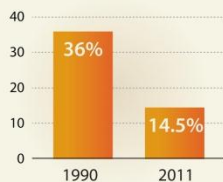


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Ending Poverty and Sharing Prosperity

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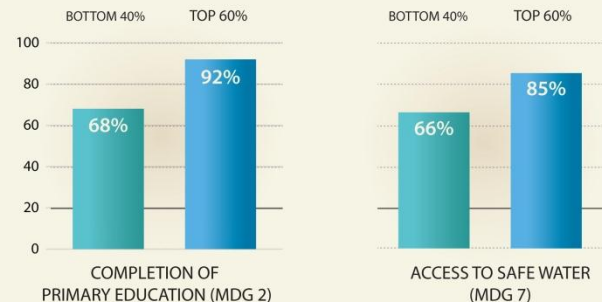
**GROWTH'S CONTRIBUTION HAS BEEN CRUCIAL
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From 2006 to 2011, in
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countries, the bottom
40% fared better than the
country average.

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**LIVING STANDARDS OF THE BOTTOM 40%
LAG BEHIND THOSE OF THE TOP 60%**



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But reaching 3% by 2030 will
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9%
BY 2020



3%
BY 2030

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GLOBAL MONITORING REPORT 2014/2015

Ending Poverty and Sharing

Two new features:

- 1. Introducing the World Bank Group Twin Goals of Ending Poverty and Boosting Shared Prosperity**
- 2. Shifting to an universal coverage and 2030 as an end point**

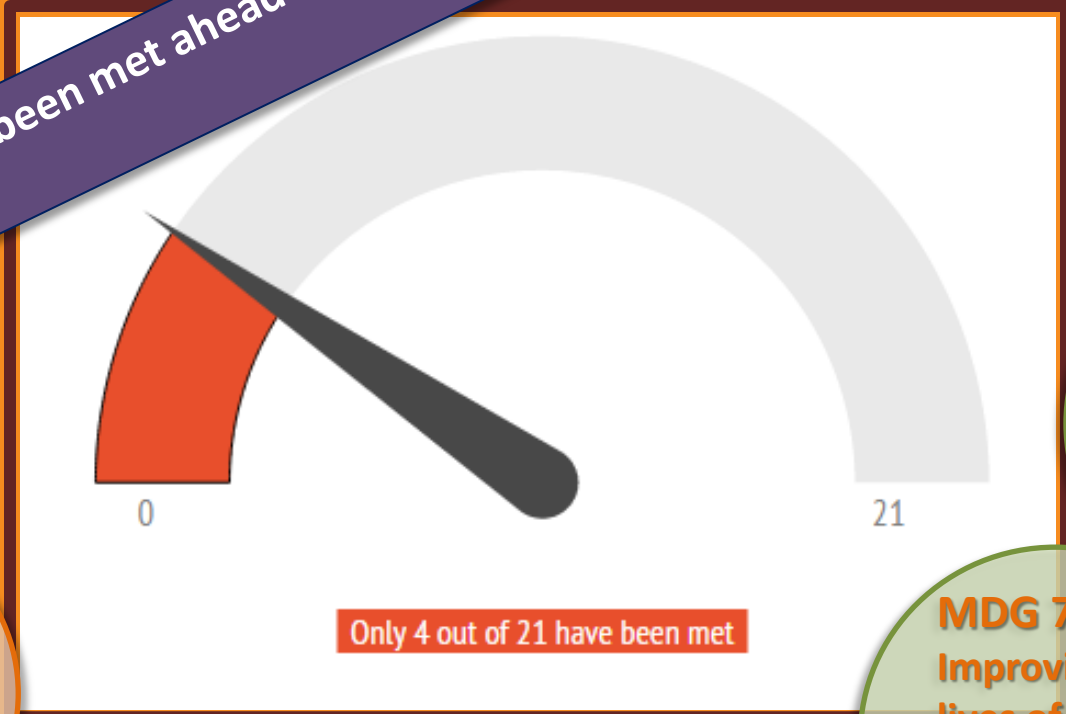
What stayed the same:

- 1. Monitoring of policies and institutions that help achieve the MDGs plus the World Bank Group Twin Goals**
- 2. Thematic focus: Three key elements that make growth more inclusive and sustainable**
 - 1. Human capital**
 - 2. Social safety nets**
 - 3. Environmental sustainability**



