

Millions more in poverty than realised, say researchers

About 1.4 billion people in the developing world are living below the poverty line - four hundred million more than previously realised in a study based on analysis of new World Bank poverty data.

And the experts from The University of Manchester, University of Delhi and the United Nations' International Fund for Agricultural Development say the new calculations mean poverty reduction is slowing down- rejecting World Bank claims.

The old estimates - calculated using less comprehensive World Bank data from 1993- was based on a poverty line of \$1.08.

A new poverty line of \$1.25 published by the World Bank late last year was calculated from an expanded 2005 sample of developing countries.

Dr Imai, who is an economist based at The University's Brooks World Poverty Institute said: "Our analysis rejects the claims of the World Bank that poverty reduction over the period 1980-2005 has not slowed down and offers a detailed explanation.

"We show that poverty reduction policies and access to finance are now more important than ever.

"It's a salutary reminder to policy makers that they shouldn't be complacent about the problem of poverty - it's not getting any easier.

"Our research does concur with the World Bank in that we agree the first Millennial Developmental Goal of ending hunger and extreme poverty by 2015 is still possible.

"Though like the World Bank, we say Sub Saharan Africa is unlikely to get to that point."

The researchers showed that in sub-Saharan Africa a hard core of poverty is much less responsive to growth and inequality reduction.

It is, they say, now harder for improvements in factors such as the rule of law, management of corruption and political stability to alleviate poverty.

Dr Imai added: "In some in sub-Saharan Africa - the worrying news is that any improvement in 'institutional quality' will not impact on growth and poverty reduction.

"We also found the reducing responsiveness - or elasticity -of GDP per capita with the rate change of poverty has caused poverty reduction to slow between 2000-2006.

"From 1980 to 1999 elasticity was 1.151 significantly higher than the 2002 to 2006 figure of 1.16."

NOTES FOR EDITORS

The paper "Has Poverty Reduction Slowed Down in the Developing World" Evidence Based on New Poverty Estimates" is available.

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