



# Poverty in Numbers: The Changing State of Global Poverty from 2005 to 2015

Factsheet, February 2011

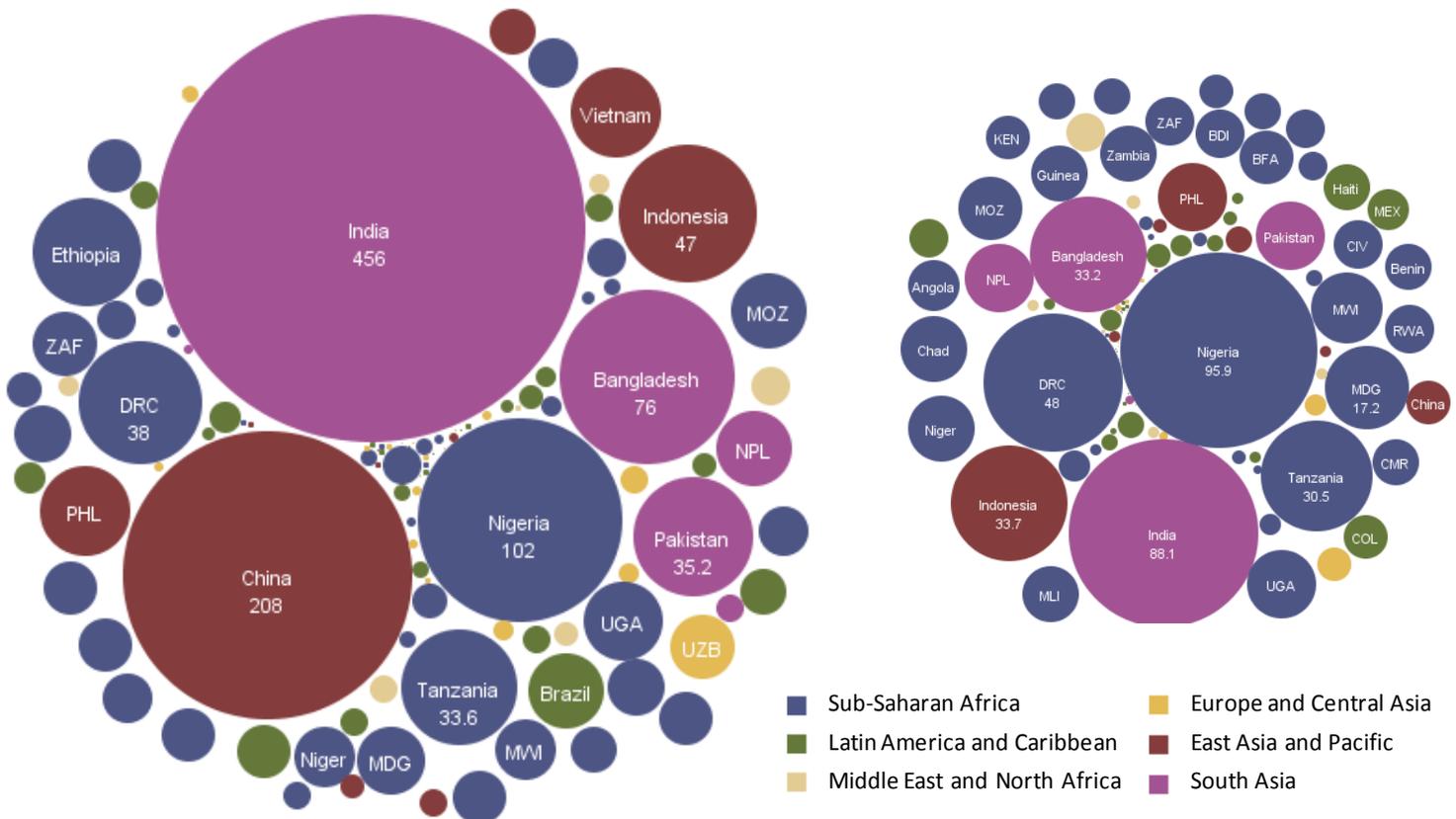
How many poor people are there in the world today? This seemingly simple question is surprisingly difficult to answer. We routinely hear that 1.37 billion people around the world live on less than \$1.25 a day, but this figure – from the latest official global count by the World Bank – is for the year 2005. In the six years since, developing economies have expanded by 50 percent in real terms, and a number of countries home to large poor populations – including China, India, Bangladesh, Tanzania, Ethiopia Vietnam, Uganda, Mozambique and Uzbekistan – are experiencing remarkable economic advances.

