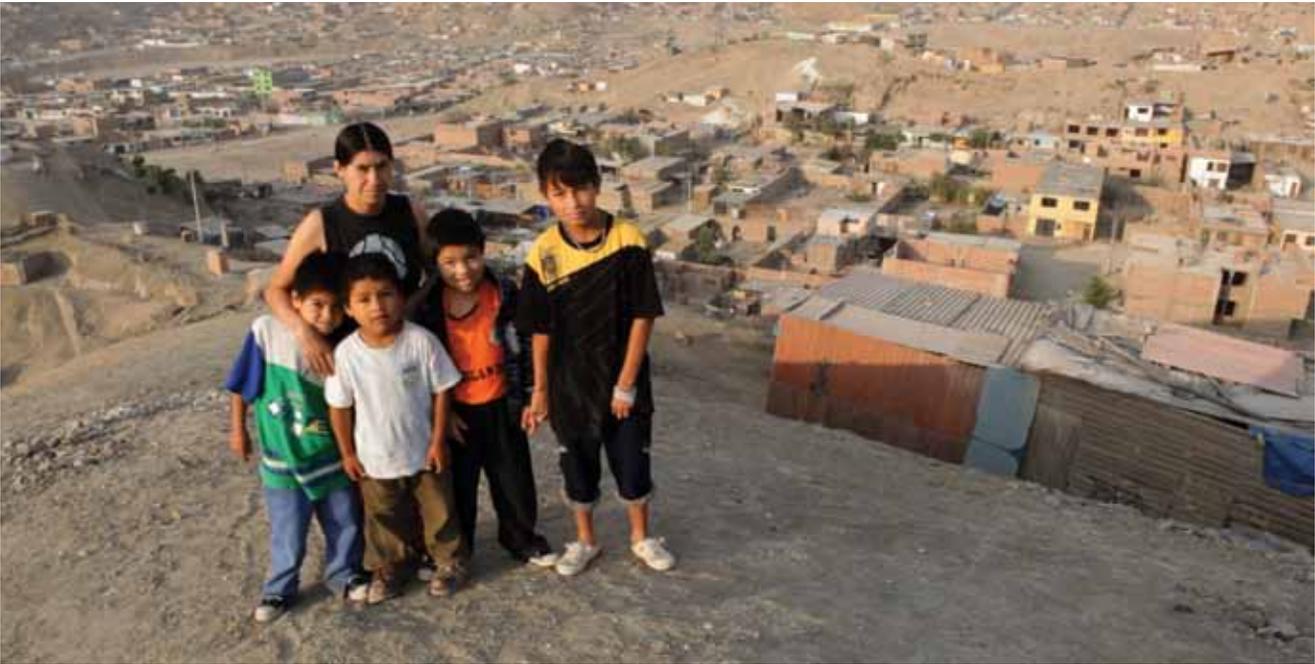


WHY POPULATION MATTERS TO **POVERTY REDUCTION**



Around 1.4 billion people—one-quarter of the population of the developing world—lived on less than \$1.25 a day in 2005.¹ The World Bank projects that the number of poor people will increase in the coming years due to slowing economic growth, and that reduced levels of development assistance will slow poverty reduction efforts.² But numbers barely capture the true dimensions of global poverty. The definition of poverty reaches beyond income to encompass poor access to education and health, lack of opportunities, gender inequality and environmental degradation.

Population has the potential to impact all aspects of poverty. Fertility trends can help a country determine when and how to invest in its population and jump-start economic development. Similarly, meeting women's needs for family planning around the world can help increase overall development and help diminish many impacts of poverty.



The State of Poverty

Global commitment to reduce poverty is strong, but progress has been mixed. The percentage of people living on less than \$1.25 a day in 2015 is expected to drop to half of what it was in 1990. This would achieve the first United Nations Millennium Development Goal. But the number of individuals suffering from hunger and malnutrition is higher than ever before. The global economic crisis has also shifted tens of millions of people into extreme poverty.

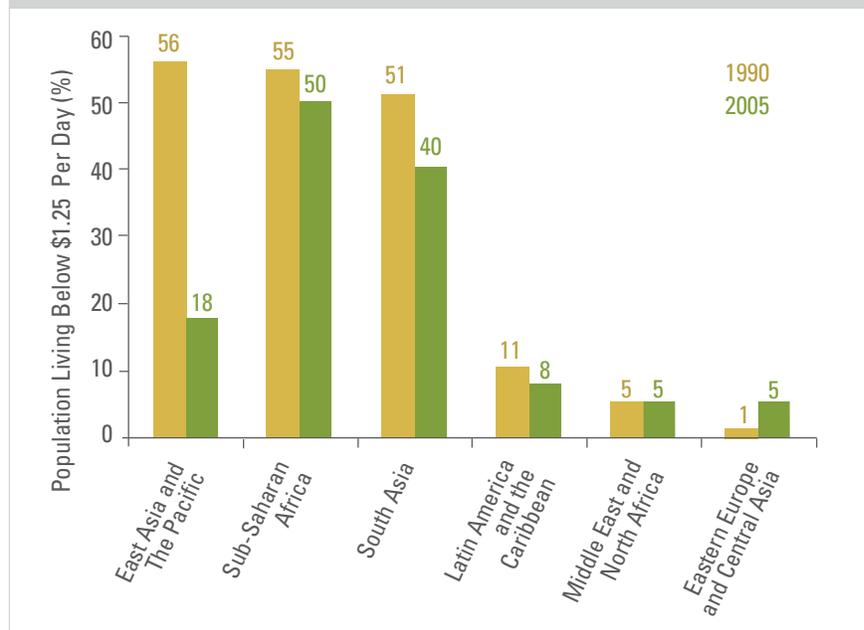
Poverty has many regional variations, and while it has declined or remained constant in much of the world, more than 40 percent of the population in South Asia and sub-Saharan Africa live on less than \$1.25 per day (Figure 1). The number of people living in extreme poverty in sub-Saharan Africa increased by 35 percent since 1990 to 384 million in 2005.³ Advancement on issues that influence poverty, such as food costs and women’s inequality, has been slow-moving at best. For example, 30 percent of girls living in poverty do not attend primary school, and high food prices continue to drain the budgets of low-income families.

Links between Population, Economic Growth and Poverty

There has been considerable debate over the relationships between population growth, economic growth and poverty. In recent years, statistical analysis has revealed that population

growth alone doesn’t inherently increase or decrease economic growth.⁴ However, other demographic trends do affect the prospects for economic development, including poverty reduction. In particular, countries can experience economic growth and improve individual well-being by taking

FIGURE 1: Poverty Rates Decline Globally, but Remain High in Many Regions



Source: Chen, S and M Ravallion. 2008. "The Developing World Is Poorer Than We Thought, But No Less Successful in the Fight against Poverty." Washington, DC: World Bank.

