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Taking Action for the World's Poor and Hungry People

SYNOPSIS
OF AN INTERNATIONAL CONSULTATION

Joachim von Braun and Rajul Pandya-Lorch

The **International Food Policy Research Institute** (IFPRI) was established in 1975. IFPRI is one of 15 agricultural research centers that receives its funding from governments, private foundations, and international and regional organizations, most of which are members of the Consultative Group on International Agricultural Research.

"**A 2020 Vision for Food, Agriculture, and the Environment**" is an initiative of the International Food Policy Research Institute (IFPRI) to develop a shared vision and a consensus for action on how to meet future world food needs while reducing poverty and protecting the environment. Through the 2020 Vision Initiative, IFPRI is bringing together divergent schools of thought on these issues, generating research, and identifying recommendations.

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ABSTRACT

IFPRI initiated an international consultation in 2006 on needed actions for the world's poorest and hungry people. An international conference, "Taking Action for the World's Poor and Hungry People," held in Beijing in October of 2007, drew about 400 participants. The conference examined who the poorest and hungry people are and what new and different actions are required to improve their welfare. This synopsis summarizes the ongoing consultations with the intent to come closer to consensus for taking action.

Key Findings

- Of the 1 billion people living on less than US$1 day, 485 million are living on between 75 cents and US$1 a day, 323 million are living on between 50 and 75 cents a day, and 162 million, the ultra poor, are living on less than 50 cents a day.
- Three-quarters of the ultra poor live in Sub-Saharan Africa.
- Among the categories of poverty below US$1 a day, poverty among the ultra poor has been most entrenched. Since 1990, the rate of US$1-a-day poverty has fallen substantially more than the rate of ultra poverty. The poorest are being left behind.
- The composition of the poor is changing and exclusion, ethnicity, gender, and disabilities are playing growing roles and need different policy foci.
- Poverty remains rural and is strongly tied to changes in agriculture and the rural economies.
- The optimal policy mix between growth and social protection needs revisiting.

What to Do (Priority Areas of Action)

1. **Focus on inclusive growth** that includes the poorest and hungry from the beginning—in many countries, such growth will generally involve accelerated rural and agricultural growth.
2. **Improve access to assets and markets** to give millions of smallholder farmers access to value chains and to give many poor households access to nonfarm rural employment.
3. **Phase in social protection more quickly and comprehensively** and rebalance policies that encourage "pro-poor" growth with social protection policies.
4. **Accelerate investments in health and nutrition programs**, particularly for children and women.
5. **Include the excluded** by requiring governance reforms that empower the poor and the excluded, provide accountability, and offer incentives to service providers.

How to Do It (Areas for Political and Institutional Change)

1. **Core political issues**—Countries need to take charge of their own future; conflicts and instability need to be overcome; governance, accountability, and rights need to come to the forefront in poverty reduction policies; sound fiscal and tax policy is critical; and macroeconomic policy and an open trade regime remain key.
2. **Scale**—International and civil society organizations should provide technical and financial support to facilitate the appropriate scaling up and transfer of projects.
3. **Political process**—Attention should be directed to the political process to create broad-based support for action.
4. **Local action**—Building community organizations and political institutions for and with the poorest is an important part of strengthening local action.
5. **Capacity to implement**—Improving capacity to implement programs requires that skill levels and organizational arrangements get more attention.

1

INTRODUCTION

Millions of people have exited out of poverty in the past several decades.Much of the poverty reduction that has already occurred has largely benefited people living close to the poverty line rather than those at the very bottom of the income distribution. Moreover, much of the decline in poverty is accounted for by China and a few other countries, mostly in Asia, whereas poverty in Sub-Saharan Africa remains entrenched. About 1 billion people still live on less than US$1 a day and 800 million people suffer from hunger and malnutrition. Although the first Millennium Development Goal (MDG)—to halve the proportion of people living on less than a dollar a day and suffering from hunger between 1990 and 2015—may be met at the global level, an estimated 700 million people will remain extremely poor in 2015, and about 600 million people will go hungry, unless new actions are taken.

To examine what new and different action is required to improve the welfare of the poorest and hungry people, the 2020 Vision Initiative of the International Food Policy Research Institute (IFPRI) facilitated a consultation process[1] that included an international conference called "Taking Action for the World's Poor and Hungry People," held October 17–19, 2007, in Beijing. The conference was co-organized with the State Council Leading Group Office of Poverty Alleviation and Development of China and cohosted with International Poverty Reduction Center in China (IPRCC) and the Chinese Academy of Agricultural Sciences (CAAS). The consultation process also included a policy forum focused on agricultural and rural development in Asia with the Asian Development Bank in August 2007 in Manila, as well as seminars in Washington, DC, and elsewhere. A distinguished international advisory committee (see Annex 1 for membership) provided valuable guidance.

The Beijing conference drew more than 400 participants, including high-level policymakers, leading researchers, and practitioners from NGOs, international agencies, and the private sector from about 40 countries. Discussions focused on several critical questions: Who are the poorest of the poor

[1] This ongoing consultation process is being cosponsored by a consortium of governments, regional development banks, bilateral development agencies, foundations, and nongovernmental organizations including the Asian Development Bank, the Bill and Melinda Gates Foundation, the Canadian International Development Agency, Deutsche Welthungerhilfe (German Agro-Action), the European Commission, the German Federal Ministry for Economic Co-operation with Deutsche Gesellschaft für Technische Zusammenarbeit, the International Development Research Centre, and Irish Aid. This document does not imply endorsement by the consultation cosponsors. We also gratefully acknowledge unrestricted support for IFPRI from Australia, Finland, France, India, Italy, Japan, the Netherlands, Norway, the Philippines, Sweden, Switzerland, the United Kingdom, the United States, and the World Bank that enabled IFPRI to establish the research base needed for the consultations reported here.

and those most afflicted by hunger? What are the key pathways out of extreme poverty and hunger? Which strategies, policies, and interventions have been successful in eradicating extreme poverty and hunger so far? Policy actions in three major developing regions—Africa, Asia, and Latin America—were examined, as were the changing role of and partnerships between different actors and institutions.

Even with the recent focus on reducing poverty through the first MDG, relatively little is known about people living with the greatest deprivation. The conference was designed to draw attention to the plight of the poorest people—those left behind by the first MDG—and to point the way toward solutions to extreme poverty and hunger (see Box 1). By bringing together the latest research and best available knowledge on this topic, the conference sought to inform the policy process and highlight areas for further research. It should help answer the question, What are the next steps in the fight against extreme poverty?

This synopsis presents the main findings and highlights of the discussions at the conference. The complete virtual proceedings, including background documents of the conference, are available at www.ifpri.org/2020chinaconference. Our hope is that the conference and the associated consultation activities and publications will contribute to an improved understanding of and consensus on what it will take to cut extreme poverty and hunger.

BOX 1. What's New about This Conference?

The conference "Taking Action for the World's Poor and Hungry People" highlighted several aspects of extreme poverty and hunger that have generally received little attention. To begin with, conference presentations looked below the US$1-a-day poverty line to distinguish levels of extreme poverty and to provide an accounting of the people who live in conditions of the most severe deprivation. The conference also drew attention to the social exclusion of minorities and other marginalized people, including the disabled. Given that poor people often face serious threats to their livelihoods, it considered the role of the government in providing social protection and safety nets. Practical considerations of how best to implement effective interventions for the poorest were also the subject of discussion and exchange of ideas, as representatives of various countries and programs shared their own experiences of success in alleviating poverty and hunger and passed on lessons they had learned.

2

UNDERSTANDING POVERTY AND HUNGER

Evidence suggests that anti-poverty policies and programs often do not reach the world's very poorest. Of the 1 billion people living on less than US$1 day, 485 million were living on between 75 cents and US$1 a day (the subjacent poor), 323 million were living on between 50 and 75 cents a day (the medial poor), and 162 million were living on less than 50 cents a day (the ultra poor). Poverty among the ultra poor has been most entrenched. Since 1990, the rates of subjacent and medial poverty have fallen substantially more than the rate of ultra poverty.