ENDING POVERTY AND SHARING PROSPERITY


4 MDG targets have been met ahead of the 2015 deadline



MDG 6C
Combating malaria




MDG 3B
Gender equality in secondary education



MDG 7C
Access to safe drinking water



MDG 7D.
Improving lives of at least 100 million slum dwellers



MDG 3A.
Gender equality in primary education



MDG 1A.
Extreme Poverty Reduction



And 2 more are likely to be met before 2015

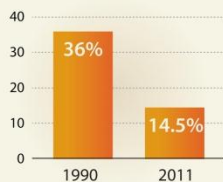


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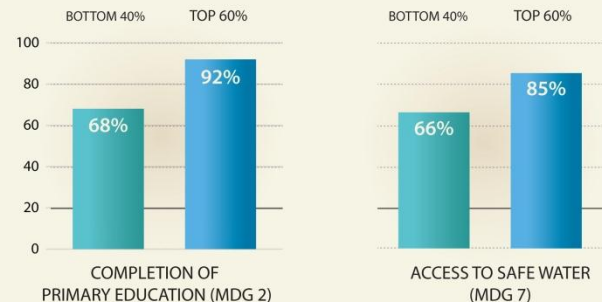
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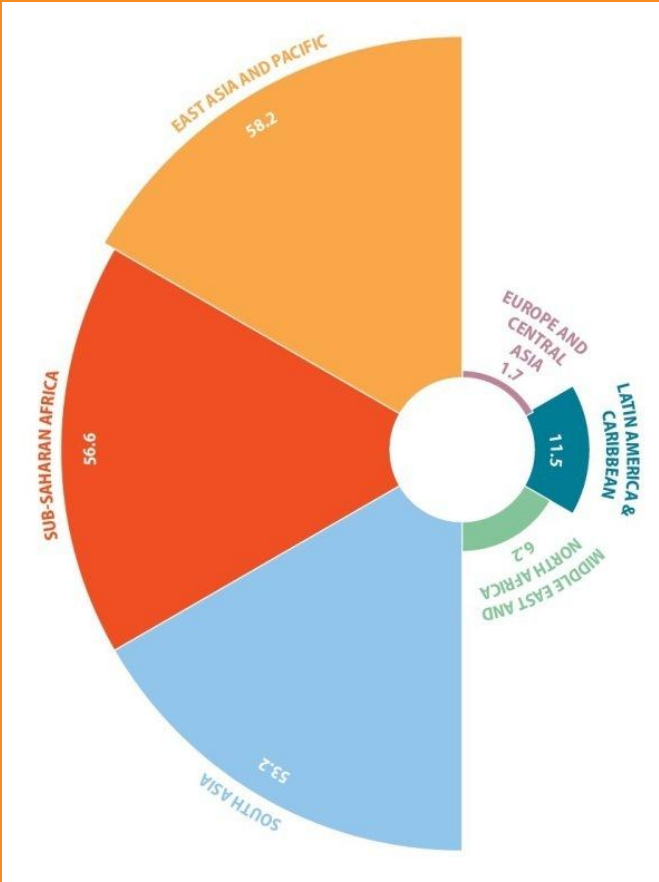
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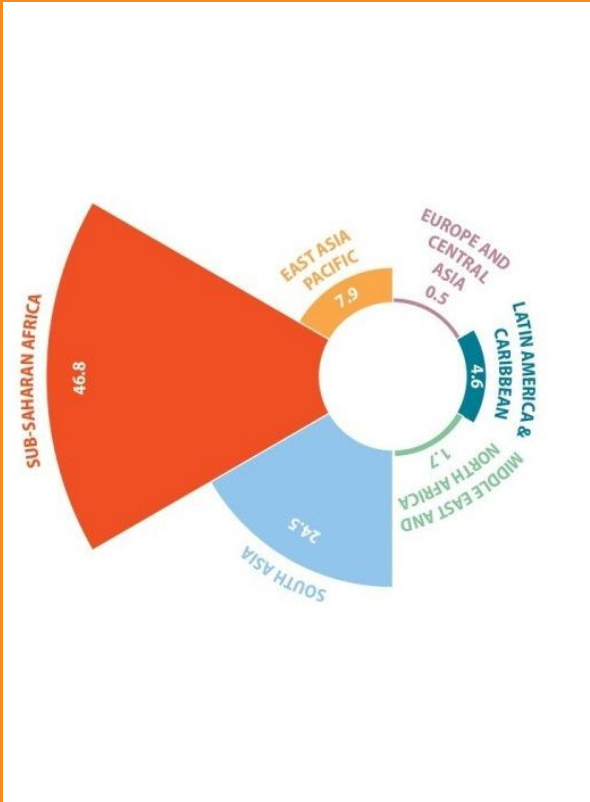


