



Ending Extreme Poverty: a Focus on Children

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The world is facing an ambitious target: to end extreme poverty by 2030. This vision is central to the work of the World Bank Group and UNICEF, and the entire international community. Now urgent action is needed to achieve it.

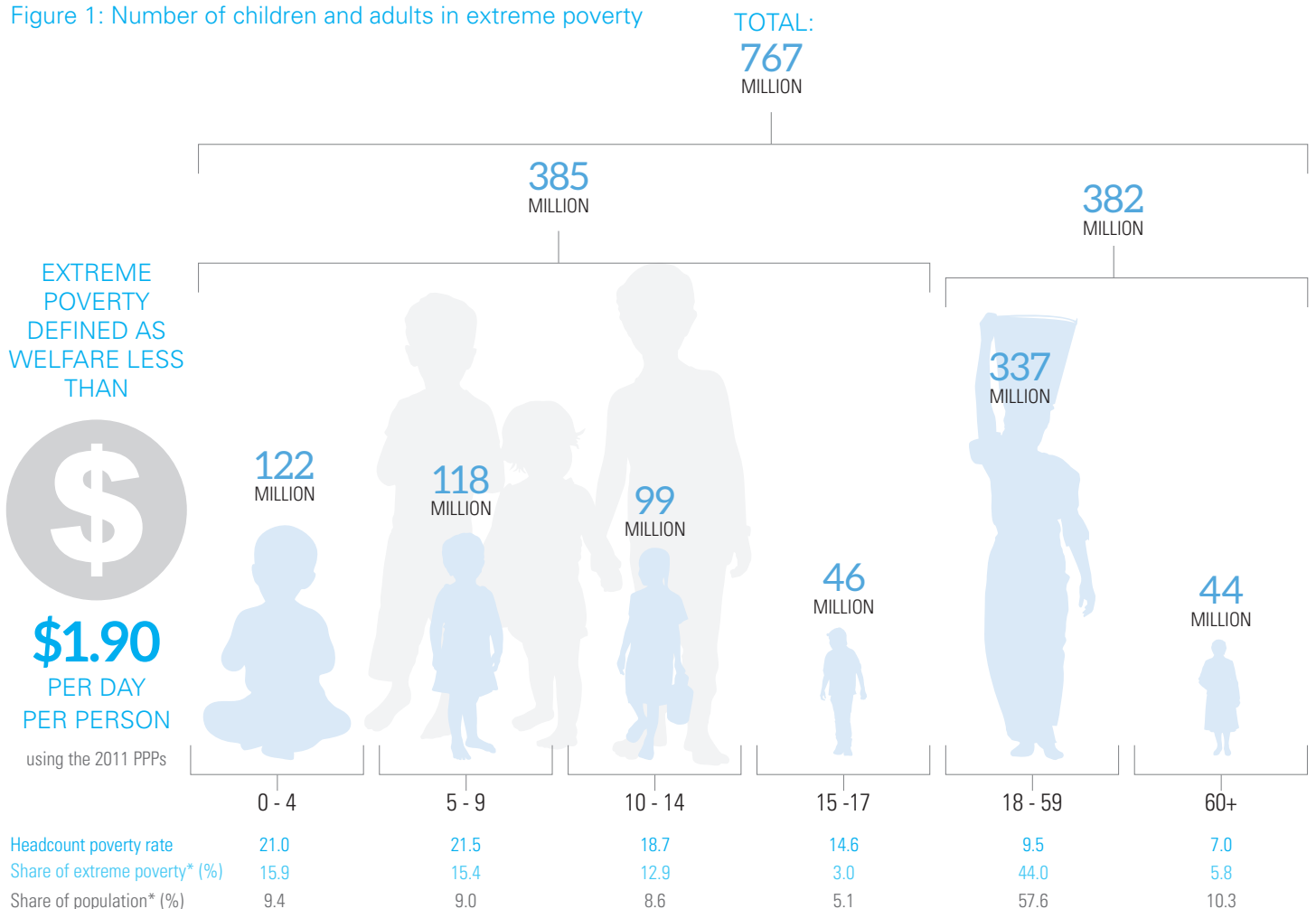
Data will play a crucial role. The World Bank Group has just released its first annual report that focuses specifically on global progress to [end extreme poverty and boost shared prosperity](#). It found that progress has been impressive, with nearly 1.1 billion people escaping extreme poverty since 1990. However, far too many people still live on far too little - some 767 million people were living in extreme poverty, on less than \$1.90 per day, in 2013.