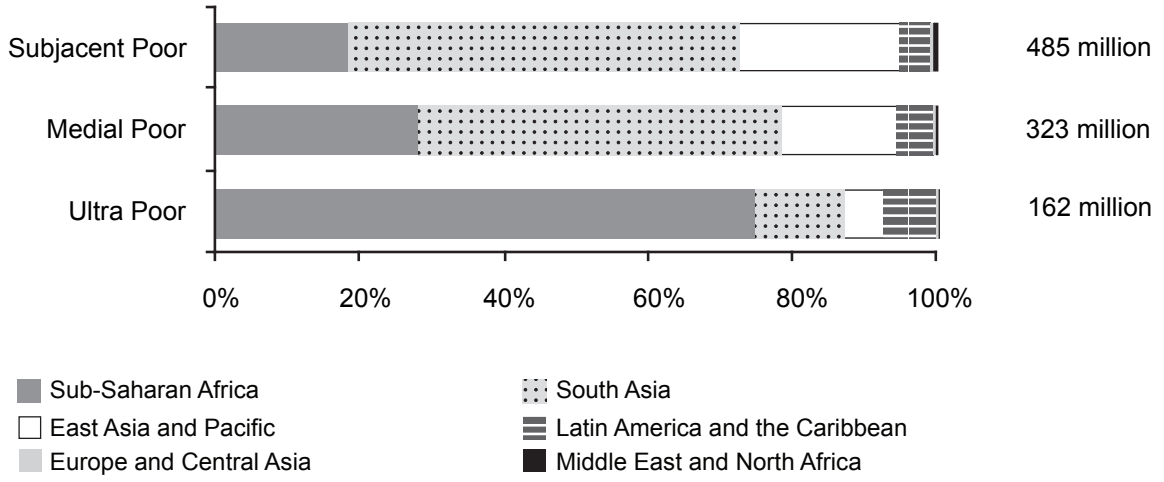
The poorest people tend to live in remote rural areas, have little education and assets, and belong to socially excluded groups.

Why is poverty so persistent in some places and among some people? People, villages, and even countries can get caught in poverty traps arising from multiple causes, such as high poverty, high fertility, and degradation of the natural resource base, that can reinforce one another and lead to a downward spiral in living standards. Poverty traps can also stem from a limitation in any one of several complementary factors that contribute to people's well-being—for instance, if schools are provided but children turn up hungry, they will learn little.

Reaching the poorest of the poor calls for a better understanding of who the poor are. Poverty and hunger have many dimensions and can thus be measured in different ways, with implications for how to address it (see Box 2). The poorest people tend to live in remote rural areas, have little education and assets, and belong to socially excluded groups. Because severe poverty and hunger can have persistent effects, poverty inherited at birth, or resulting from unexpected events such as illness, can persist for years. The severity of poverty and hunger varies across regions of the world. For example, most of the subjacent and medial poor live in South Asia, whereas three-quarters of all ultra poor live in Sub-Saharan Africa (see Figure 1).

Those in poverty are not, however, a static group. Although there are no global data on movements in and out of poverty, some studies show that people are constantly moving in and out, even when the overall number of poor may not change much. Some people are chronically poor, whereas others are newly poor, and still others are newly escaped from poverty. These different groups have different histories and different needs. Often the focus of development interventions is on pulling people out of poverty, but not on preventing them from falling into poverty in the first place. It is important for policy to factor in the dynamics of escape and descent. There are many reasons for people's descent into poverty, but health crises are a major cause. Better health care policies

FIGURE 1 Where the Poor Live in the Developing World, 2004



BOX 2. Improving the Measurement of Extreme Poverty and Hunger

Measures of well-being must be tractable, easy to communicate, easy to collect, and widely available. Many measures still rely heavily on income-based poverty and aggregate data, and although researchers have recently made great advances in measuring income-based poverty and often correlate it with other measures of well-being, problems with this approach remain. For example, identifying the conditions in which a child is growing up requires measuring many dimensions of deprivation (such as housing conditions and water), not just income poverty. So researchers are now moving ahead with more multidimensional measures.

One way to make a multidimensional assessment of a household's poverty level is to measure poverty in many dimensions for that household and then to determine the number of dimensions in which the household must be poor to be considered poor overall. But doing so requires data on many dimensions of poverty for each household, and this information is often collected in different surveys. It is thus crucial to get better at linking different surveys with different measures of well-being. Aggregating different dimensions of poverty can be useful as a starting point for disaggregated analysis, but it can be difficult to weight the different dimensions correctly when aggregating them. Moreover, policy instruments relate to different measures.

Still, a multidimensional understanding of deprivation at the household level is not enough. Poverty has different risk factors for people of different ages, and poverty experienced in early childhood poses a particular risk. Not all children living in poor households live in poor conditions, and conversely, not all children living in nonpoor households live in good conditions.

It is possible to combine different measures of a child's malnutrition to get a better measure of whether that child is malnourished. By counting a child as malnourished if he or she is underweight, stunted, or wasted, researchers can better identify the children at risk of morbidity from malnutrition-related diseases.

Progress in understanding and measuring poverty scientifically is essential for improving the effectiveness of poverty reduction efforts. At the same time, it is important to bear in mind that there is no substitute for the experience of poor people and local-level information.

could thus help prevent people from falling into poverty.

Poverty is especially high among many minorities and marginalized people, and it is unlikely that poverty can be drastically reduced without attention to the needs of such groups. Discrimination against groups based on identities of race, region, ethnicity, gender, and religion leads to reduced well-being, inefficiency (given that many people are not permitted to fulfill their potential), poverty, and conflict. It denies entire groups opportunities to participate in markets and nonmarket exchanges. For individuals and households, it reduces asset ownership and employment, leading to low incomes and lack of economic and political participation.

Economic growth is central to reducing poverty, but growth alone is not enough to guarantee that all poor people benefit.

Much more needs to be learned, however, about the forms and consequences of excluding social groups. One largely "invisible" group, for instance, consists of disabled people, 80 percent of whom live in developing countries. National data sets often do not show who is disabled or from a minority group, making it difficult to know what the poverty rates are in these groups. Obstacles to their participation in their environments take a heavy toll on these disabled people and their families and communities, who spend enormous time and resources caring for them. Disabled people also face discrimination and exclusion that limit their opportunities for full social, economic, and political participation.

Economic growth is central to reducing poverty, but growth alone is not enough to guarantee that all poor people benefit. Growth must take place in the sectors where poor people earn their livelihoods, and it must be accompanied by social policies and safety nets that allow poor people to take advantage of growth and protect them from excessive risk.

CONFERENCE PUBLICATIONS ON UNDERSTANDING POVERTY AND HUNGER

- ***The World's Most Deprived: Characteristics and Causes of Extreme Poverty and Hunger***, by Akhter U. Ahmed, Ruth Vargas Hill, Lisa C. Smith, Doris M. Wiesmann, and Tim Frankenberger, 2020 Discussion Paper
- ***The Changing Profile of Poverty in the World***, by Shaohua Chen and Martin Ravallion, 2020 Focus Brief
- ***Characteristics and Causes of Severe Poverty and Hunger***, by Akhter U. Ahmed, Ruth Vargas Hill, Lisa C. Smith, and Tim Frankenberger, 2020 Focus Brief
- ***The Poorest and Hungry: Looking Below the Line***, by Akhter U. Ahmed, Ruth Vargas Hill, and Doris M. Wiesmann, 2020 Focus Brief
- ***Mapping Where the Poor Live***, by Todd Benson, Michael Epprecht, and Nicholas Minot, 2020 Focus Brief
- ***Child Malnutrition in India and China***, by Peter Svedberg, 2020 Focus Brief
- ***Poverty and the Globalization of the Food and Agriculture System***, by Joachim von Braun and Tewodaj Mengistu, 2020 Focus Brief
- ***Poverty Traps: Exploring the Complexity of Causation***, by Partha Dasgupta, 2020 Focus Brief

3

APPROACHES TO ADDRESSING POVERTY

Addressing poverty and hunger is a complex, and often political, challenge. No single approach will provide the solution to this challenge, but several areas in which effective action can be taken can be identified.

Pro-poor growth is often realized through growth in the sectors of the economy where poor people earn their livelihoods, especially in the early stages of development.

FOSTERING PRO-POOR GROWTH

There is a clear link between growth and poverty reduction, but this link is mediated by a country's change in income distribution. For instance, a 2 percent rate of growth has been found to lead to declines in poverty rates ranging between 1 and 7 percent in various countries. These differences in poverty reduction rates stem from two factors: the initial level of inequality and changes in income distribution during growth. Appropriate growth policies can reduce inequality and bring greater benefits for poverty reduction.

Pro-poor growth is often realized through growth in the sectors of the economy where poor people earn their livelihoods, especially in the early stages of development. The poor often depend on agriculture, making increased agricultural productivity a central component of pro-poor growth. Many factors contributed to China's success in reducing poverty, but undoubtedly one of them was China's strong agricultural growth. To achieve this kind of growth, well-targeted policy interventions in infrastructure and agricultural technology are needed.