ENDING POVERTY AND SHARING PROSPERITY

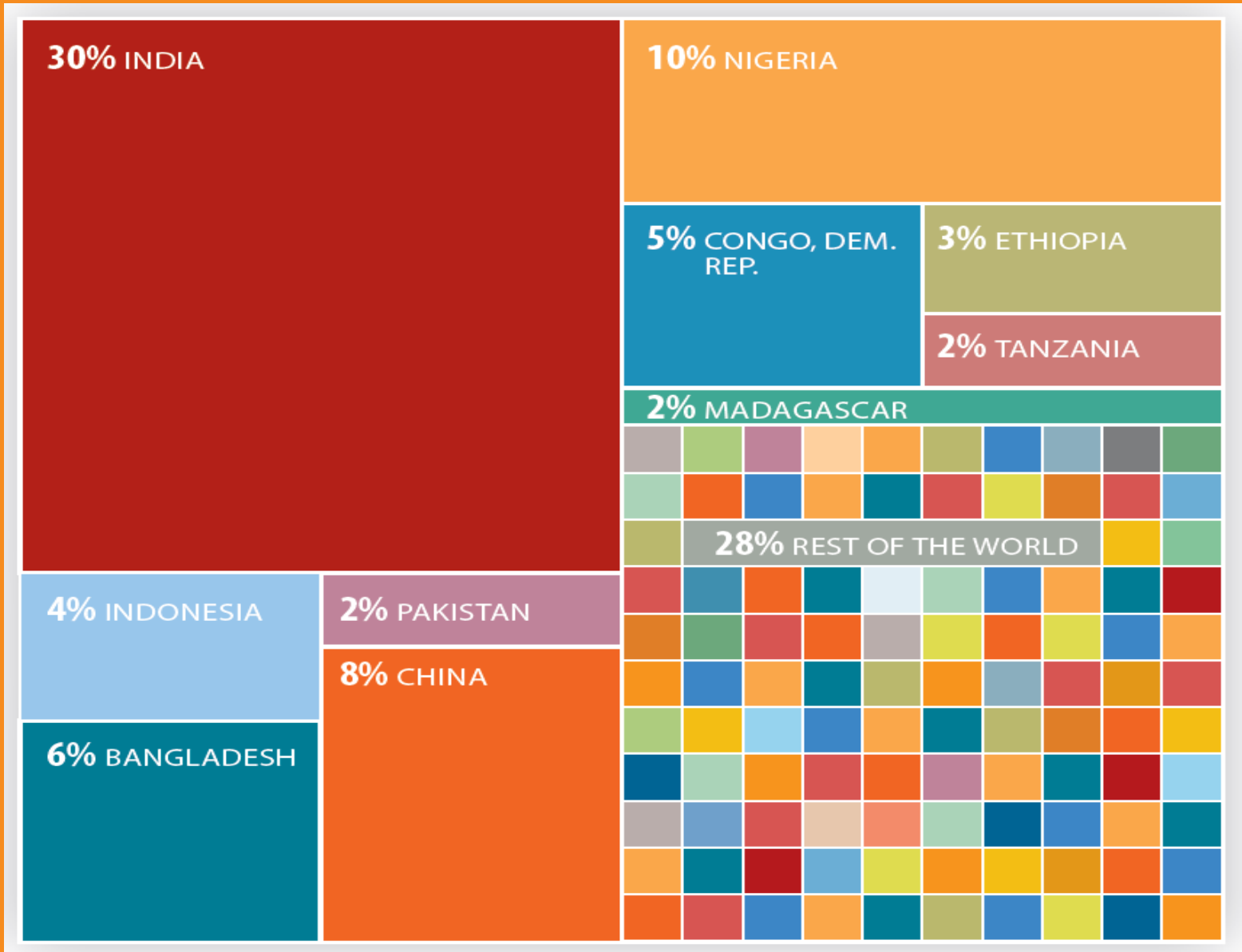
1990



2011



ENDING POVERTY AND SHARING PROSPERITY

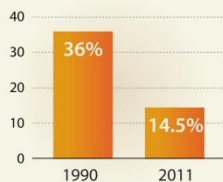


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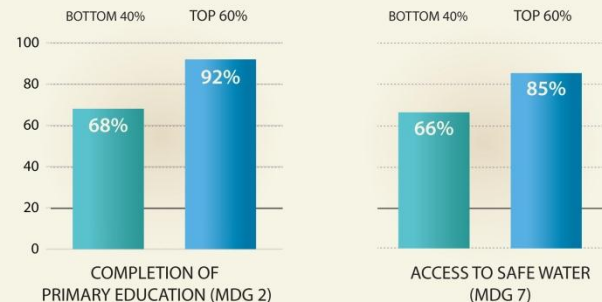
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ENDING POVERTY AND SHARING PROSPERITY

Incomes of the bottom 40 percent increased in

58 out of **86** countries

Shared prosperity by country

Annualized growth in mean income/consumption per capita a five year period between 2002–12

Bottom 40 percent Total population (percent)



In **13** countries the bottom 40 percent had annual growth rates **higher than 7 percent**

In **18** countries, the income of the bottom 40 percent **declined**

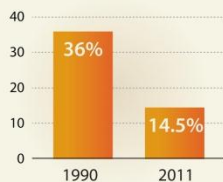


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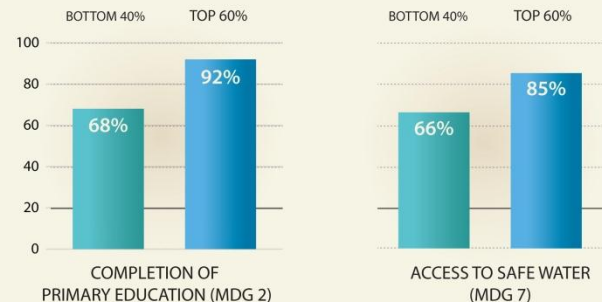
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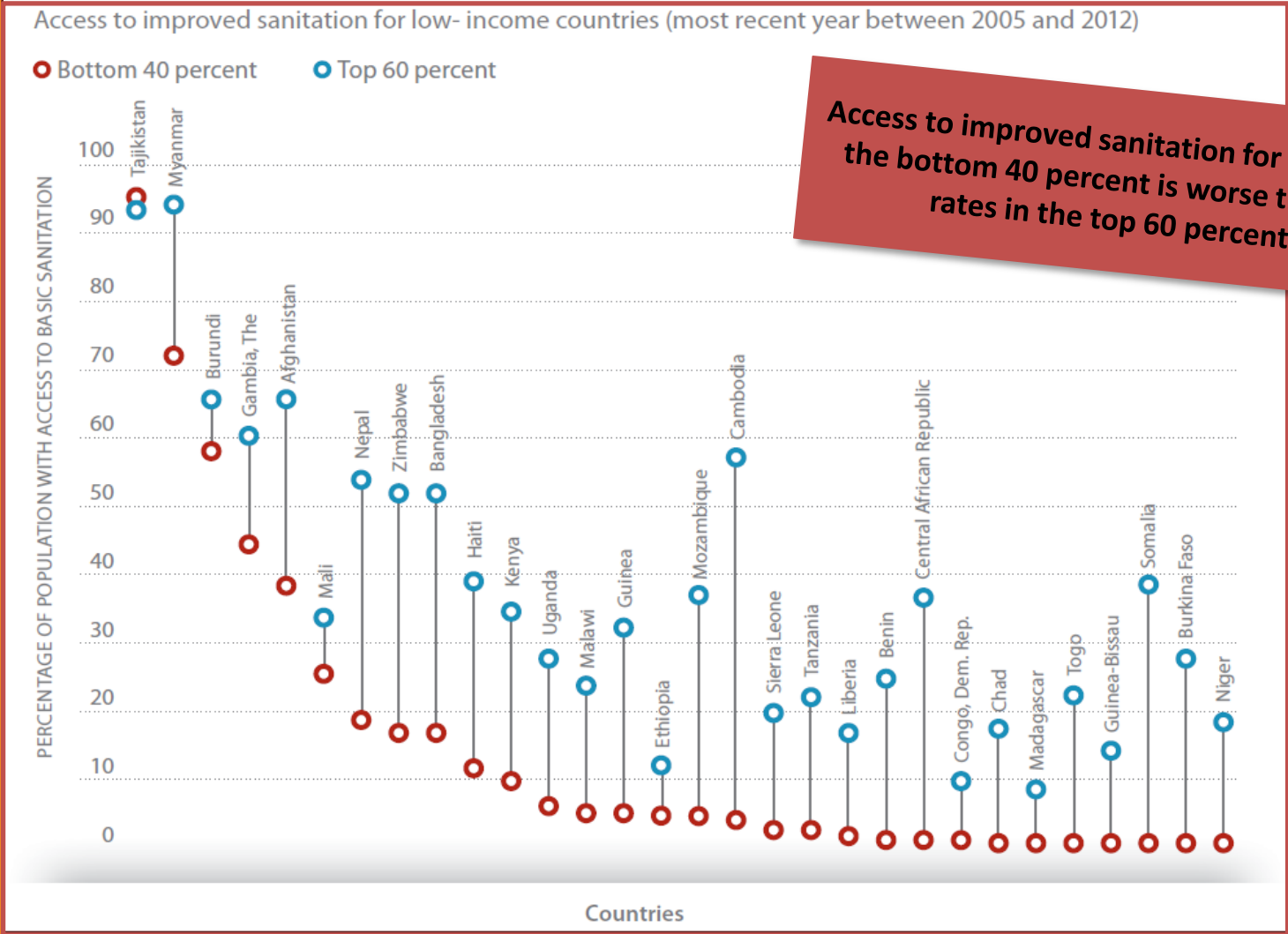