To change this, we need more and better information about who is affected, and deliberate policy action. Without accurate statistics and careful analysis, we cannot gauge the extent of the problem, know how or where to accelerate efforts, or measure the success of efforts to end extreme poverty.

Children growing up in extreme poverty require special attention. They are profoundly affected by poverty in different ways than adults and are almost certain to miss out on a good start in life. The consequences of inadequate nutrition, a lack of early stimulation and learning, and exposure to stress last a lifetime. They lead to stunted development, low levels of skills needed for life and work, limited future productivity as adults, and transmission of poverty down the generations. Beyond this tragic impact on human life and potential, neglecting children fails to build the human capital needed for sustained economic prosperity in today's world.

Understanding the problem better is a vital step towards tackling it successfully. Accordingly, researchers from the World Bank Group and UNICEF have joined forces to undertake a first-of-its kind study of how many children are living in extremely poor households and where exactly they are located. Alongside indicators on access to education, health and sanitation, this information will be useful for governments and all partners working to improve the lives of some of the poorest children and families on the planet.

Figure 1: Number of children and adults in extreme poverty



Source: GMD, UNDESA, WDI, PovcalNet
Notes: * Reflecting the sample of 89 countries

How many children are living in extreme poverty?

The findings are stark: Children are most affected by extreme poverty – and by a huge margin. Our best estimate, based on data from 89 countries representing just over 84 per cent of the developing world’s population, is that almost 385 million children were living in extremely poor households in 2013. Perhaps most strikingly, children are more than twice as likely to be living in households in extreme poverty - with 19.5 per cent of children in developing countries estimated to live on less than \$1.90 a day, compared to 9.2 per cent of adults. This cannot be explained by a large youth population. In fact, children are disproportionately affected, as they make up around a third of the sample population, but half of the extreme poor. The youngest children are the worst off – over 20 per cent of all children below 5 in the developing world live in extremely poor households, compared with nearly 15 per cent of 15-17 year olds.

Where in the world?

Children living in extremely poor households are concentrated in certain parts of the developing world. Sub-Saharan Africa has both the highest rates of children living in extreme poverty at just under 49 per cent, and the largest share of the world’s extremely poor children, at just over 51 per cent. Since countries without data are not included in the analysis, the real share could be even higher. South Asia has the second highest share at nearly 36 per cent. Over 30 per cent of children living in extreme poverty live in India alone.

Figure 2:

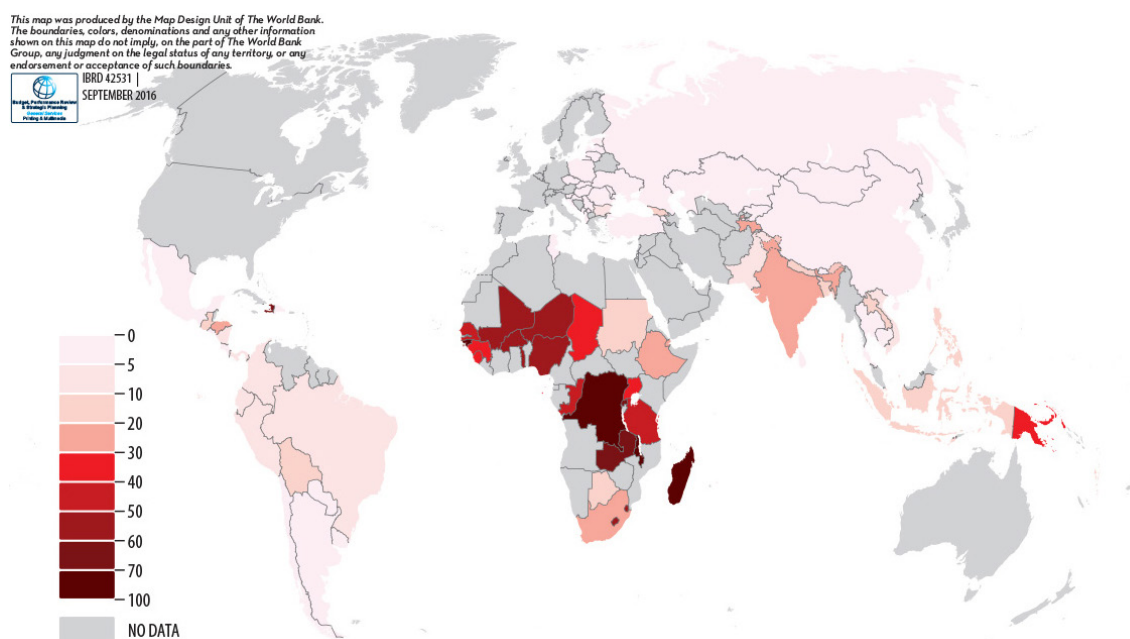


Figure 3: Extreme child poverty by country region (India and China shown separately)