Although improved agricultural productivity is necessary, it is not sufficient. Policies must also encourage growth in sectors or subsectors that generate jobs when output grows. Investing in agricultural processing, textiles (or other low-tech industries), and information and communication technologies services can result in more jobs for the poor. Policies that help increase the amount employment grows with output include investments in physical infrastructure, human capital, legal institutions and governance, provision of information, and financial architecture. The Asian experience suggests that growth often starts in "growth poles," usually urban areas, and that it is important to encourage the development of such growth (especially when it is labor-intensive) and facilitate migration to these areas.

Appropriate policies for enabling the poor to participate in growth in a given sector depend on the nature of poverty. Safety net policies that reduce and mitigate risks enable the transient poor to benefit from growth. Conditional cash transfers (CCTs) are a possible policy instrument for doing this. CCTs are also useful in encouraging growth for the chronic

poor, but increasing employment and income-earning opportunities are also key to reducing poverty among this group.

Fostering pro-poor growth or even growth in general is not just a matter of national policy. Many global variables—such as growth rates in rich countries, levels and terms of global trade, global trends in inflation, interest rates, exchange rates, capital flows, export subsidies in developed countries, and commodity prices—affect country growth rates. Global cycles of growth and slowdown greatly affect developing countries' experiences of growth, and slowdowns often hurt the poorest the most. Currently the world is experiencing high rates of growth, but developing countries should prepare for a potential global slowdown in growth rates by strengthening their fiscal position, avoiding rigid exchange rates, and maintaining reasonable levels of reserves. At a global level, imbalances in terms of trade, exchange rates, and capital flows must be addressed.

Once policy priorities for achieving poverty-reducing growth are established, implementation considerations will determine how effective these policies are in practice. Decentralization and empowering local governments by transferring tax revenue and encouraging local implementation can help greatly. But local officials may not have the incentive to implement programs mandated by the central government, programs may be captured by local elites, and overlapping responsibilities may allow local governments to pass the buck to the center. Local governments also sometimes lack enough responsibility (for a centralized education system, for instance) to implement policies. Strategies for addressing these implementation constraints are considered later in this synopsis.

CONFERENCE PUBLICATIONS ON PRO-POOR GROWTH

- ***Economic Growth and Poverty Reduction: Do Poor Countries Need to Worry about Inequality?*** by Martin Ravallion, 2020 Focus Brief
- ***Determinants of Pro-Poor Growth***, by Stephan Klasen, 2020 Focus Brief
- ***Global Macroeconomic Development: The Implications for Poverty***, by Eugenio Díaz-Bonilla, 2020 Focus Brief
- ***Economic Reform to Stimulate Growth and Reduce Poverty: The Latin American Experience***, by Alberto Valdés and William Foster, 2020 Focus Brief
- ***International Migration: Can It Improve Living Standards among Poor and Vulnerable Populations?*** by Alan de Brauw, 2020 Focus Brief
- ***The Macroeconomic Foundations of Inclusive Middle-Class Growth***, by Nancy Birdsall, 2020 Focus Brief
- ***Fiscal Policy Instruments and the Political Economy of Designing Programs to Reach the Poorest***, by Ehtisham Ahmad, 2020 Focus Brief
- ***Poverty, Inequality, and Welfare in a Rapid-Growth Economy: The Chilean Experience***, by Dante Contreras, 2020 Focus Brief

TARGETING THE POOR IN POLICIES AND PROGRAMS

Research has shown that the effects of public investment on poverty reduction and economic growth vary dramatically depending on how and where governments spend their resources. Governments must target their resources to best reach poor and hungry people, while also ensuring that they cover all the poor. Government spending on investments that benefit everyone—such as education and infrastructure—can be an effective way to reduce poverty. Along these lines, three types of public spending were found to be most effective for promoting agricultural growth and reducing poverty in China, India, and Uganda:

- agricultural research,
- education, and
- rural infrastructure.

Government spending on investments that benefit everyone — such as education and infrastructure — can be an effective way to reduce poverty.

Some evidence from China and Uganda shows that low-cost types of infrastructure, like feeder roads, may have highest payoffs in terms of growth and poverty reduction per unit of investment. Simple, direct forms of taxation are often more efficient ways of raising government revenue to pay for such investments than are complex, indirect tax systems.

At the same time, taking action for the poorest often requires spending targeted to poor and hungry people. Targeting involves a number of challenges. First, where should the poverty line be set to best reach the poor? If the line is set too high, poverty programs will exceed the resources available. If the line is set too low, it may leave out poor people who urgently need assistance. As the causes of poverty and the distribution of poor people become more complex, targeting becomes more difficult. Attention to dynamic change is thus critical for effective targeting.

CONFERENCE PUBLICATIONS ON TARGETING THE POOR

- ***The Millennium Development Goals: How Realistic Are They?*** by Michiel Keyzer and Lia van Wesenbeeck, 2020 Focus Brief
- ***Investment Priorities for Economic Growth and Poverty Reduction***, by Shenggen Fan, Joanna Brzeska, and Ghada Shields, 2020 Focus Brief
- ***How to Mobilize Public Resources to Support Poverty Reduction***, by Shenggen Fan, Anuja Saurkar, and Ghada Shields, 2020 Focus Brief

FOCUSING ON THOSE MOST AT RISK: MINORITIES AND MARGINALIZED PEOPLE

As already noted, inequality reduces the effectiveness of growth in reducing poverty. This is perhaps most true when inequality arises as a result of discriminatory practices and the exclusion of certain groups. Several avenues are available for addressing inequalities that affect minorities and marginalized people: direct policies, indirect policies, and integrationist policies. Direct policies targeted toward minorities and marginalized people are commonly thought of as affirmative action. They include targets, quotas, and preferential treatment to improve discriminated groups' access to jobs, assets, services, government contracts, and political representation.

Evidence suggests that this approach can lead to increased equality that engenders greater respect and improves efficiency, although it may also provoke opposition among more privileged groups. Indirect policies are more universal and include tax and spending policies designed to help particular groups, like progressive taxation; legal policies to correct discrimination in, for instances, housing and employment; and macroeconomic policies that favor particular activities. Integrationist policies are designed to reduce group consciousness. They might include bringing together people from different groups in schools and universities. Such policies can promote national identity, but can also threaten cultural identities and conceal deep inequalities.

Inequality reduces the effectiveness of growth in reducing poverty.

Action often needs to be taken simultaneously in many arenas as action in one arena alone may not bring about the desired result. Increased political participation alone has not necessarily led to needed changes in social relations. In India, for instance, where one-third of seats in local councils are reserved for women and scheduled castes and tribes, research shows that the councils' responsiveness to local concerns is still limited. Women, for example, still have low participation in council meetings.

Specific interventions are needed to improve the welfare of disabled people. The state needs to be involved in developing norms and standards for inclusion, creating an enabling environment, and planning for accessible infrastructure and technologies, which is cheaper to do ahead of time rather than after infrastructure and technologies are already built out. But the state also needs to work at involving disabled people themselves in setting policy: The ultimate goal must be empowerment, not pity.

CONFERENCE PUBLICATIONS ON MINORITIES AND MARGINALIZED PEOPLE

- ***Strengthening Women's Assets and Status: Programs Improving Poor Women's Lives***, by John Ambler, Lauren Pandolfelli, Anna Kramer, and Ruth Meinzen-Dick, 2020 Focus Brief
- ***Addressing Discrimination and Inequality Among Groups***, by Frances Stewart, 2020 Focus Brief
- ***Including People with Disabilities in Actions to Reduce Poverty and Hunger***, by Charlotte McClain-Nhlapo, 2020 Focus Brief
- ***Policies and Lessons for Reaching Indigenous Peoples in Development Programs***, by Lennart Båge, 2020 Focus Brief
- ***Facing Up to Inequality and Exclusion to End Poverty and Hunger in Latin America***, by Marco Ferroni, 2020 Focus Brief
- ***Trade Liberalization and Children: Understanding and Coping with Childrens' Vulnerabilities***, by Javier Escobal, 2020 Focus Brief
- ***Economic Exclusion and Poverty in Asia: The Example of Scheduled Castes in India***, by Sukhadeo Thorat, 2020 Focus Brief

REDUCING VULNERABILITY THROUGH SOCIAL PROTECTION

Poor people live in environments characterized by high risk of shocks that cause ill health, loss of assets, or loss of income. Social protection targeted to the poor and vulnerable can provide assistance to the least well-off members of society and protect households against such shocks. Social safety nets not only ease poverty momentarily, but also allow households to experience income growth in the long run. Safety nets can enable growth by allowing the poor to create assets, protect their assets, and allocate resources to risky but highly remunerative production activities. They also reduce inequality and protect individuals who are unlikely to benefit in the short term from reforms. In the absence of safety nets, poor people insure each other to some extent by forming groups and providing mutual support at times of crisis. These groups, however, cannot protect households against shocks that are severe or that may affect all group members at once. Other interventions need to be developed and can include the following options:

Social safety nets not only ease poverty momentarily, but also allow households to experience income growth in the long run.