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ENDING POVERTY AND SHARING PROSPERITY



Access to improved sanitation for people in the bottom 40 percent is worse than the rates in the top 60 percent.

Source: World Bank staff calculations based on WHO/UNICEF Joint Monitoring Program (JMP) for Water Supply and Sanitation 2014 for most recent year between 2005 and 2012. Data in the figure for the bottom 40 and top 60 percent should not be directly compared with those published in the JMP 2014 report for which rural and urban but not national wealth quintiles were reported.

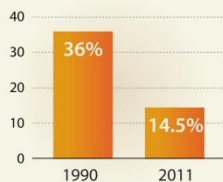


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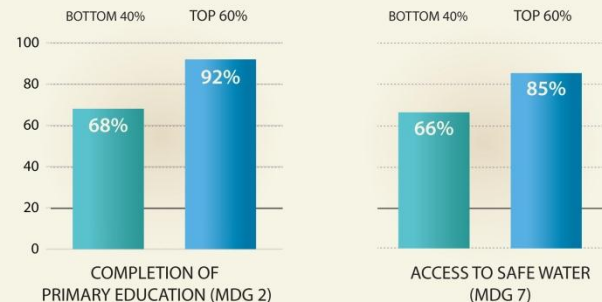
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Global Output

Table 2.1 Global Output¹

(Annual percent change)

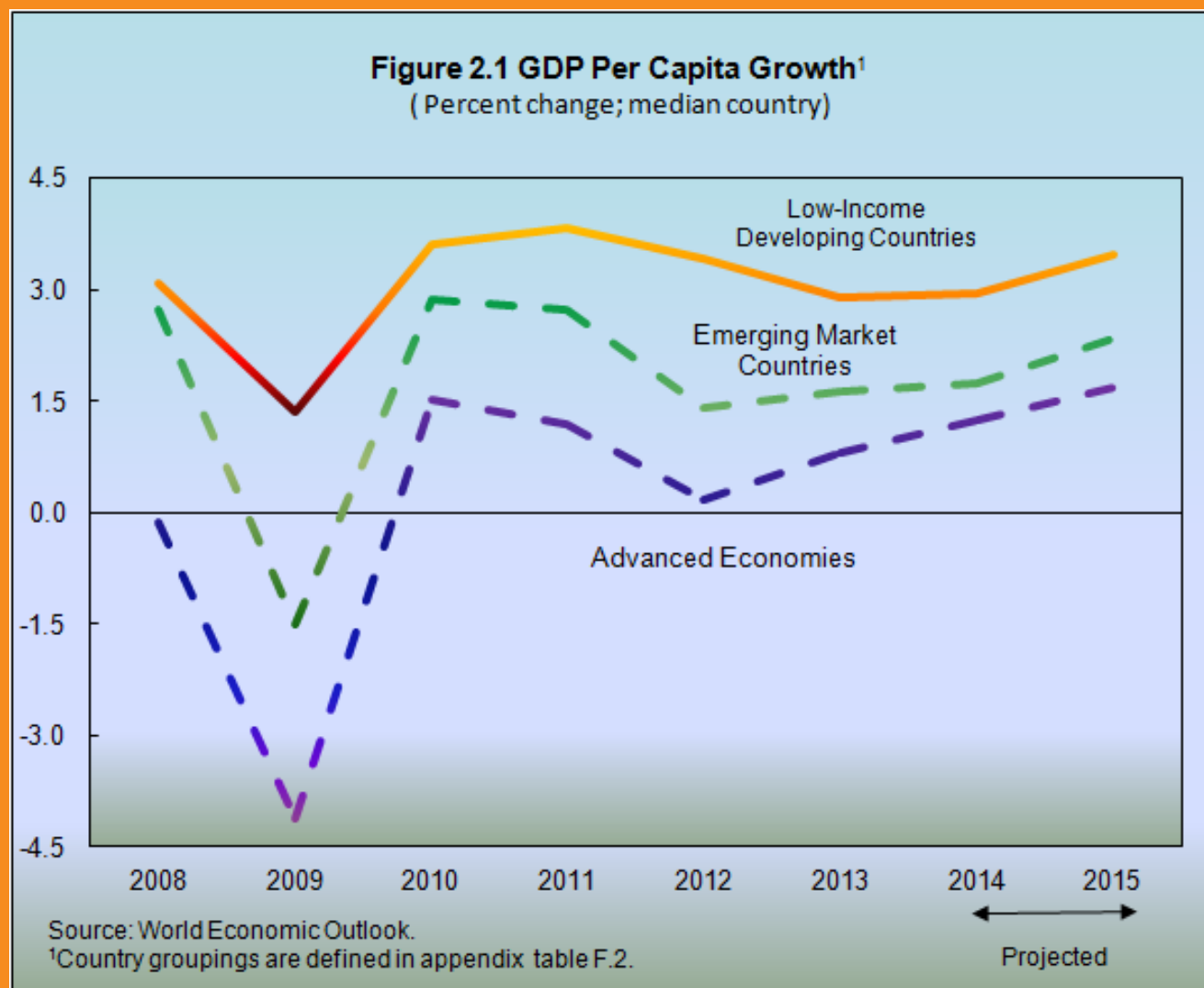
	2008	2009	2010	2011	2012	2013	Projections	
							2014	2015
World	3.0	0.0	5.4	4.1	3.4	3.3	3.3	3.8
Advanced Economies	0.1	-3.4	3.1	1.7	1.2	1.4	1.8	2.3
Emerging Market and Developing Countries	5.8	3.1	7.5	6.2	5.1	4.7	4.4	5.0
Commonwealth of Independent States	5.4	-6.2	5.0	4.8	3.4	2.2	0.8	1.6
Emerging and Developing Asia	7.1	7.5	9.5	7.7	6.7	6.6	6.5	6.6
Emerging and Developing Europe	3.2	-3.6	4.7	5.5	1.4	2.8	2.7	2.9
Middle East, North Africa, Afghanistan, and Pakistan	5.2	2.3	5.3	4.4	4.8	2.5	2.7	3.9
Latin America and the Caribbean	3.9	-1.3	6.0	4.5	2.9	2.7	1.3	2.2
Sub-Saharan Africa	6.3	4.1	6.9	5.1	4.4	5.1	5.1	5.8
Low-Income Developing Countries	6.1	6.0	7.3	5.2	5.2	6.0	6.1	6.5
Emerging Market Countries	5.8	2.9	7.5	6.3	5.1	4.6	4.3	4.8
Fragile States	4.3	4.5	5.1	1.0	15.0	3.9	1.2	5.5
Small States	4.0	0.6	2.9	3.5	2.7	2.1	2.7	2.3