	Children headcount poverty rate	Adults headcount poverty rate (%)	Share of extremely poor children * (%)	Share of children population * (%)
East Asia Pacific	5.6	2.9	7.8	27.2
<i>of which China</i>	2.0	1.8	1.8	16.7
South Asia	19.5	12.6	35.7	35.7
<i>of which India</i>	22.1	14.3	30.3	26.8
Sub-Saharan Africa	48.7	37.7	51.7	20.7
Latin America and Caribbean	8.1	4.0	4.4	10.5
Europe and Central Asia	1.4	0.6	0.4	5.6
Total	19.5	9.2	100.0	100.0

Source: GMD, UNDESA, WDI, PovcalNet

Note: * Reflecting the sample of countries in GMD.

Results for Middle East and North Africa are not reportable due to low representation of country level data in that region


Where in the world? (Continued)

Where a child lives within their home country also plays a role. Eight out of ten of all children in extremely poor households live in rural, rather than urban, areas. Over a quarter of children living in rural areas live in extremely poor households, compared to just over nine per cent of children in urban areas.



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Figure 4: Extreme child poverty by area (urban or rural)



	Children headcount poverty rate	Share of extremely poor children (%)*	Share of child population (%)*
Urban	9.3	18.6	38.9
Rural	26.0	81.4	61.1
Total	19.5	100.0	100.0

Source: GMD, UNDESA, WDI, PovcalNet

Notes: * Reflecting the sample of countries in GMD. The total number of poor in the table is lower than the reported in other tables since the surveys of Mauritius, and Slovenia do not have an urban/rural variable, and West Bank and Gaza's survey has incomplete information (the number of poor children without urban information adds 8,624).

The political stability of a country matters. Children are most at risk of living in extreme poverty in countries that have experienced conflict and where the livelihoods of citizens are threatened by a range of factors including inadequate national economic management, a lack of policies to combat inequity and a weak civil society. Nearly 58 per cent of children who live in such countries affected by conflict and fragility live in extremely poor households.



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Figure 5: Extreme Child Poverty in Countries Affected by Fragility

	Number of countries	Extreme poor children (millions)	Children headcount poverty rate (%)	Adults headcount poverty rate (%)	Share of extremely poor children* (%)	Share of child population* (%)
Not fragile situations	78.0	272.1	17.1	8.1	82.8	94.2
Fragile situations	11.0	56.5	57.7	46.7	17.2	5.8
Total	89.0	328.7	19.5	9.2	100.0	100.0

Source: GMD, UNDESA, WDI, PovcalNet

Notes: * Reflecting the sample of countries in GMD. Coverage in GMD represents under half of all children living in fragile situations (98 of 217 million) and these estimates should be interpreted accordingly. Fragile situations included are: Chad, Dem. Rep. Congo, Guinea-Bissau, Haiti, Kosovo, Madagascar, Mali, Sierra Leone, Sudan, Togo, West Bank and Gaza. Fragile states without information are: Afghanistan, Bosnia and Herzegovina, Burundi, Central African Republic, Comoros, Cote d'Ivoire, Eritrea, The Gambia, Iraq, Kiribati, Lebanon, Liberia, Libya, Marshall Islands, Fed. Sts. Micronesia, Myanmar, Solomon Islands, Somalia, South Sudan, Syrian Arab Republic, Timor-Leste, Tuvalu, Yemen, Rep., Zimbabwe.

Children always worst affected

It is not only extreme poverty that disproportionately affects children, but poverty more widely. The World Bank Group also looks at higher poverty lines - such as those living under \$3.10 a day, which includes people living in moderate and extreme poverty. When all those living on less than \$3.10 are examined, children remain far worse off. About 45 per cent of children are living in households subsisting on less than \$3.10 a day per person, compared with nearly 27 per cent of adults. Indeed, the analysis shows that across all possible poverty lines, children are the worst affected.