- ***Conditional cash transfers (CCTs)***: These programs, which condition transfers to households based on their meeting certain requirements like sending children to school, have proven success in reducing poverty in the short run (through cash transfers) and in the long run (through the human capital formation that they encourage). They work particularly well in countries with low school attendance and an adequate schooling infrastructure. They are not a magic bullet, however—they do not work in every country and alone they are not sufficient for reducing poverty.
- ***Social security***: This tool has been shown to address the vulnerability faced by the young, the unemployed, and the elderly. In South Africa, for example, social security benefits for parents with young children and for the elderly have greatly reduced poverty. For social security to work in low-income countries, national governments need to increase financing from general taxation, separate social security from labor market status, and create new institutions to administer social security programs. The need for administrative efficiency and good governance are two key challenges in implementing programs. Cooperation between actors is needed to yield the maximum efficiency.
- ***Market-based or civil society–based insurance***: In providing insurance for the poorest, it is useful to start with the group-based informal insurance that is already in place. Doing this reduces the costs of providing insurance and ensures that the new forms of insurance provided do not weaken these groups that are already so effective at dealing with some types of risk. There is often a trade-off between the provision of insurance and credit, and microcredit and microinsurance should be designed together. One product will not fit all problems because different types of risk have different challenges. For example, information is a big problem for crop insurance, and innovations in information, such as the development of weather-based indexes, can help. To provide health insurance to the poorest, schemes should leverage the large amounts that poor people spend on health care out of pocket. Developing a private health insurance scheme and contracting the provision of health care based on performance is one way to do this.

Ultimately a mix of all approaches is needed. The goal is to ensure that people do not find themselves constrained in making health, education, and production decisions. Different interventions have a role in all of these. And improving welfare through social protection requires complementary investments in, for instance, schooling and health care facilities.

CONFERENCE PUBLICATIONS ON SOCIAL PROTECTION

- ***Growth-promoting Social Safety Nets***, by Harold Alderman and John Hoddinott, 2020 Focus Brief
- ***Conditional Cash Transfer Programs: A "Magic Bullet" for Reducing Poverty?*** by Michelle Adato and John Hoddinott, 2020 Focus Brief
- ***Social Security: What Can Developing Countries Learn from Developed Countries?*** by Jean-Jacques Dethier, 2020 Focus Brief
- ***How Effective Are Food-for-Education Programs?*** by Sarah Adelman, Daniel O. Gilligan, and Kim Lehrer, 2020 Focus Brief
- ***Health Care for the World's Poorest: Is Voluntary (Private) Health Insurance an Option?*** by Jacques van der Gaag, 2020 Focus Brief
- ***Designing Insurance for the Poor***, by Stefan Dercon, 2020 Focus Brief

BUILDING THE SOCIAL CAPITAL OF THE POOR AND HUNGRY

Investing in the social capital—the relationships and networks—of the poorest can greatly facilitate their growth out of poverty. There are many examples of how fostering the formation of groups of poor farmers has brought them many benefits. In groups, farmers are able to procure inputs more cheaply, reduce the costs involved in selling crops, and facilitate learning from each other.

Investing in the social capital — the relationships and networks — of the poorest can greatly facilitate their growth out of poverty

There are also many examples of groups of poor women bringing many improvements in welfare. Formation of poor women to tackle the problem of poverty is both important, given the disadvantaged position women often hold within society, and effective, as poor women tend to have strong bonds with each other that help them to tackle problems. Experiences with "self-help groups" among the poorest women in villages in Andhra Pradesh, India, highlights that successful groups are often those that gather women of similar socioeconomic status in the village, allowing the group to be formed on the basis of affinity among the members rather than on the basis of narrowly defined interests. These village federations use the trust built in self-help groups to provide poor women with economic and political space within which to undertake activities such as marketing, bulk purchasing of commodities, and exerting pressure on local governments for the provision of services.

CREATING AND ENHANCING ASSETS OF THE RURAL POOR

The rural poor are often smallholder farmers with few assets and little collateral for credit. Asset-poor households are also often located in remote marginal areas with little access to markets. Increasing the asset holdings of the rural poor and enabling them to invest in assets improves their livelihoods. Asset-poor households also benefit from scale-neutral innovations and

investments in infrastructure that better link them to markets.

Property rights play a crucial role in securing the livelihoods of poor households and empowering those who hold them. Providing property rights is not a simple matter, however, as property rights are derived from many sources (government, customary, and religious laws), pertain to both private and common land, and are not only for the head of the household, but also for those within households. Strategies for legal reform need to take these complexities into account and be designed to help provide for women and marginal groups. Legal reform that works for the poorest needs to go beyond titling programs to include legal literacy programs and dispute resolution mechanisms and should take into account complementary investments in credit and extension services.

Legal reform that works for the poorest needs to go beyond titling programs to include legal literacy programs and dispute resolution mechanisms

Microfinance has been shown to effectively meet the saving and lending needs of poor rural households, helping them create and protect assets. But the ultra poor are often excluded from microfinance groups by other villagers and require a different type of microfinance. Offering grants (rather than loans) to the poorest households has allowed the Bangladeshi nongovernmental organization BRAC to reach these households. Through grants, these households become less poor and graduate into being microfinance clients. For microfinance to work, there must be an organization with the institutional capacity to organize groups within villages and act as a retailer of the service. Initial financing may need to come from government and donors. Government regulations can also be a constraint, as many countries do not allow microfinance institutions to mobilize savings.

Improving infrastructure is particularly important in allowing the remote rural poor to acquire assets and gain access to markets. Investing in infrastructure means investing not only in roads, but also in water, telephony, public services, schools, and public health. To fund this effort, it is important to raise funds from many sources, integrate them, and manage them strictly.

New challenges face the rural poor today and affect strategies to enhance their assets. One of the largest of these is climate change, which will particularly affect poor countries. Mitigation and adaptation are both essential, but mitigation is especially important in that it reduces the burden on adaptation and suffering and can provide a source of income generation in rural areas. For mitigation strategies to provide a source of income, governments and donors need to invest in capacity building and advisory services and facilitate development of locally accountable organizations that can act as brokers of short-term tradable contracts with simple standards.

CONFERENCE PUBLICATIONS ON ASSETS OF THE RURAL POOR

- ***Property Rights for Poverty Reduction***, by Ruth Meinzen-Dick, Patricia Kameri-Mbote, and Helen Markelova, 2020 Focus Brief
- ***Developing and Connecting Markets for Poor Farmers***, by Nicholas Minot and Ruth Vargas Hill, 2020 Focus Brief
- ***Climate Change: Pro-Poor Adaptation, Risk Management, and Mitigation Strategies***, by Gary Yohe, Ian Burton, Saleemul Huq, and Mark W. Rosegrant, 2020 Focus Brief

4

IMPLEMENTING EFFECTIVE ACTION

IMPROVING GOVERNANCE

All policy instruments for addressing poverty and hunger face at least one of three challenges: political feasibility, administrative feasibility, and fiscal feasibility. Options for overcoming these challenges include compensating losers, reducing administrative complexity, reforming budgets, and improving targeting.

But it is also important to improve the underlying conditions. Poor people need to have a political voice. Giving poor people political power can involve institutional mechanisms like reserving seats for marginalized groups in political bodies, promoting empowerment, and pursuing social mobilization that imparts the idea that another world is possible. Past social movements, like the labor movement, the women's movement, and the cooperative movement, have helped empower poor and marginalized people. But it is not realistic to expect poor people to always speak with a single voice; their interests may differ significantly because they belong to different subgroups. Among a sample of households in Andhra Pradesh, India, for instance, the newly poor subgroup expressed a desire for health services, the persistent poor wanted wage labor, and the escaped poor wanted irrigation and education (see Table 1).

It is not realistic to expect poor people to always speak with a single voice, their interests may differ significantly because they belong to different subgroups.

The development community can promote the conditions for self-empowerment, like the right to association, freedom of speech, free press, transparency, access to justice, and accountable political institutions. It can encourage leadership at all levels. And it can choose project implementation methods that create space for empowerment, like community-oriented development.

Building the demand side is not enough, however. State institutions need to have the capacity to respond to this demand, and even to take action on their own. Why should the rural poor need to form user groups to get better services, whereas better-off people in urban areas do not?