Source: World Economic Outlook.

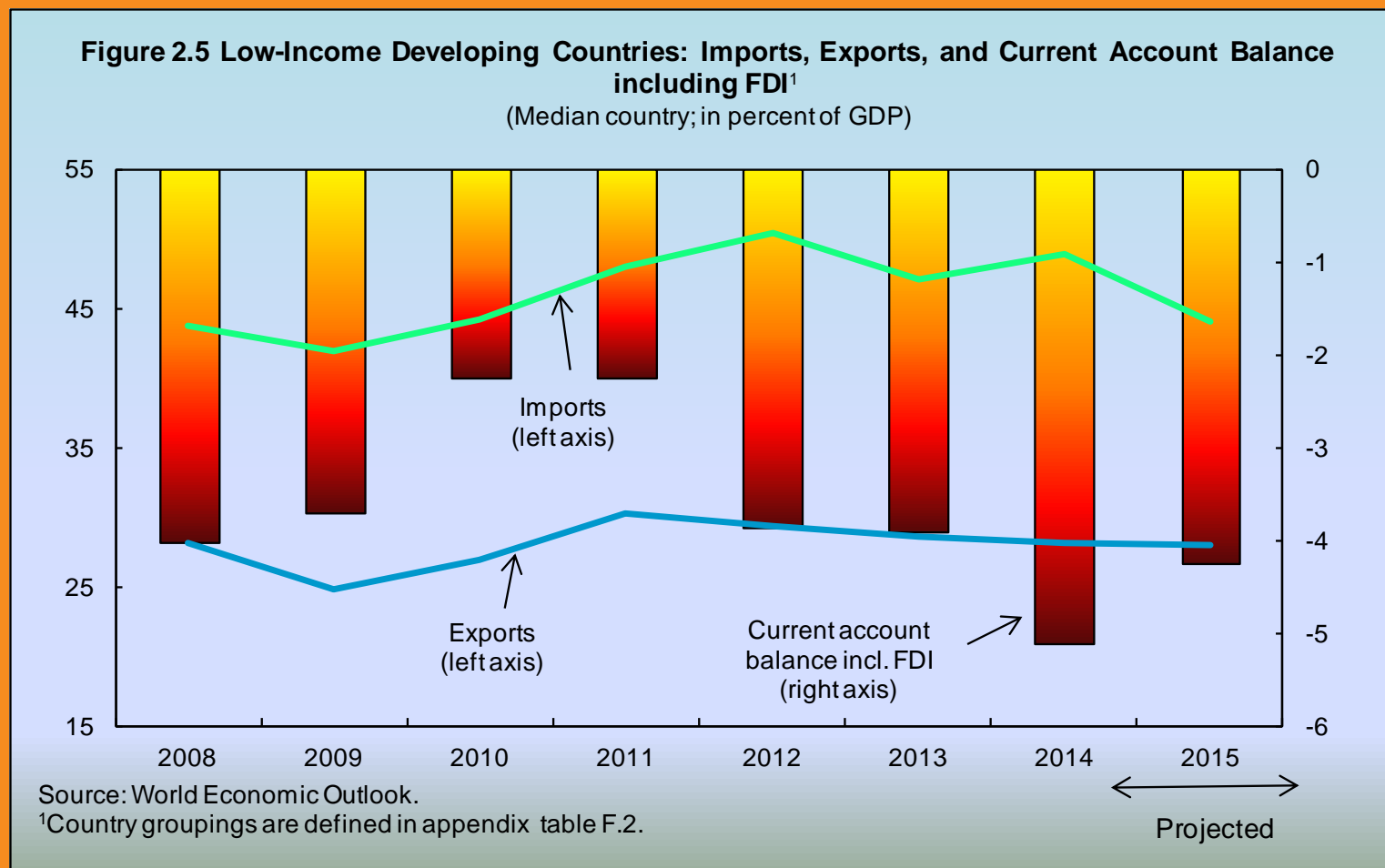
¹Country groupings are defined in appendix table F.2.



