



The State of the Poor: Where are the Poor and where are they Poorest?¹

Extreme poverty in the world has decreased considerably in the past three decades (figure 1). In 1981, more than half of citizens in the developing world lived on less than \$1.25 a day. This rate has dropped dramatically to 21 percent in 2010. Moreover, despite a 59 percent increase in the developing world’s population, there were significantly fewer people living on less than \$1.25 a day in 2010 (1.2 billion) than there were three decades ago (1.9 billion). But 1.2 billion people living in extreme poverty is still a extremely high figure, so the task ahead of us remains herculean.

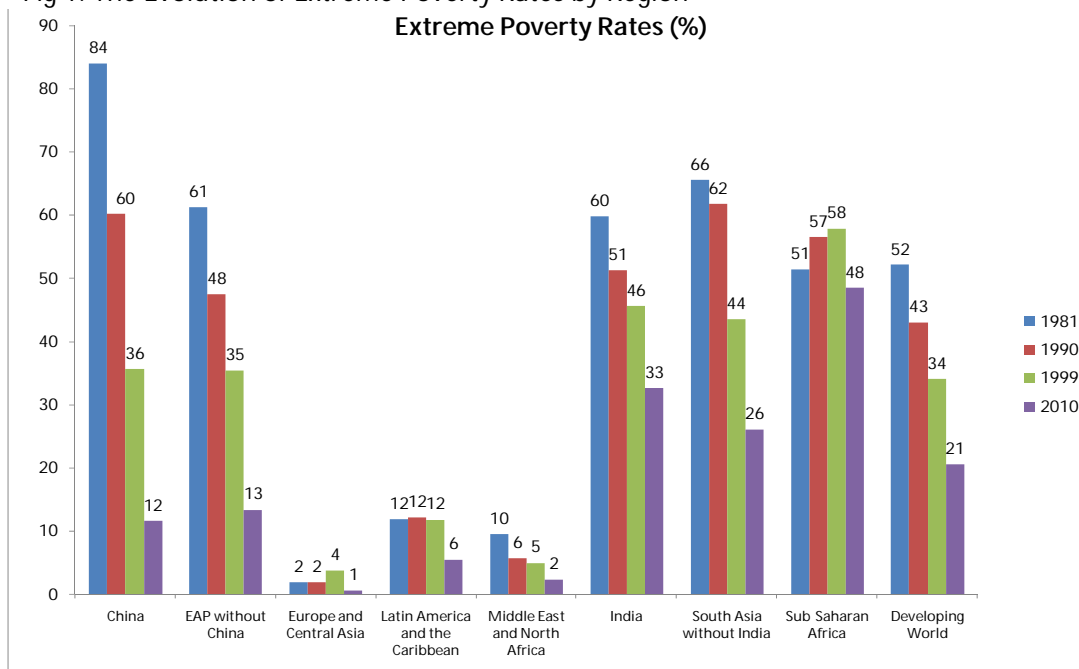
To accelerate poverty reduction and end extreme poverty by 2030, we need to know who are the poor, where do they live, and where poverty is deepest.

How have the different regions of the developing world performed in terms of extreme poverty reduction?

Extreme poverty headcount rates have fallen in every developing region in the world, steadily increasing from 51 percent in 1981 to 21 percent in 2010. In SSA, extreme poverty rate fell 10 percentage points

in SSA between 1999 and 2010 and is now at 48 percent—an impressive decline of 17 percent in one decade. In LAC, after remaining stable at approximately 12 percent for the last two decades of the 20th century, extreme poverty was cut in half between 1999 and 2010 and is now at 6 percent.

Fig 1: The Evolution of Extreme Poverty Rates by Region
Extreme Poverty Rates (%)



Source: World Bank staff estimates.

¹ Draft. Prepared by Pedro Olinto and Hiroki Uematsu, Poverty Reduction and Equity Department

However, despite its falling poverty rates, Sub Saharan Africa is the only region in

Figure 3. Regional shares of the world's extreme poor population

Source: World Bank staff estimates.

How poor are the extremely poor? Have they become poorer in the last three decades?

Figure 4 plots the average daily per capita income of the extremely poor in the developing world as a whole, in the Sub Saharan Africa region, and in the developing world excluding

Where is extreme poverty deepest and therefore hardest to end?

Accelerating extreme poverty reduction is a huge challenge in both sub Saharan Africa and South Asia, given that there are approximately 400 million and 500 million extreme poor people in these regions respectively. The depth of extreme