



Current Path

The Sustainable Development Goals and measuring extreme poverty

Jakkie Cilliers

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Many of the goals and targets of the SDGs refer to the relationships between economic growth, inequality (using different indices and measures) and decent employment. These three factors largely determine poverty rates.[1]

The SDG goals and targets have led to a global effort to develop the data and associated tools with which the international community can more accurately measure progress. Measuring poverty has received significant attention as it is closely related to the imbalances in people's opportunities in education, health, level of empowerment and access to technology.

Poverty does not look the same everywhere:

- It differs between and within countries. For example, in the eastern parts of the DR Congo poverty looks quite different from that experienced in Mali or South Africa.
- It differs according to location. Rural Uganda's poverty differs from that in the capital city of Kampala.
- It also differs according to demographics. Poverty is different between men and women, and poverty among adults differs from that experienced by children. For example, since women tend to be disproportionately responsible for household chores and caregiving, poverty restricts girls' time to stay in school. It also determines whether families can afford school fees, purchase supplies, or guarantee that their children can attend school when their help is needed at home, either to help generate income or to take care of household tasks.
- Different regions also use diverse measures to reflect poverty more accurately in their member states. For example, the European Union typically uses a relative poverty line set at 50% or 60% of the national median income.

As average income is quite a blunt instrument to view poverty, new approaches and definitions have been suggested. For example, the [Multidimensional Poverty Index \(MPI\)](#),[2] developed by the Oxford Poverty and Human Development Initiative and adopted by the United Nations Development Programme, is focused on tangible goods and services without which people might be defined as poor. The 2019 edition of the [Human Development Report](#) is entirely devoted to exploring the different dimensions of inequality and poverty and carries the subtitle 'Inequalities in human development in the 21st century'.

Using the US\$1.90 threshold, 34% of Africa's total population was considered extremely poor in 2019—a ratio that will decline to 28% by 2030 and to 18% by 2043. Owing to rapid population growth the absolute numbers only change modestly. By 2043, 406 million Africans will live in extreme poverty compared to 446 million in 2019. By contrast, in 2043, extreme poverty in the rest of the world will decline by more than half to 107 million people, down from 248 million in 2019.

Chart 15 presents extreme poverty in Africa from 2017, with a forecast to 2043. The user can toggle between absolute numbers and per cent of the population for different regions. With more than 442 million extremely poor people in 2019, sub-Saharan Africa is by far the region with the largest burden of extremely poor people globally.

Chart 15: Extreme poverty in Africa and the rest of the world using US\$1.90 threshold, 2019–2043



Source: IFS 7.84 initialising from UNPD WPP data estimate, WDI data and PovcalNet World Bank data

To compensate for extreme poverty in richer countries occurring at higher levels of income than in poor countries, the World Bank announced in 2017 that although the headline goal of eliminating extreme poverty would still be measured using US\$1.90 per person per day for low-income countries, three additional **poverty lines** would be used for lower-middle-income, upper-middle-income and high-income countries (US\$3.20, US\$5.50 and US\$22.70, respectively).

The **Bank** also moved away from the household measure in favour of an individual threshold owing to considerable evidence that poor women and children are living in non-poor households. So, while the main breadwinner in a household may technically not be classified as extremely poor, others in the same household may be living on much lower income levels.

In May 2022, the World Bank announced that the international **poverty line** would be updated from \$1.90 in 2011 prices to US\$2.15 in 2017 prices and explained that the real value of US\$2.15 in 2017 prices is the same as US\$1.90 in 2011 prices. This does not lead to a substantial change in global poverty although extreme poverty is reduced in sub-Saharan Africa and increased slightly in each of the other regions. The Bank has not yet announced the new poverty line for high-income countries, previously set at US\$22.70 in 2011 prices.

It will take some time for these new poverty lines to settle down in the associated analysis and the Bank intends to release the associated estimates in 2023. In the meanwhile, this site will continue to use the US\$1.90, US\$3.20, US\$6.20 and US\$22.70 poverty lines.

Endnotes

1. For example, see SDG Target 8.1, Target 8.5 and Target 10.1.
2. The MPI measures multiple deprivations in the same households in education, health and living standards across 10 indicators ranging from nutrition and child mortality to assets.

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About the authors

Dr Jakkie Cilliers is the ISS's founder and former executive director of the ISS. He currently serves as chair of the ISS Board of Trustees and head of the African Futures and Innovation (AFI) programme at the Pretoria office of the ISS. His 2017 best-seller *Fate of the Nation* addresses South Africa's futures from political, economic and social perspectives. His three most recent books, *Africa First! Igniting a Growth Revolution* (March 2020), *The Future of Africa: Challenges and Opportunities* (April 2021), and *Africa Tomorrow: Pathways to Prosperity* (June 2022) take a rigorous look at the continent as a whole.

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