GDP Per Capita Growth

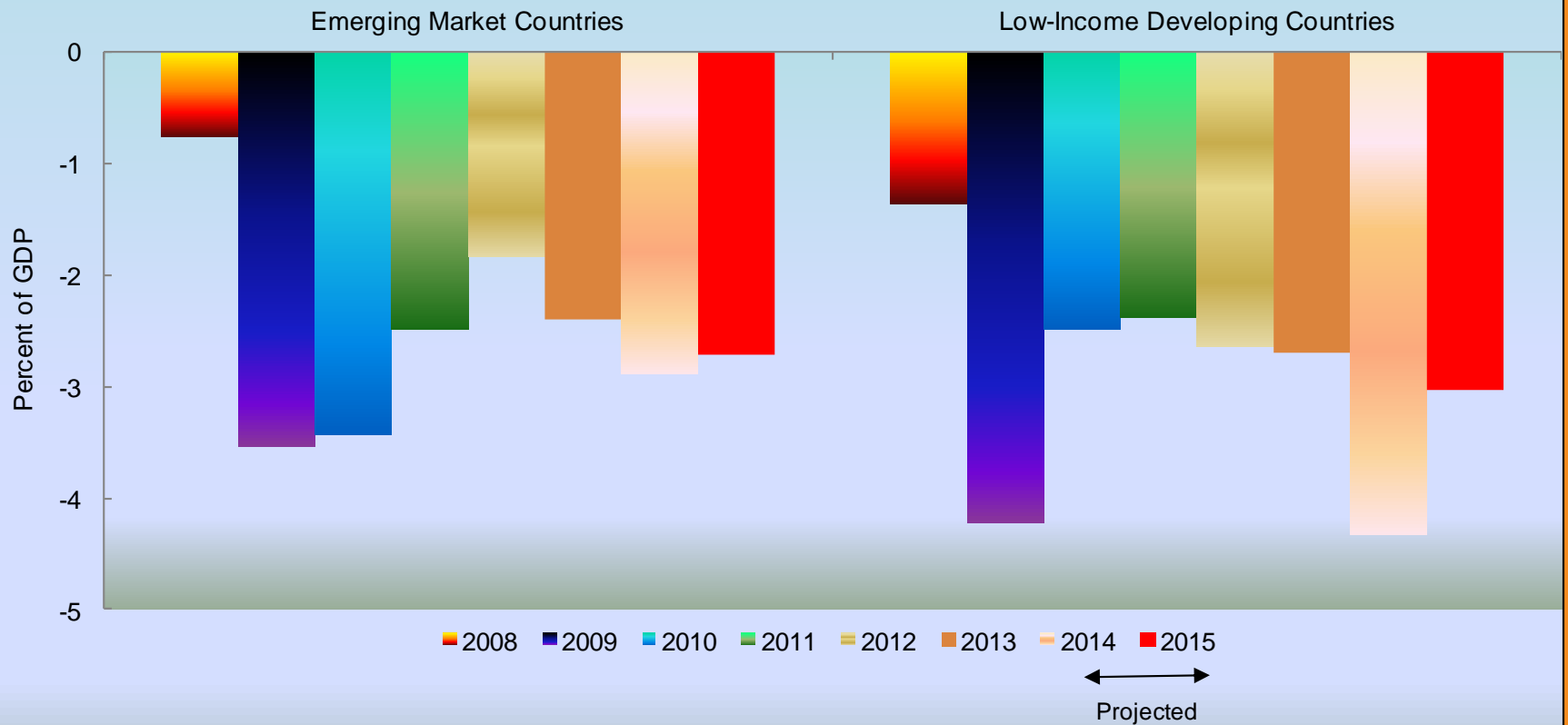


Low-Income Countries: Imports, Exports, and Current Account Balance including FDI



Fiscal Deficit

Figure 2.7 Fiscal Deficit¹
(Median, in percent of GDP)



Source: World Economic Outlook.

Note: General government balance (net lending / net borrowing) as defined in IMF Government Finance Statistics Manual 2001.