In new research for the Brookings Institution, Laurence Chandy and Geoffrey Gertz update the World Bank’s official \$1.25 a day poverty figures to reveal how the rise of emerging economies has led to a dramatic fall in global poverty. They estimate that between 2005 and 2010, the total number of poor people around the world fell by nearly **half a billion**, from over 1.3 billion in 2005 to under 900 million in 2010. Poverty reduction of this magnitude is **unparalleled in history**: never before have so many people been lifted out of poverty over such a brief period of time. And using forecasts of per capita consumption growth, they estimate that by 2015 fewer than **600 million** people will remain in poverty.

**The Changing Global Poverty Landscape**  
(millions of poor people)

{ 2005 }

{ 2015 }



Other findings include:

- The **first Millennium Development Goal target** – to halve the rate of global poverty by 2015 from its 1990 level - **has probably already been met**, approximately three years ago. By 2015, we will likely not only have halved the global poverty rate, but will have halved it again.
- Between 2005 and 2015, **Asia’s share of global poverty is expected to fall from two-thirds to one-third**, while **Africa’s share more than doubles from 28 to 60 percent**.
- Nevertheless, **Sub-Saharan Africa’s poverty rate has now fallen below 50 percent for the first time**. By 2015, its poverty rate is expected to fall below 40 percent—a feat China did not achieve until the mid-90s.
- Whereas only 20 percent of the world’s poor lived in **fragile states** in 2005, this share is rising sharply and **will exceed 50 percent** by 2014.

	Number of poor (millions)			Poverty rate (% population)		
	2005	2010	2015	2005	2010	2015
East Asia	304.5	140.4	53.4	16.8%	7.4%	2.7%
Europe and Central Asia	16.0	8.4	4.3	3.4%	1.8%	0.9%
Latin America and Caribbean	45.0	35.0	27.3	8.4%	6.2%	4.5%
Middle East and North Africa	9.4	6.7	5.4	3.8%	2.5%	1.9%
South Asia	583.4	317.9	145.2	40.2%	20.3%	8.7%
Sub-Saharan Africa	379.5	369.9	349.9	54.5%	46.9%	39.3%
World	1,337.8	878.2	585.5	25.7%	15.8%	9.9%

Based on these results, the authors draw the following implications for the world’s governments:

- **Aid donors must adapt** to the evolving poverty landscape and update their policies and aid allocations to reflect current needs and priorities. There are two particular areas on which aid agencies should be focusing their attention over the medium term: **Sub-Saharan Africa and fragile states**.
- Providing every person in the world with a minimum income of \$1.25/day—in other words **guaranteeing the right not to live in absolute poverty**—is rapidly becoming feasible. In 2010, the cost of such a global safety net would be just \$66 billion, or slightly more than half of all official aid.
- To ensure that poverty receives sufficient attention at global forums such as G20 meetings, **the World Bank should update global poverty estimates every year**.

While these findings likely come as a surprise to many, they shouldn’t. Growth lies at the heart of poverty reduction. As developing country growth took off in the new millennium, epitomized in the rise of emerging markets, a massive drop in poverty was surely to be expected.

With few exceptions, however, the international community has been slow to catch on. We hear far more about the 64 million people held back in poverty due to the Great Recession than we do about the hundreds of millions who escaped impoverishment over the last six years. While there is good reason to focus public attention on the critical and ongoing need to support those still stuck below the poverty line, there is also reason to celebrate successes and to ensure policy debates are grounded in reality.

To learn more, see Laurence Chandy and Geoffrey Gertz, *Poverty in Numbers: The Changing State of Global Poverty from 2005 to 2015*, Brookings Global Views Policy Brief #2011-01; and Laurence Chandy and Geoffrey Gertz, “Poverty’s Success Story,” *Washington Post*, January 26, 2011.

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