Achieving better governance is a long-term project, but short-term improvements are also needed to help the poor of today be less poor tomorrow. For most of the poor, governance means just getting access to the services they are promised. Officials need to measure the costs of the benefits that actually reach the poor and build these costs into their budgets. Efforts must be increased to ensure that these investments reach those for whom they are intended. In addition,

TABLE 1 Major Demands by Subgroups (% within each subgroup)

Subgroup	Health Service	Housing	Irrigation	High School	Wage Labor
Persistent poor	8	9	9	3	46
Newly poor	34	24	9	6	8
Escaped poverty	7	3	28	25	5

SOURCE: Anirudh Krishna, "Why Don't 'the Poor' Act Collectively?" presentation at the conference "Taking Action for the World's Poor and Hungry People," Beijing, October 17–19, 2007.

there is a strong need for independent recourse mechanisms. What good is it to have citizens who can demand services if their concerns are not listened to? An independent body is needed that can hear complaints and put pressure on officials. Governance issues should be made an integral part of poverty reduction projects, and this will require funding and enhanced organizational capacity.

What good is it to have citizens who can demand services if their concerns are not listened to?

Better governance also needs to be applied to reaching the poorest and hungry people during and after crises and emergencies. These crises are taking place in a context of political conflict, climate change, and chronic emergencies like the HIV/AIDS pandemic. Responses to emergencies are not enough—instead what is needed is an effort to reduce people's vulnerabilities to these crises in the first place and reduce the underlying risk of disasters.

Indeed, during recent decades, an increasing share of foreign aid has gone to countries coming out of conflict. Poverty is not only exacerbated by conflict, but is also a factor in conflict. But an approach focused on poverty has been slow to emerge. Peace-building missions have been state-building missions, and although one condition for peace is a functioning state, many civil wars and conflicts are in fact agrarian crises whose underlying land issues often go overlooked and are unaddressed.

CONFERENCE PUBLICATIONS ON GOVERNANCE

- ***The Dynamics of Poverty: Why Don't "The Poor" Act Collectively?*** by Anirudh Krishna, 2020 Focus Brief
- ***Land Issues and Poverty Reduction: Requirements for Lasting Peace in Sudan and Afghanistan***, by Gunnar M. Sørbø and Arne Strand, 2020 Focus Brief
- ***Choosing Policy Instruments to Reduce Poverty and Hunger: Is It Possible to Overcome the Feasibility Dilemma?*** by Regina Birner, 2020 Focus Brief
- ***Improving Governance to Eradicate Poverty and Hunger***, by Regina Birner, 2020 Focus Brief

SCALING UP INTERVENTIONS FOCUSED ON THE POOR AND HUNGRY

Scaling up can be defined as a combination of strategies and technologies to expand proven programs with greater speed and at a larger scale in order to bring more high-quality benefits to more people, more equitably, and more sustainably. This process involves the replication of small-scale models into larger ones that can shift the current system at a sustainable rate and level. The primary incentive for scaling up is to assist the client, namely the poor and hungry.

Successful scaling up requires improved technology, the mobilization of adequate resources to cover long-term investment, skilled management systems with feedback mechanisms, the presence of an enabling environment in terms of markets and financing, investments in people, building of constituencies, and a shared vision and goal for all stakeholders. There is a need to modify and strengthen the organizations involved, coordinate action plans and budgets, and establish a built-in monitoring and evaluation process. Success has been achieved if there is a widespread impact at an affordable cost.

There can also be constraints on the scaling-up process: lack of accountability, dependence on leaders, lack of adaptive management approaches, lack of adequate resources, and government overregulation. Lack of financing, donors' demands for short-term results, competition between partners, and changing development can also pose challenges to successful scaling up.

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Several countries, however, reported successfully scaling up interventions, including Brazil and Thailand:

- In Brazil, the successful scaling up of the FOME ZERO Program to eradicate extreme hunger and poverty relied on regional, provincial, and local coordination. The program interfaced with press and other media. Adequate public resources were allocated. The program contained a mechanism for monitoring and evaluation, and these processes included social participation.
- In Thailand, several elements were key to the country's success in reducing underweight among children from 1982 to 1996. Thailand's approach relied on long-term health plans, with a focus on behavior change and prevention and on community-based programs. Health volunteers were well trained, and nutrition was included in the government's poverty alleviation strategy. Finally, the strategy was linked to agricultural production.

CONFERENCE PUBLICATIONS ON SCALING UP INTERVENTIONS

- ***Scaling Up: A Path to Effective Development***, by Arntraud Hartmann and Johannes F. Linn, 2020 Focus Brief

ENCOURAGING INNOVATION AND PARTICIPATION

All poor people have a strong desire and an innate capability to move out of poverty. Social mobilization is essential to unleashing this innate capacity of the poor, in tapping the high level of volunteerism among the poor, and in respecting the poor and building their self-respect. Mobilizing the poor involves building organizations of the poor, but also identifying and empowering those who are catalysts of change: social entrepreneurs.

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Social entrepreneurs and enterprises can provide innovative ideas on how to mobilize poor people and take actions to improve their welfare. Social entrepreneurs also improve the effectiveness and implementation of existing programs. But psychological and cultural barriers that encourage conservatism and discourage innovation are often commonplace in rural areas. This conservatism is compounded by the isolation of many villages from outside influence, constraints imposed by lack of capacity for innovation and entrepreneurship, and inadequate physical infrastructure. Fostering relationships and networks of the poor through investing in the formation of groups of the poor can aid innovation and entrepreneurship by encouraging the poor to share ideas and learn from each other. To really enable social entrepreneurship, however, education systems need to be reoriented toward problem solving and entrepreneurship, and entrepreneurs need more encouragement when they do arise.

CONFERENCE PUBLICATIONS ON SOCIAL INNOVATION

- ***Social Innovation and Entrepreneurship: Developing Capacity to Reduce Poverty and Hunger***, by Suresh Babu and Per Pinstrup-Andersen, 2020 Focus Brief

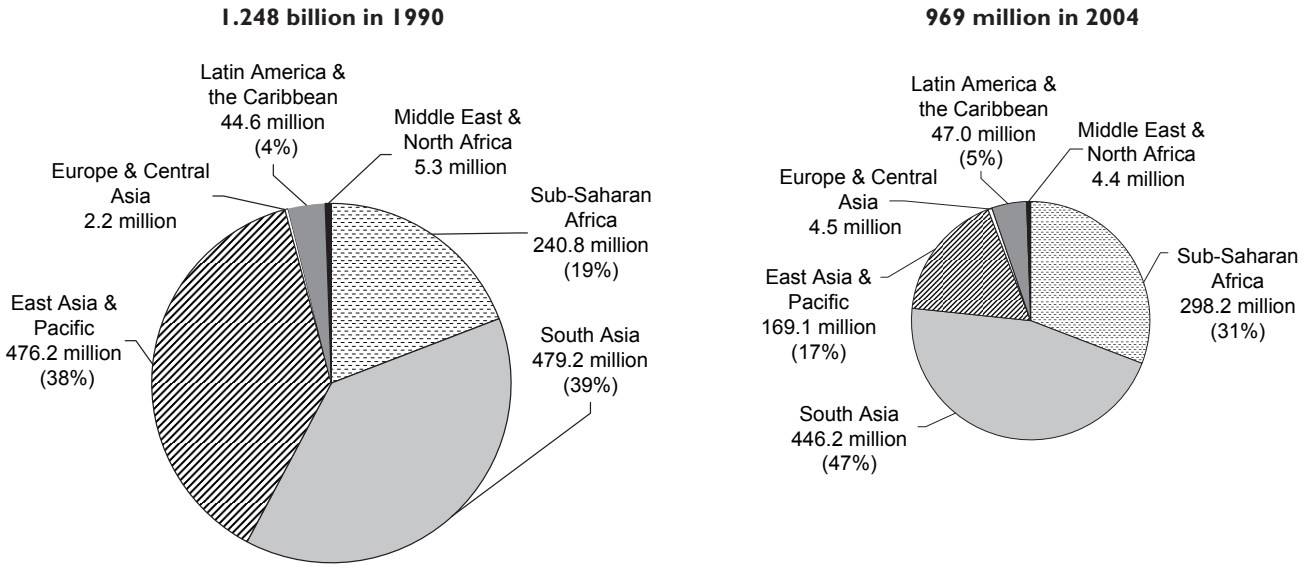
5

REGIONAL EXPERIENCES

Progress in reducing poverty since 1990 has been uneven across regions. Reductions in global poverty were largely driven by progress in East Asia and the Pacific, aided by South Asia, and Sub-Saharan Africa's share of global poverty rose (Figure 2). No one set of policy solutions will overcome poverty in all regions. The causes and consequences of poverty often differ by region, and thus policy priorities will vary across Africa, Asia, and Latin America. Nonetheless, country-level policymakers may be able to draw lessons about designing effective interventions from the experiences of countries outside their own region, in addition to learning from neighbors within their region.

