in companies and educational institutions. The government also set up holding companies in which Malays were given shares, so that they could benefit from the rise in the value of these companies (such as PETRONAS, Malaysia's oil and gas company).

Through this distribution of company shares, "Malaysia essentially mobilized the state's resources and assets to help with the redistribution of income," says Henderson, unlike most countries, which raise taxes and then distribute revenues to poorer segments of society through transfers. By 2000, less than 6 percent of Malaysians lived in poverty.

Henderson argues that whereas Malaysia's policy of industrialization helped reduce poverty, its redistribution policies helped create a Malay middle class without which the country would have been ripped apart in ethnic strife. "Governments are central to this process [of pro-poor growth]," he says. "They need to implement interventions that will stimulate investment."

According to Fatimah Mohamed Arshad, director of the Institute of Agricultural and Food Policy Studies at the Universiti Putra Malaysia, integration with the world economy also had some benefits for rural areas by creating employment opportunities. But the government also made other efforts to reduce rural poverty by adopting agrarian reforms, including a program to provide land to farmers to produce palm oil, efforts to help farmers form cooperatives and enhance their marketing, and subsidies for rice growers. "Market interventions such as farm and retail price controls, a government import monopoly, direct cash subsidies, and fertilizer subsidies imposed high costs on the government and industry," says Arshad, "but they brought down the incidence of poverty in this sector." Poverty among paddy farmers, for instance, fell from 88 percent in 1970 to 15 percent in 1999. In the 1990s, says Arshad, the government gradually began to liberalize the paddy sector.

### Macroeconomic Reform and Public Investment

Although poverty in Ghana remains high, the country has made substantial progress in reducing it. Ernest Aryeetey, director of Ghana's Institute of Statistical, Social, and Economic Research, explains that in the early 1980s, Ghana made significant macroeconomic reforms that led to its receiving high levels of international aid. This aid boosted the government's budget and, Aryeetey says, "Growth came from public investments in health, education, and infrastructure." Since 1985, Ghana has achieved a growth rate of 4.5 percent a year, or 2 percent per capita—not a blistering pace of growth, but a strong rate compared with those of other countries in Sub-Saharan Africa.

Kwadwo Asenso-Okyere, director of IFPRI's International Service for National Agricultural Research Division, says, "The better economic management and better business environment spearheaded by the rule of law have led to increased confidence among Ghanaians at home and in the diaspora, non-Ghanaians, and donors in governance. The result has been increased investments, remittances, and aid." He points out that good cocoa producer prices and an emphasis on farm productivity, through, for instance, investments in fertilizers and pest control, have expanded cocoa production and led to increased horticultural exports.

"The stable macroeconomic growth with improvements in agricultural incomes has contributed enormously to poverty reduction, although there still exists noticeable inequality in incomes among groups—North versus South, rural versus urban, and males versus females," he says.

Poverty is characterized not just by lack of income, but also by lack of access to the conditions necessary for physical well-being and social inclusion. Ghana has showed promising results in addressing these dimensions of poverty. The country reduced the share of the population that was undernourished from 61 percent in 1979–81 to 13 percent in 2000–02. IFPRI postdoctoral fellow Doris Wiesmann



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has developed a global hunger index that captures three dimensions of hunger—insufficient availability of food, child malnutrition, and child mortality—and provides a fuller picture of food security in a country. Ghana's high hunger index score dropped from 36 in 1981 to 27 in 1992 and then fell to just under 15 in 2003. In other words, Ghana nearly halved its score in 11 years and dramatically reduced the number of people in the country suffering from hunger and its effects. Wiesmann attributes Ghana's success not only to government investment in education and health, but also to the rise of food production there, especially food staples.

Aryeetey points out that Ghana has a well-balanced parliament, an independent judiciary, a vibrant press, efficient election machinery, and a growing and knowledgeable civil society. These factors have helped give poor people a voice and have the potential to do so much more in the future, although social and political participation by women and disabled people is still less than it should be.

### The Need for Good Governance

Ghana's experience points to a fundamental ingredient in pro-poor growth—sound governance. "Governance can be defined as the exercise of economic, political, and administrative authority to manage a country's affairs at all levels," says IFPRI senior research fellow Regina Birner. "But different development organizations have created a wide range of other definitions of 'good governance.'"

One widely used set of governance measures compiled by the World Bank Institute takes into account the following dimensions of

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good governance: voice and accountability; political stability and absence of violence; government effectiveness; regulatory quality; rule of law; control of corruption. According to Birner, evidence shows that each of these dimensions is important for poverty reduction, and the poorest and most food-insecure people tend to live in the countries with poor governance indicators.

Countries that have succeeded in reducing poverty have by no means achieved perfect governance, but John Hoddinott, an IFPRI senior research fellow, argues that a basic level of sound governance has been crucial. "Intelligent governance and basic property rights provide a degree of certainty that allows people to make investments," he says.

Likewise, the administrative competence of Chinese officials greatly increased the effectiveness of that country's broad-based growth policies. "Ideas were bubbling up in the provinces, and they spread to other areas through the intervention of the central government," says Ravallion. "China is good at administration. When they perceive something as a success, they are good at scaling it up."

Chile also benefited in recent years from well-functioning institutions of governance. "In international rankings of corruption, Chile does very well," says Valdes. "The judicial system may be slow, but it works. The police are honest. This creates more continuity and transparency and is conducive to implementing a cohesive strategy."

Malaysia is not free from corruption, Henderson acknowledges; some groups benefit unfairly from the distribution of shares in government industries, for instance. But corruption does not extend to the point that the state preys on its population, as occurs in some countries. "Corruption in Malaysia has not dislodged the development project," he says.

### A Multiplicity of Models

Although a number of countries have greatly reduced poverty, none have yet eradicated it completely. Ghana's growth based on government investment is not sustainable, says Aryeetey. More private-sector and foreign investment is now starting to spring up, but much more is needed in order to create jobs for poor Ghanaians. Ghana also needs agricultural growth and rural development to raise living standards in rural areas, which have been largely left behind by recent growth. China is facing rising inequality between its regions and ethnic groups, which is making growth less effective as an anti-poverty tool. It needs to more effectively target programs toward people who have not benefited from growth so far. In Malaysia, there is still income disparity between rural and urban areas and persistent inequality, despite the drop in poverty. And Chile needs to reduce poverty still further and improve the results it gets for its massive investments in public education and health.

The experiences of these countries thus highlight the difficulty of reaching the entrenched poor and suggest that the poor who are easiest to reach have been reached. It is also the case that the world has changed over the past several decades and that reaching the ultra poor in this more globalized and competitive world may require still other approaches.

Moreover, these examples show that there is no one correct route to pro-poor growth for all countries. Other countries have their own lessons to teach about poverty reduction; India, Vietnam, Brazil, Mexico, and others have made significant progress following somewhat different strategies. "There is so much evidence that there's not one way forward," says Henderson. "There are a multiplicity of development models out there that can be successful."

Zhang agrees: "It's impossible for an outsider to prescribe steps that will work for all countries. It depends on context."

The need for more progress shows that it is not possible to set pro-poor growth policies in motion and then sit back and relax, says Valdes. "You need to constantly reassess growth and poverty programs. You cannot design them perfectly the first time—you will need to change." ■

—Reported by Heidi Fritschel

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