

Poverty and Shared Prosperity Report

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In News: Recently, the World Bank released the biennial 'Poverty and Shared Prosperity Report 2020'.

Who Published ?

- Poverty and Shared Prosperity is a biennial report by the World bank.

Background

- The rate of reduction slowed to less than half a percentage point per year between 2015 and 2017, when 52 million people were lifted out of poverty between 2015 and 2017.
- Global poverty had declined at the rate of around 1 percentage point per year between 1990 and 2015.
- In two-and-a-half decades (1990-2015), the extreme poverty rate declined by 26 percentage points and it dropped to 10 per cent from nearly 36 per cent.
- During 2012-2017, the growth was inclusive and the incomes of the poorest 40 per cent of the population grew.

Highlights of Poverty and Shared Prosperity Report 2020

- The number could rise to as many as 150 million by 2021.
- Six months ago, 40-60 million people were estimated to become extremely poor in 2020.
- This is the first time in 20 years that global poverty rates will go up.
- If the pandemic would not have been there, the poverty rate was expected to drop to 7.9 per cent in 2020.
- This is nearly twice the number of 'new extreme poor'

estimated by the World Bank in April 2020.

- Most of the 'new extreme poor' will be in countries that already have high poverty rates.
- Several middle-income countries will see significant numbers of people slip below the extreme poverty line.
- About 82 per cent of the total will be in middle-income countries, according to the new World Bank estimates.

Poverty and Shared Prosperity Report and India

- India, along with Nigeria, is considered to have the largest number of the poor in the world.
- India tops the global list in terms of absolute number of poor, going by the last national survey of 2012-13.
- The country accounted for 139 million of the total 689 million people living in poverty in 2017.
- It is imperative that if the world has to meet its United Nations-mandated Sustainable Development Goal (SDG) I to eradicate poverty by 2030, India has to achieve this goal first.
- India joins the ranks of countries termed as 'conflict-affected' and 'fragile' in World Bank terminologies.

Lack Of Data

- Important structural changes in the Indian economy between 2011 and 2017 may not be captured by these imputation techniques.
- Thus, the range of poverty estimates could be even wider than those presented in this report.
- The limitations of the methods described add to concerns about the lack of access to survey data to measure standards of living in India.
- There is no alternative to timely, quality assured, and transparent data for the design and monitoring of anti poverty policies.