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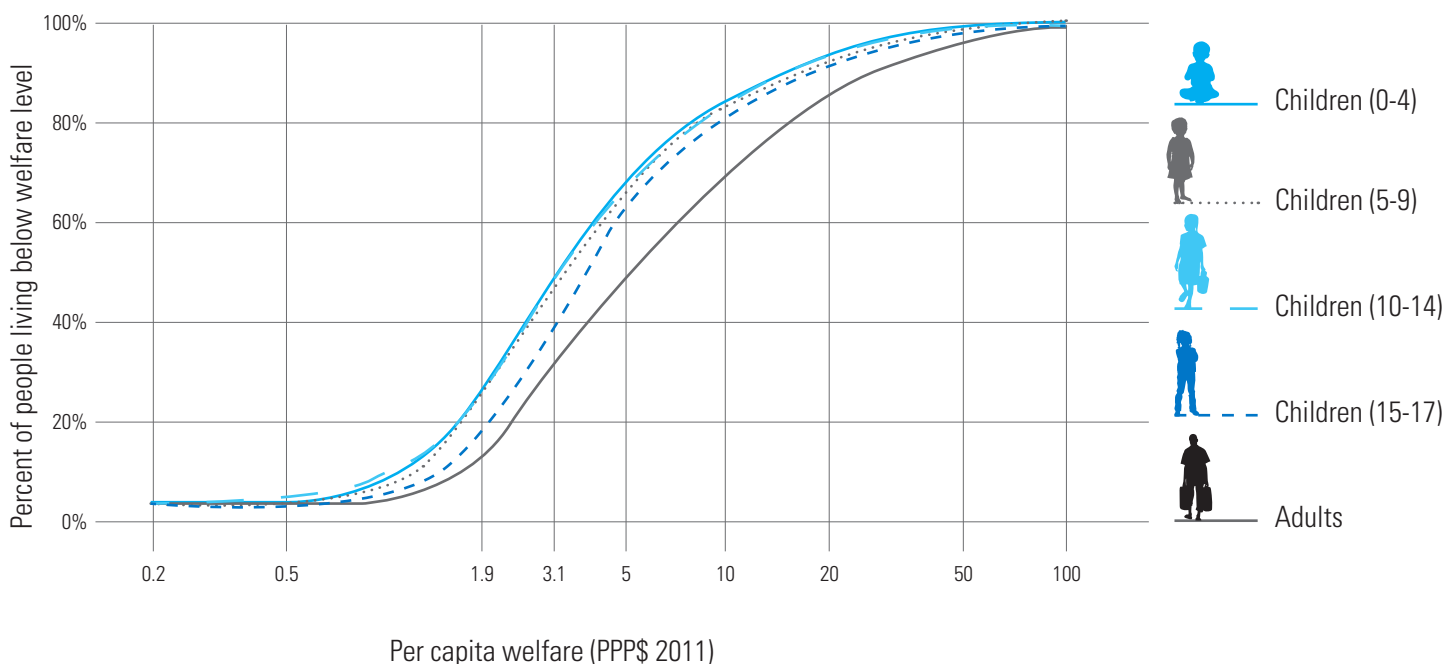
Figure 6: Moving to \$3.10 per capita

	Extreme and moderate headcount poverty rate (%)	Share of moderate and extreme poor (%)	Share of population (%)
Children 0-17	44.5	9.3	18.6
Adults 18 and above	26.6	26.0	81.4
Total	32.3	19.5	100.0

Source: GMD, UNDESA, WDI, PovcalNet

Notes: * Reflecting the sample of countries in GMD The total number of poor in the table is lower than the reported in other tables since the surveys of Mauritius, and Slovenia do not have an urban/rural variable, and West Bank and Gaza's survey has incomplete information (the number of poor children without urban information adds 8,624).

Figure 7: Cumulative Distribution Function of Welfare



Source: GMD, UNDESA, WDI, PovcalNet

Note: Per capita welfare lower than PPP\$0.2 or higher than PPP\$100 have been excluded from the graph for presentation. Bangladesh, Cambodia, Jordan and Lao PDR have been excluded from graph since there is no information of PPP for 2011 for these countries.

Source data and testing assumptions

The World Bank Group and UNICEF produced these figures by examining available data in 89 countries around the world, using a World Bank Group repository of nationally-representative surveys called the Global Micro Database. In line with the World Bank Group benchmark, extreme poverty is defined by whether a child lives in a household living on \$1.90 a day or less per person. A child is defined as anyone under the age of 18.