Action is required in four main areas: markets, infrastructure, health, and education.

Figure 2 Where the US$1-a-Day Poor Live, 1990 and 2004



SOURCE: Akhter Ahmed, Ruth Vargas Hill, Lisa Smith, Doris Wiesmann, and Tim Frankenberger, "The World's Most Deprived: Characteristics and Causes of Extreme Poverty and Hunger," presentation at the conference "Taking Action for the World's Poor and Hungry People," Beijing, October 17–19, 2007.

AFRICA

As a region, Africa is not on track to meet the first Millennium Development Goal (MDG1). Action is required in four main areas: markets, infrastructure, health, and education. Efficiently operating input and output markets provide opportunities for the poor to improve their income and livelihoods, and investments in market infrastructure, institutions, information, and insurance are all needed. Well-placed infrastructural investments can also lead to income-earning opportunities for the rural poor. Growth and poverty reductions in Ghana, for example, were largely driven by investments in infrastructure. There is much scope for regional cooperation in infrastructure investments, focusing on energy in West Africa, for instance, and on railways in East Africa. Tackling disease is important both in itself and as part of poverty reduction strategies. Many lives could be saved and improved in low-income countries by fighting infectious diseases and addressing nutritional deficiencies. The most cost-effective strategy is a mix of preventative and curative interventions, including education of women, maternal counseling, micronutrient supplementation, and provision of safe water and sanitation. Finally, investments in education and capacity are also crucial.

In undertaking any of these investments, three things should be kept in mind: the widespread presence of conflict in the region, the need for political leadership, and the capacity of the state to implement policies and programs.

Although investments in all of these areas are called for, priorities will need to be set between investments in roads, nutrition, and education. The issue, however, is not to choose between schools or roads, but rather to choose which schools and roads afford the quickest reductions in poverty.

In undertaking any of these investments, three things should be kept in mind: the widespread presence of conflict in the region, the need for political leadership, and the capacity of the state to implement policies and programs. Conflict has affected Africa more than any other continent and has impacts on all types of investment.

Strong state leadership, so crucial to China's success, is similarly needed for successful poverty reduction in Africa. Over recent decades Africa has been told what and what not to do from many directions. No country is against growth or poverty reduction, but in the face of all this advice, it can be difficult for a country to find its own path for achieving these goals.

In addition to a need for strong and focused leadership, many countries in the region face implementation and governance constraints. Many of the actions proposed are not new, but few policies have been properly implemented. The state should focus on what it can do well, whereas the market should focus on what it can do well. Part of the state's role is to reduce the constraints to properly functioning markets.

The emergence of China and India clearly pose new challenges and opportunities for Africa. They (along with other developing countries, such as Brazil) are becoming potential development partners, and they are increasing in prominence as trading partners. Africa must strategize about how best to position itself to get the most out of these new relationships, both currently and in 10 years' time.

ASIA

Asia has achieved substantial progress in reducing poverty and hunger in the last 15 years (see Box 3 on China). A number of obstacles to further progress remain, however, and the region is changing dramatically, bringing into play new challenges and opportunities for the poor and hungry.

Social exclusion remains of particular concern in the region, causing deprivation among excluded groups in many countries. These groups are constrained in a number of ways as a result of their exclusion: they have lower levels of education, less access to resources, and limited participation in institutions at all levels. Improving people-centered democratiza-

BOX 3. Poverty Reduction in China

Since the beginning of its reform period 30 years ago, China has made tremendous progress in reducing abject poverty, from more than about 31 percent in 1978 to less than 3 percent in 2006. It was the first country to achieve the first Millennium Development Goal of reducing the proportion of extremely poor people by half. And because of China's large population—it accounts for 21 percent of the world's population—its success has made up a large share of global progress against poverty and hunger.

Rural and agricultural reforms were instrumental in reducing poverty in China, given that most poor people in China live in rural areas. As rural areas moved from a planned to a market orientation, agricultural and rural enterprise growth took off. Market reforms created an environment in which large-scale poverty reduction and rapid economic growth could take place—between 1978 and 2006, the Chinese economy grew at an annual rate of 9.7 percent. From 1978 to 1985, the number of extremely poor people in rural areas fell from 250 million to 125 million. As market reforms continued, however, the income gap between people in China's coastal regions and those in the western region widened. Policymakers recognized that market forces would not automatically lift all people out of poverty. Consequently, China has shifted its poverty focus from combating absolute poverty to working to reduce relative poverty. It has also adopted a new emphasis on helping counties and villages that have been identified as poverty stricken. The country's approach to poverty alleviation relies on government leadership, public participation, self-reliance, development-oriented poverty alleviation, and all-round growth.

The country still faces challenges: poverty is entrenched in some areas and will be difficult to overcome, poor areas are still lagging behind the fast-growing areas, new factors are increasing some people's vulnerability to poverty, and social services are not keeping up with the needs of poor people. The government is working to improve the availability of infrastructure and social services in poor areas, promote rural development and increase farmers' incomes, and coordinate socioeconomic development in rural and urban areas. It also seeks to improve poor people's capacity to achieve self-reliance and to use their own enthusiasm, creativity, and hard work to improve their livelihoods.

tion at all levels of society and enabling effective local governance are crucial in addressing this problem.

Malnutrition stubbornly persists in South Asia despite rapid growth and poverty reduction. Levels of child malnutrition are exceptionally high. As a result, although the poverty component of MDG1 may well be achieved in the region, cutting hunger in half remains a major challenge. Income is proving necessary but not sufficient to alleviate hunger and malnutrition. Although China has been successful in reducing hunger and meeting MDG1, micronutrient deficiency remains a major problem.

One of the reasons posited for the persistence of malnutrition in South Asia is the low status of women in this region. Addressing gender discrimination is important in its own right, but also in reducing poverty and hunger. Women need to be included in the development process. Several programs in India have improved the welfare of women by, for example, giving women a voice in the market, making them aware of their rights, and giving them access to judicial systems. Existing institutions are still insufficient, however, and more innovative ones are needed. Given that in South Asia the undernutrition of pregnant mothers is a major cause of malnutrition, nutrition education for women and the provision of accessible and high-quality public health services are also likely to be important. Above all, there needs to be sufficient political will to fight malnutrition.

New challenges and opportunities are opening up in the region. One major development is the rapid transformation of Asian food markets because of

dietary changes and retail chain restructuring. The Asian platter has been moving and will continue to move from basic cereals to fruits and vegetables and other high-value food products. To connect smallholder farmers to these emerging markets, new institutional arrangements are needed. For instance, smallholders can be encouraged to act collectively, and credit and insurance markets for smallholders can be developed.

Addressing gender discrimination is important in its own right, but also in reducing poverty and hunger.

There are currently two well-identified paths out of poverty in Asia: moving from subsistence to commercial farming and moving from informal nonfarm activities to more profitable activities. To encourage movement along the first path, increased access to land for smallholders through redistribution and the tenancy market is needed. To encourage movement along the second path, more effective rural development policy is needed to generate rural employment. Mainstreaming informal employment and promoting gender equality will need to include the following actions:

- promote opportunities for both the self-employed and informal wage workers by integrating microfinance service provision, skills training, improved technologies, and other business development services;
- secure rights for the self-employed, especially access to credit and other resources, and create equitable policies for formal and informal enterprises;
- protect informal workers by extending existing insurance schemes;
- raise the "voice" of informal workers by strengthening their organizations and representation in relevant policymaking institutions; and
- be sensitive to gender issues and consider women workers who tend to earn less, have weak social protection, and need more policy support.

CONFERENCE PUBLICATION ON ASIA

- ***Agricultural and Rural Development for Reducing Poverty and Hunger in Asia: In Pursuit of Inclusive and Sustainable Growth***, International Food Policy Research Institute (IFPRI) and Asian Development Bank (ADB), a synopsis of a high-level policy forum, "Agricultural and Rural Development for Reducing Poverty and Hunger in Asia: In Pursuit of Inclusive and Sustainable Growth," held in Manila in August 2007

LATIN AMERICA

Since the 1990s Latin American countries have been generally characterized by modest economic growth, macroeconomic stability, trade liberalization, and movement toward democracy. But the region has also had the highest level of inequality in the world.

