

Goal 1

Eradicate extreme poverty and hunger

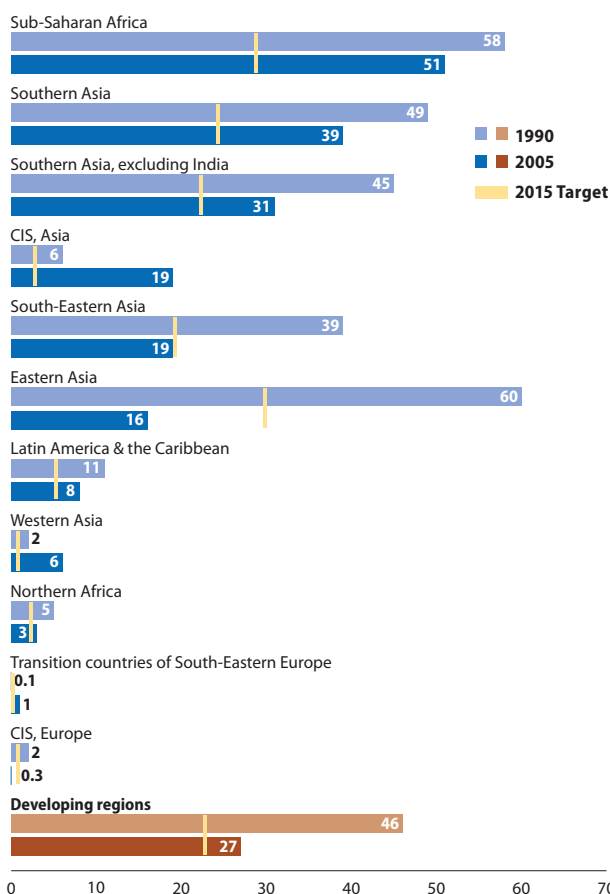


TARGET

Halve, between 1990 and 2015, the proportion of people whose income is less than \$1 a day

The global economic crisis has slowed progress, but the world is still on track to meet the poverty reduction target

Proportion of people living on less than \$1.25 a day, 1990 and 2005 (Percentage)



Robust growth in the first half of the decade reduced the number of people in developing regions living on less than \$1.25 a day from 1.8 billion in 1990 to 1.4 billion in 2005, while the poverty rate dropped from 46 per cent to 27 per cent. The global economic and financial crisis, which began in the advanced economies of North America and Europe in 2008, sparked abrupt declines in exports and commodity prices and reduced trade and investment, slowing growth in developing countries. Nevertheless, the momentum of economic growth in developing countries is strong enough to sustain progress on the poverty reduction target. The overall poverty rate is still expected to fall to 15 per cent by

2015, indicating that the Millennium Development Goal (MDG) target can be met. This translates into around 920 million people living under the international poverty line—half the number in 1990.

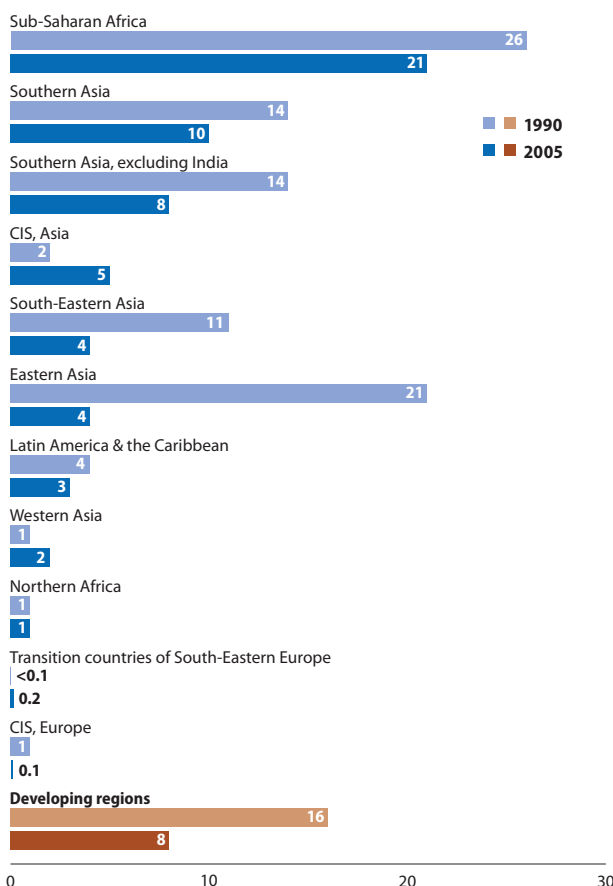
Newly updated estimates from the World Bank suggest that the crisis will leave an additional 50 million people in extreme poverty in 2009 and some 64 million by the end of 2010 relative to a no-crisis scenario, principally in sub-Saharan Africa and Eastern and South-Eastern Asia. Moreover, the effects of the crisis are likely to persist: poverty rates will be slightly higher in 2015 and even beyond, to 2020, than they would have been had the world economy grown steadily at its pre-crisis pace.