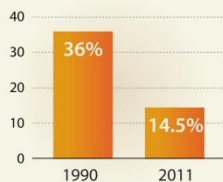
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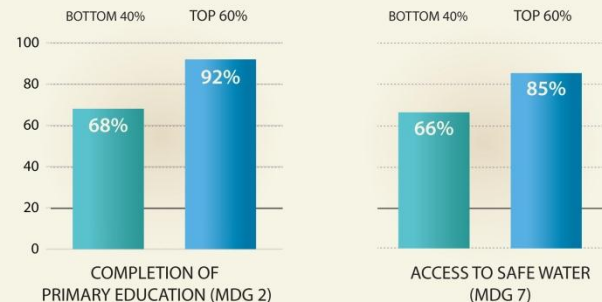
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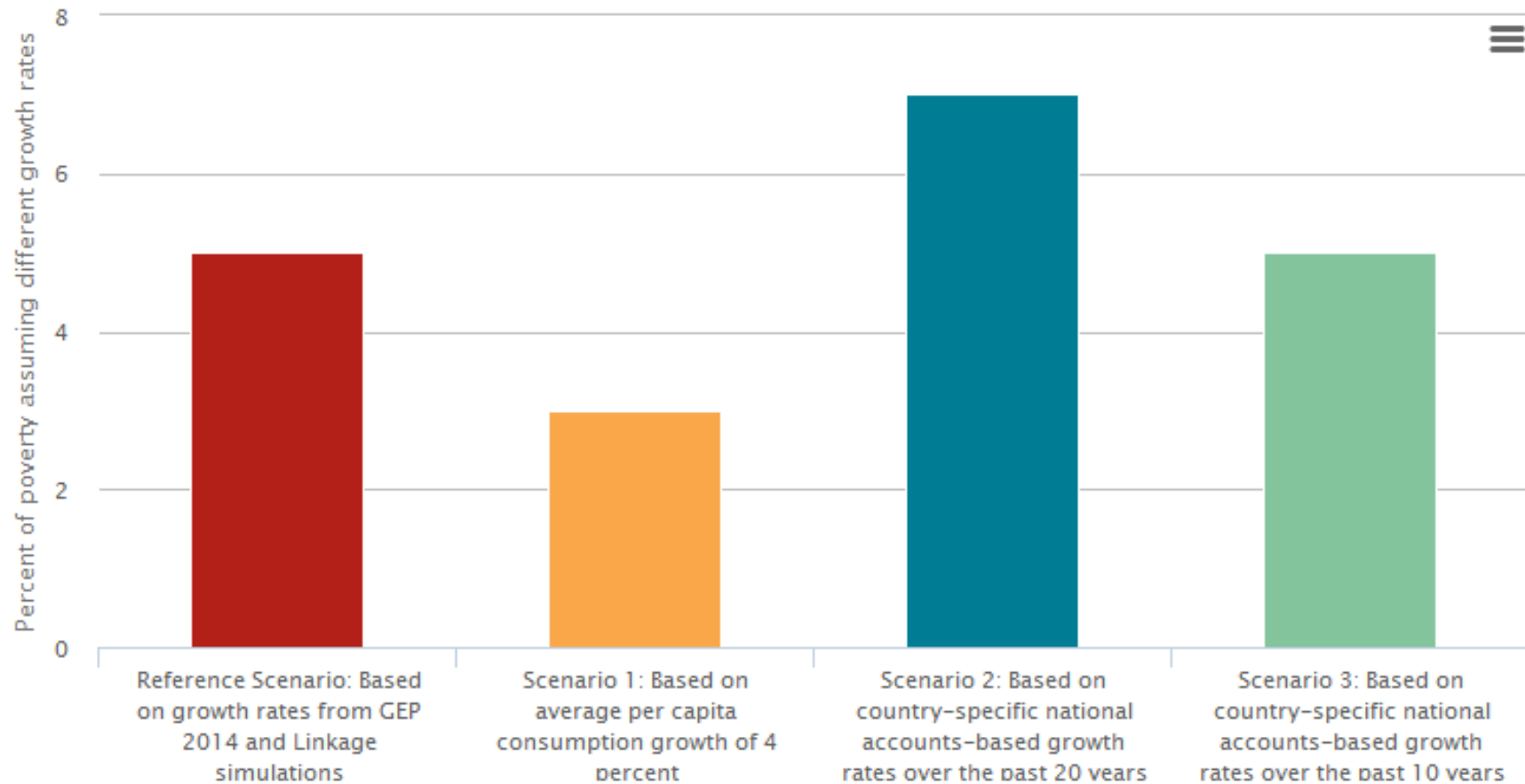
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ENDING POVERTY AND SHARING PROSPERITY

Ending poverty by 2030 will require special effort



Source: World Bank 2014b and World Bank staff calculations from World Bank 2014a and the World Bank's Global Linkage simulation tool.



ENDING POVERTY AND SHARING PROSPERITY

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HUMAN CAPITAL



ENVIRONMENTAL SUSTAINABILITY



SOCIAL SAFETY NETS



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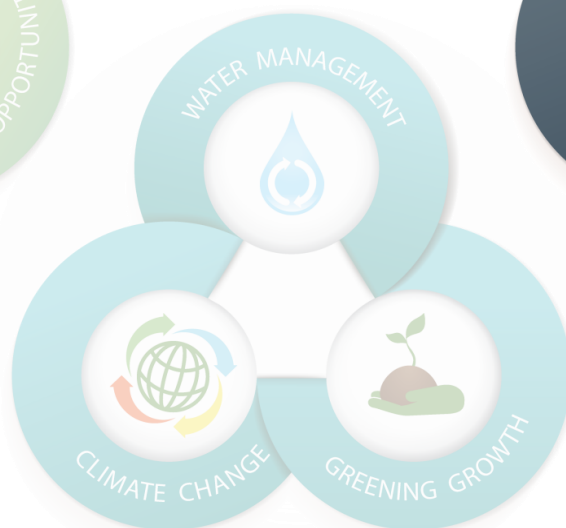


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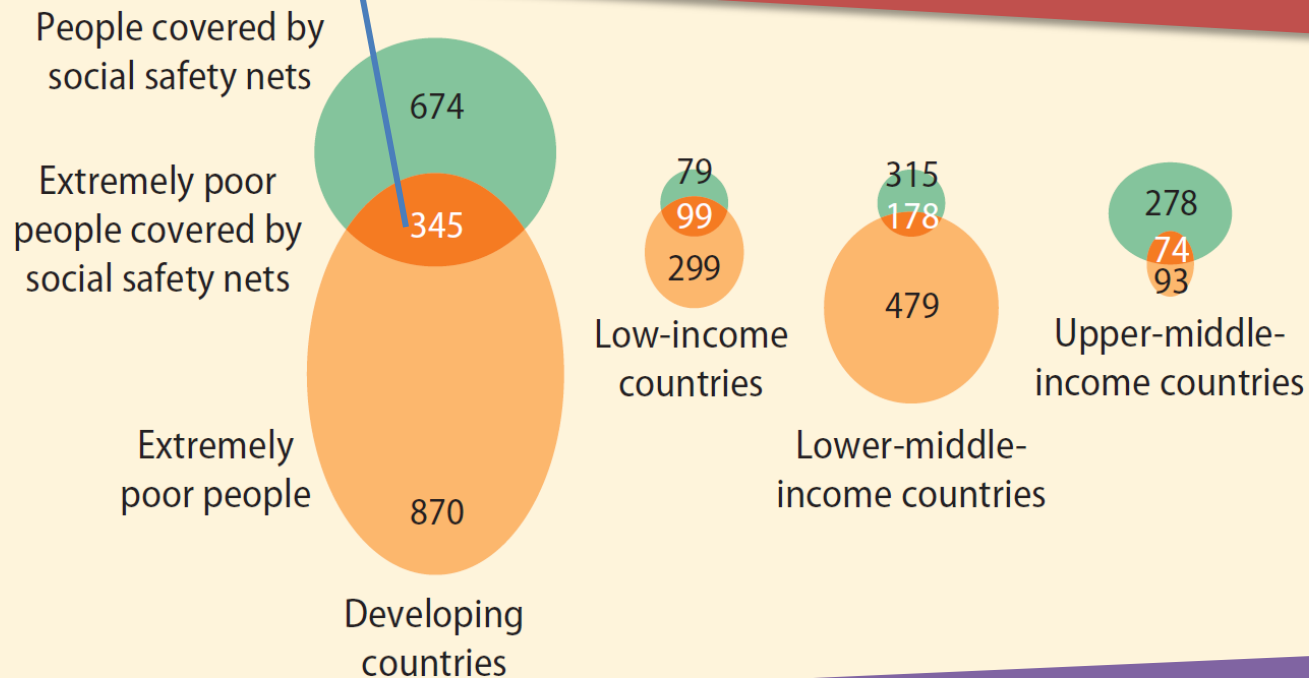