Economic growth has been key to poverty reduction in Latin America.

Economic growth has been key to poverty reduction in Latin America. Broad reforms in a number of countries have stabilized the macroeconomic situation and made growth possible. Trade liberalization increased demand for low-skilled workers and thus led to increases in income. Trade liberalization has also had ambiguous effects for children—depending on how it affects prices, time allocation of household members,

public spending on social services, and child labor itself. Governments need to identify the losers from trade liberalization and compensate them.

This growth has also enabled countries to increase social spending in ways that benefit the poor. Now, middle-income countries in Latin America are working to improve the quality of services like education, health, and infrastructure provision. These countries also need to target poor people more narrowly to ensure that resources reach the people who need them most and that spending is cost-effective. More monitoring and evaluation of social programs are also needed. High-quality education plays a key role in promoting future growth and poverty reduction.

Chile's experience shows that it is important to address inequalities of opportunity and to evaluate social programs to ensure their effectiveness.

Brazil has had striking success in reducing poverty from 38 percent in 1983 to 20 percent in 2005. Though Brazil's growth was low by comparison with that in other emerging economies, it was still the principal driver of poverty reduction. The sustained reduction in inequality since 1994 has boosted that impact. Brazil's poverty reduction is owed to several factors: the country achieved macroeconomic stability, with stable prices, after 1993. Education was greatly expanded, increasing workers' skills. Trade liberalization increased demand for low-skilled workers, making growth in the tradable sectors more pro-poor. And the state increased spending on social security and assistance. Brazil's experiences show that growth, the driver of poverty reduction, can be effectively combined with reductions in inequality. Efficiency-enhancing reforms can spur greater growth and inequality reduction. But the state must still play a large progressive welfare role. Brazil is also creating public arenas for social participation and integrated approaches to social issues. Human rights are also becoming a larger and more visible concern.

Chile also experienced a remarkable decline in poverty, from 40 percent in 1990 to 14 percent in 2006. Early on poverty reduction was based on economic growth and social policies targeted to the extremely poor. Now Chile faces new challenges that are leading to new policy solutions. The first challenge is that although the poverty rate has declined, the risk of falling into poverty is still high for many people. The country has initiated new social protection systems. The second challenge is the persistent inequality of opportunity and social mobility. The response will require improvements in education. Enrollment is near 100 percent, but quality is still low. Chile's experience shows that it is important to address inequalities of opportunity and to evaluate social programs to ensure their effectiveness.

The Andean region remains one of the poorest in Latin America. What kinds of approaches are needed there to reduce poverty? Conditional cash transfers have been successful in achieving their core objectives. Microfinance programs can provide credit to better-off poor people but don't reach those in extreme poverty. For many programs, however, there is little clear evidence about effectiveness in reducing poverty. This means that the approach in each area must depend on the needs and capacities in that area.

Social policies designed to address poverty, hunger, and food insecurity in Latin America need to take into account the social and economic processes that underlie poverty and food insecurity. They also need an institutional framework that allows for intersectoral policymaking, which leads to equitable and sustainable processes.

6

THE WAY FORWARD

IFPRI proposes the following areas of action to accelerate poverty and hunger reduction:[2]

1. **Focusing on inclusive growth**—A different pattern of growth, which includes the poorest and hungry from the beginning, is needed. In many countries, such growth will generally involve accelerated rural and agricultural growth and require increased investments in infrastructure, technology, education, and health.
2. **Improving access to assets and markets**—Appropriate property rights are needed to address inequality in assets. Millions of small farmers need improved access to value chains, and many poor households need access to nonfarm rural employment. Infrastructure investments are important in achieving this access, as are investments in knowledge and information for poor people so they can take advantage of opportunities to improve their livelihoods. Enabling the poorest to save and to use credit is also central to allowing them to invest in assets and skill acquisition and to mitigate the effect of adverse shocks.

Social protection needs to be phased in much more comprehensively and earlier in the development process.

3. **Phasing in social protection more quickly and comprehensively**—Policies that encourage "pro-poor" growth need to be re-balanced with social protection policies. Social protection needs to be phased in much more comprehensively and earlier in the development process to reach those who will not benefit sufficiently from general economic growth (such as children and the elderly). Social protection helps the poor, and those at risk of becoming poor, to reduce the risk of shocks, to mitigate their impact, and to cope with the aftermath. As a result, effective social protection will also promote growth.
4. **Accelerating investments in health and nutrition programs, particularly for children and women**—Many of the poorest, including children and women, need special interventions that address the health and nutrition constraints and related education constraints that impede their improved well-being, productivity, and livelihoods over the long term.

[2] This section is drawn from the document "Taking Action for the World's Poor and Hungry People: IFPRI's Call for A Way Forward," a "living document" prepared by IFPRI following the conference as a synthesis of conclusions to stimulate international debate on the way forward and action. The "Way Forward" document is reproduced in its entirety in Annex 2.

5. **Including the excluded**—The above-mentioned actions all require an effective state that is responsive to the needs of the poorest and the socially excluded. Actions to empower women are also particularly important to ensure their full participation. Reaching these goals requires governance reforms that empower the poor and the excluded to exercise their voice and demand accountability and that increase service providers' incentives to respond to their needs. And ensuring peace and stability remains a priority for sustaining improvements in welfare.

Scaling up successful experiments and model projects is a critical task, as is choosing the appropriate scale at which these projects are most effective.

The mix of these areas of action will look different for countries at different stages of development. It will also look different for Africa, Asia, and Latin America—what works in Asia may not necessarily work in Africa, and context-specific mixes are needed. Globalism can serve a useful role in reducing poverty and hunger by strengthening learning across countries.

Effective action requires political and institutional change in:

1. **Political core issues**—A set of political core issues needs more attention for effective poverty and hunger reduction: Countries need to take charge of their own future; conflicts and instability need to be overcome; governance, accountability, and rights need to come to the forefront in poverty reduction policies; sound fiscal and tax policy is critical; macroeconomic policy and an open trade regime remain key; and development aid coordination and delivering on related commitments remain important for many least-developed countries.
2. **Scale**—Scaling up successful experiments and model projects is a critical task, as is choosing the appropriate scale at which these projects will be most effective. Actors at the local, national, and international levels need to rethink their actions to consider whether they could be more effective in reducing poverty fast and ending hunger soon by operating on a different scale. International and civil society organizations should provide technical and financial support to facilitate the appropriate scaling up and transfer of such projects.
3. **Political process**—New attention should be directed to the political process to create broad-based support for action. Many new and influential actors beyond governments and development agencies (such as foundations and civil society networks) have entered the field of poverty and hunger reduction and health improvement. New synergies between old and new actors still need to be developed. Key roles are also needed for institutions such as parliaments, mass media, and civil society.
4. **Local action**—The decentralization of government can facilitate local empowerment, but at the local level it is crucial to establish the capacity to mobilize resources and to promote sound governance with accountability that gives poor people a voice in their own communities. Building community organizations and political institutions for and with the poorest is an important part of strengthening local action.
5. **Capacity to implement**—Improving capacity to implement programs requires that skill levels and organizational arrangements get more attention. This must include strengthening of capacity for social entrepreneurship.

Sound priority setting requires a framework that captures synergies and trade-offs, analyses based on sound data, consideration of alternative options, recognition of the political process, and a strong evaluation culture.

7

CONCLUSION

Research on the extremely poor and hungry is still at an early stage. Researchers generally focus on the entire group of poor living below the US$1-a-day poverty line, without differentiating people according to whether they fall at the top or the bottom of that group. Policy experience in addressing the needs of the poorest people is also in short supply—most efforts at poverty alleviation have worked best for people living just below the poverty line. If policymakers are to succeed in designing interventions that will reach even the poorest, more needs to be learned about the forces that push people into extreme poverty and about effective ways of overcoming the severest forms of deprivation.

If policymakers are to succeed in designing interventions that will reach even the poorest, more needs to be learned about the forces that push people into extreme poverty and about effective ways of overcoming the severest forms of deprivation.

The Millennium Project has stated that the Millennium Development Goals are only a way station on the path to ending absolute poverty by 2025. The time to start thinking about the poorest, therefore, is now.