Researchers tested their findings using a number of key variables. The World Bank Group's benchmarks for extreme poverty and moderate poverty take into account the number of people in each household when calculating each household's consumption or income. However, they do not, as other measurements do, make allowances for the age of household members, and thus the idea, for example, that an infant would need less food than a working adult. They also do not consider economies of scale – the concept that families with more members may be able to buy in bulk, thus reducing their overall costs. The World Bank Group and UNICEF researchers conducted a comprehensive range of tests to check if changing these assumptions would affect their results. They tested their findings against realistic big and small economies of scale, as well as a range of realistic ratios comparing children's consumption to adults'. In all cases, children still emerged with higher poverty rates across developing countries.

Action

This new data is an important part of global efforts to end extreme poverty by 2030. It exposes a troubling reality: almost 385 million children live in extremely poor households and are thus more at risk of having inadequate education, healthcare and nutrition, as well as being exploited and abused.

Addressing these multidimensional aspects of child poverty is crucial. In the face of a global economic slowdown, ending extreme child poverty by 2030 will not be easy. However, we know change is possible.

Around the world, UNICEF and the World Bank Group are already working with governments and other partners to address child poverty and to promote a range of cross-sectoral investments in the early years of life. They are supporting programmes that take monetary and non-monetary approaches - ranging from cash transfers, to broader work to help children move out of poverty, such as nutrition, health and education programmes. They are also working to help governments and other partners to reform entire healthcare, education and social systems – with the aim of benefiting society as a whole, as well as protecting children's futures.

UNICEF and the World Bank Group are calling on governments to:

- Ensure that child poverty is routinely measured and addressed at the national level as countries work towards both ending extreme poverty by 2030 and improving the well-being of their poorest citizens.
- Make deliberate policy decisions that will ensure a country's economic growth benefits all of its citizens, including making sure children are fully considered in poverty reduction plans.
- Strengthen child sensitive social protection systems, including cash transfer programs that give direct payments to families to help lift children out of poverty and protect them from its impacts.
- Prioritise investments in education, health, nutrition, clean water, sanitation and infrastructure that benefit the poorest children and that prevent people falling back into poverty after setbacks like droughts, disease or economic instability.



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Notes on Data

The analysis is based on a dataset of 89 countries taken from the Global Micro Database, a new database that adds harmonized household characteristics to the same surveys and welfare aggregates that are used to calculate official World Bank Group poverty estimates.

Further reading and references:

Poverty and Shared Prosperity 2016: Taking on Inequality. World Bank Group, 2016. Washington, DC: World Bank.

Castañeda, Andres, Dung Doan, David Newhouse, Minh C. Nguyen, Hiroki Uematsu, João Pedro Azevedo, and Data for Goals Group. 2016. "Who Are the Poor in the Developing World?" Policy Research Working Paper 7844, World Bank, Washington DC.

Newhouse, David, Pablo Suarez-Becerra, Martin C. Evans, and Data for Goals Group. 2016. "New Estimates of Extreme Poverty for Children." Policy Research Working Paper 7845, World Bank, Washington, DC.

World Bank Group, Poverty Topic Site:
www.worldbank.org/poverty

About the World Bank Group

The World Bank Group is a vital source of financial and technical assistance to developing countries around the world as we work together to end extreme poverty by 2030 and boost shared prosperity in every country. We're the world's largest [external] funder of education, the largest external financier of the fight against HIV/AIDS, and the largest international financier of biodiversity projects, water supply and sanitation projects. Along with our 189 member countries, we're working to confront the most pressing development challenges around the world. For more information about the World Bank Group, visit www.worldbank.org. Follow us on [Twitter](#) and [Facebook](#)

About UNICEF

UNICEF promotes the rights and wellbeing of every child, in everything we do. Together with our partners, we work in 190 countries and territories to translate that commitment into practical action, focusing special effort on reaching the most vulnerable and excluded children, to the benefit of all children, everywhere. For more information about UNICEF and its work visit: www.unicef.org. Follow us on [Twitter](#) and [Facebook](#)



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MALAWI 2016

On 28 June 2016, Desire, 2, at home in Balaka district in Malawi. Desire has severe acute malnutrition, caused by a drought. The family's only field yielded a small harvest last year but is now dry and barren. Their daily meal is just a handful of dried peas called 'Nandolo' which translates as 'Pigeon Peas' in English.

COVER: GHANA 2015

Abdul Aziz (right), 13 years old and in Grade five, working in an informal gold processing facility in the Brong Ahafo region of Ghana where ore from illegal "galamsey" mines is processed. Child labour is common, both as a result of poverty and because of the lure of quick money.