SOCIAL SAFETY NETS



Social Safety Nets and Coverage

More than 1 billion beneficiaries are currently covered by social safety but only **345** million of the 1 billion extreme poor are covered



The adequacy of social safety programs differs markedly across regions

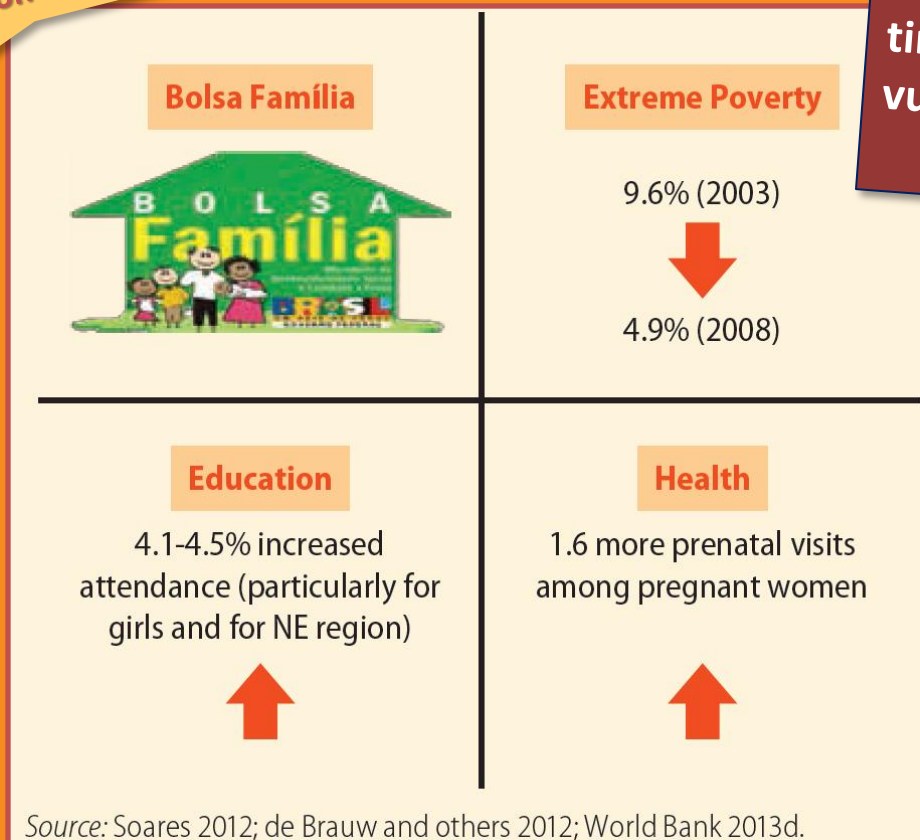
Form of social safety net program differs by country income

Role of Social Safety Nets

Social safety nets are critical for poverty reduction and boosting shared prosperity

Brazil, Bolsa Família,
extreme poverty,
education and health

Social safety nets are essential in
times of crises and help protect the
vulnerable from the effects of shocks



Source: Soares 2012; de Brauw and others 2012; World Bank 2013d.

ENDING POVERTY AND SHARING PROSPERITY

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ENVIRONMENTAL SUSTAINABILITY



Environmental sustainability

Some of the poorest countries waste considerable resources on ill-conceived fossil fuel subsidy programs

Reform of fuel and other energy subsidies have the potential to directly benefit the poor

Revenues from a reform of fuel and other energy subsidies can be used to support low-income households that benefit the poor at a much lower cost to the government budget than other costly and harmful subsidies

Indonesia
Jordan

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SOCIAL SAFETY NETS



In Conclusion

- Economic Growth in those regions where 95 % of the poor live is encouraging, but risks are emerging
- WBG interim target of reducing extreme poverty to single digit by 2020 seems achievable
- Gaps in income levels of the bottom 40% have been closing, other aspects of their living standards remain much lower than the top 60%
- Three key policy areas can help make growth more inclusive and sustainable
 - Human capital
 - Social safety nets
 - Environmental sustainability
- More, better, and timely data needed – Data revolution

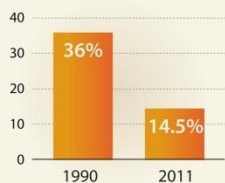


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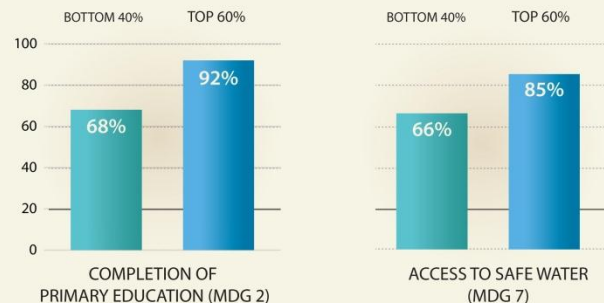
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