OTHER CONFERENCE PUBLICATIONS

- ***A Future with No One Living in Poverty and Hunger: Highlights from an International Youth Writing Contest*, a compilation of selected entries from the third 2020 youth writing contest**
- ***Taking Action for the World's Poor and Hungry People: IFPRI's Call for a Way Forward*, a synthesis of conclusions to stimulate international debate (full version appears in Annex 2)**

About the Authors

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Annex I

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Annex 2

TAKING ACTION FOR THE WORLD'S POOR AND HUNGRY PEOPLE: IFPRI'S CALL FOR A WAY FORWARD

Concerned that millions of the world's poorest and hungry people remain in poverty and hunger, the International Food Policy Research Institute (IFPRI) facilitated a consultation process, which includes the conference "Taking Action for the World's Poor and Hungry People" on October 17–19 in Beijing, to examine what new and different action is required to improve their welfare.[3] This statement is understood as a "living document" subject to further debate and change in the coming months. We at the International Food Policy Research Institute (IFPRI) note that this statement does not imply any endorsement by the conference participants or the cosponsors. Rather the statement is a synthesis of our own conclusions to stimulate international debate on the way forward and action.

THE CONSULTATION PROCESS:

- *Takes stock* of progress in achieving the hunger and poverty Millennium Development Goal and identified those who are left behind;
- *Assesses* why poverty and hunger persist, including reasons related to economics, policy, conflicts, culture, gender, and location;
- *Analyzes successes and failures* as a means to learn from cases where interventions have or have not successfully reached those most afflicted by poverty and hunger;
- *Assesses* the suitable mixes of pro-poor growth and social protection policies at different stages of development and in different environments;
- *Intensifies* the learning from the experiences of China and other countries in successfully reducing hunger and poverty for adaptation and application elsewhere; and
- *Identifies* areas of consensus on realistic goals and conducive policies, strategies, and actions to achieve food and nutrition security and reduce poverty and its consequences for the poorest and hungry people.

[2] This statement was last updated on October 27, 2007.

WE NOTE THE FOLLOWING CHALLENGES TO REDUCE POVERTY AND END HUNGER:

1. Globally, about 1 billion people are absolutely poor, living on less than a dollar a day; 162 million live well below that on less than half a dollar a day. About 800 million people are hungry, lacking sufficient access to food and far more people suffer from vitamin and mineral deficiencies that lead to serious health problems.
2. Although the first Millennium Development Goal (MDG)—to halve the proportion of people living on less than a dollar a day and suffering from hunger between 1990 and 2015—may be met at the global level, in some regions and countries it will not. Even if it is met globally, an estimated 700 million people will remain extremely poor in 2015, and about 600 million people will go hungry, unless new actions are taken.
3. The characteristics of those people who remain poor and hungry may be different from those who have been able to escape poverty and hunger. The poorest of the poor are often much harder to reach because they live in countries with low state capacity or that suffer from wars and civil conflicts, are concentrated in isolated subnational regions, belong to disadvantaged social groups, or are caught in poverty traps, i.e. are lacking assets or influence to exit out of poverty by their own actions.
4. Reaching food insecurity and poverty among these most-affected groups will require more resources and investment per capita. It will also require innovative multi-sector approaches for including the poor and a focus on policies and programs that are particularly effective. Additional action—and more effective action—is needed. This calls for strengthening of the information base, especially regarding excluded and disadvantaged groups.

We are encouraged by successes in poverty and hunger reduction in several countries that have demonstrated that with the right mix of policies and decisive government support, combined with joint action by public institutions, civil society, and private sector, enormous progress can be made.

WE HAVE ESTABLISHED THE FOLLOWING FACTS ABOUT THOSE WHO REMAIN POOR AND HUNGRY TODAY AND PROBABLY ALSO IN 2015:

1. The poorest are becoming increasingly concentrated in Sub-Saharan Africa and South Asia. More than three-quarters of those living on less than half a dollar a day live in Sub-Saharan Africa and that share is increasing.
2. Poverty and widespread hunger remain even in regions that have experienced rapid economic growth and substantial reductions in poverty.
3. A twin problem needs to be addressed: the urban poor are increasing in number and the prevalence of hunger is increasing in urban areas, while the poor are still predominantly rural. Poverty reduction remains strongly connected to agricultural development in many countries.
4. Poverty and hunger reduction has been slower among the poorest and among excluded groups—ethnic minorities, disadvantaged people, and the disabled—causing poverty and hunger to be increasingly concentrated in these groups. In addition, poor women and children are particularly vulnerable to the long-term effects of poverty and hunger for health and education.
5. Although the total number of people in poverty may change little, this stability masks substantial movements in and out of poverty. Some above the poverty line are vulnerable to become poor, and some below the line may move out of poverty. Others far below the line (usually the very poorest) will be there for longer, perhaps for generations.
6. New risks are arising for the poor, for instance due to climate change, economic imbalances, and health crises.

WE PROPOSE THE FOLLOWING AREAS OF ACTION TO ACCELERATE POVERTY AND HUNGER REDUCTION:

1. *Focusing on inclusive growth*—A different pattern of growth, which includes the poorest and hungry from the beginning, is needed. In many countries, such growth will generally involve accelerated rural and agricultural growth and require increased investments in infrastructure, technology, education, and health.
2. *Improving access to assets and markets*—Appropriate property rights are needed to address inequality in assets. Millions of small farmers need improved access to value chains, and many poor households need access to nonfarm rural employment. Infrastructure investments are important in achieving this access, as are investments in knowledge and information for poor people so they can take advantage of opportunities to improve their livelihoods. Enabling the poorest to save and use credit is also central in allowing them to invest in assets and skill acquisition and to mitigate the effect of adverse shocks.
3. *Phasing in social protection more quickly and comprehensively*—Policies that encourage "pro-poor" growth need to be re-balanced with social protection policies. Social protection needs to be phased in much more comprehensively and earlier in the development process to reach those who will not benefit sufficiently from general economic growth (such as children and the elderly). Social protection helps the poor, and those at risk of becoming poor, to reduce the risk of shocks, to mitigate their impact, and to cope with the aftermath. As a result, effective social protection will also promote growth.
4. *Accelerating investments in health and nutrition programs, particularly for children and women*—Many of the poorest, including children and women, need special interventions that address the health and nutrition constraints and related education that impede their improved well-being, productivity, and livelihoods over the long term.
5. *Including the excluded*—The above-mentioned actions all require an effective state that is responsive to the needs of the poorest and the socially excluded. Actions to empower women are also particularly important to ensure their full participation. Reaching these goals requires governance reforms that empower the poor and the excluded to exercise their voice and demand accountability and that increase service providers' incentives to respond to their needs. And ensuring peace and stability remains a priority for sustaining improvements in welfare.

The mix of these areas of action will look different for countries at different stages of development. It will also look different for Africa, Asia, and Latin America—what works in Asia may not necessarily work in Africa, and context-specific mixes are needed. Globalism can serve a useful role in reducing poverty and hunger by strengthening learning across countries.

EFFECTIVE ACTION REQUIRES POLITICAL AND INSTITUTIONAL CHANGE IN:

1. *Political core issues*—A set of political core issues needs more attention for effective poverty and hunger reduction: Countries need to take charge of their own future; conflicts, and instability need to be overcome; governance, accountability, rights need to come to the forefront in poverty reduction policies; sound fiscal and tax policy is critical; macroeconomic policy and an open trade regime remain key; and development aid coordination and delivering on related commitments remain important for many least developed countries.
2. *Scale*—Scaling up successful experiments and model projects is a critical task, as is choosing the appropriate scale at which these projects are most effective. Actors at the local, national, and international levels need to rethink their actions to consider whether they could be more effective in reducing poverty fast and ending

hunger soon by operating on a different scale. International and civil society organizations should provide technical and financial support to facilitate the appropriate scaling up and transfer of such projects.

3. *Political process*—New attention should be directed to the political process to create broad-based support for action. Many new and influential actors beyond governments and development agencies (such as foundations and civil society networks) have entered the field of poverty and hunger reduction and health improvement. New synergies between old and new actors need still to be developed. Key roles are also needed for institutions such as parliaments, mass media, and civil society.
4. *Local action*—The decentralization of government can facilitate local empowerment, but at the local level it is crucial to establish the capacity to mobilize resources and to promote sound governance with accountability that gives poor people a voice in their own communities. Building community organizations and political institutions for and with the poorest is an important part of strengthening local action.
5. *Capacity to implement*—Improving capacity to implement programs requires that skill levels and organizational arrangements get more attention. This must include strengthening of capacity for social entrepreneurship.

Sound priority setting requires a framework that captures synergies and trade offs, analyses based on sound data, consideration of alternative options, recognition of the political process, and a strong evaluation culture.

For appropriate follow-up to the findings and suggestions of this conference and consultation process, this statement will be complemented with more specific suggestions for action in the major developing-country regions. Such proposals may best be put forward by main actors from those regions engaged in poverty and hunger reduction.

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