The fastest growth and sharpest reductions in poverty continue to be recorded in Eastern Asia. Poverty rates in China are expected to fall to around 5 per cent by 2015. India, too, has contributed to the large reduction in global poverty. Measured at the \$1.25 a day poverty line, poverty rates there are expected to fall from 51 per cent in 1990 to 24 per cent in 2015, and the number of people living in extreme poverty will likely decrease by 188 million. All developing regions except sub-Saharan Africa, Western Asia and parts of Eastern Europe and Central Asia are expected to achieve the MDG target. These shortfalls reflect slow growth in sub-Saharan Africa in the 1990s and the transition from planned to market economies that saw poverty increase, albeit from very low levels, in some countries of Eastern Europe and the former Soviet Union.

The lack of good quality surveys carried out at regular intervals and delays in reporting survey results continue to hamper the monitoring of poverty. Gaps are particularly acute in sub-Saharan Africa, where more than half of countries lack sufficient data to make comparisons over the full range of the MDGs, and among small island states in the Pacific and the Caribbean. Surveys deliver important information—not just in the change in average income or consumption, but also in its distribution. This year's poverty estimates integrate 31 new household surveys. Combining these new surveys with last year's growth forecast suggests a 0.5 percentage point decline (after taking into account the effect of the financial crisis) in the aggregate poverty headcount index in 2015—from 15.5 per cent to 15.0 per cent. Only with more timely data can accurate reports on progress towards the MDGs be provided.

Prior to the crisis, the depth of poverty had diminished in almost every region

Poverty gap ratio at \$1.25 a day, 1990 and 2005 (Percentage)



The poverty gap measures the shortfall in incomes of people living below the poverty line. While the international poverty line is set at a level typical of very poor countries, many people live on even less than that amount. Economic growth and improvements in the distribution of income or consumption reduce the depth of poverty. Since 1990, the depth of poverty has decreased in all regions except Western Asia. In 2005, the average income of people living below the poverty line stood at \$0.88. The depth of poverty was greatest in sub-Saharan Africa, but has fallen since 1999 to reach the level of Eastern Asia in 1990.

Investments in disaster risk reduction can yield long-term benefits, including progress on the MDGs

The risk of death or disability and economic loss resulting from natural disasters is increasing globally and is concentrated in poorer countries. Reducing such risk can have multiplier effects that can accelerate achievement of the MDGs. The horrific loss of life from earthquakes in Haiti, Chile and China, and floods in Brazil, underscore the need to make the built environment more resilient in the face of potential hazards—both seismic and climatic (or weather-related).

Urbanization, climate change and ecosystem degradation are increasing the toll of natural disasters, and countries least able to reduce their risk are suffering the most. An estimated 97 per cent of global mortality risk from natural disasters is faced by populations in low- and lower-middle-income countries, which also experience higher economic losses relative to the size of their economies. From the start of 2008 through March 2010, 470,000 people were reportedly killed as a result of natural disasters; economic losses were estimated to be more than \$262 billion (not including 2010). Small island developing states and landlocked developing countries together constitute 60 per cent and 67 per cent, respectively, of the countries considered to have a high or very high economic vulnerability to natural hazards.

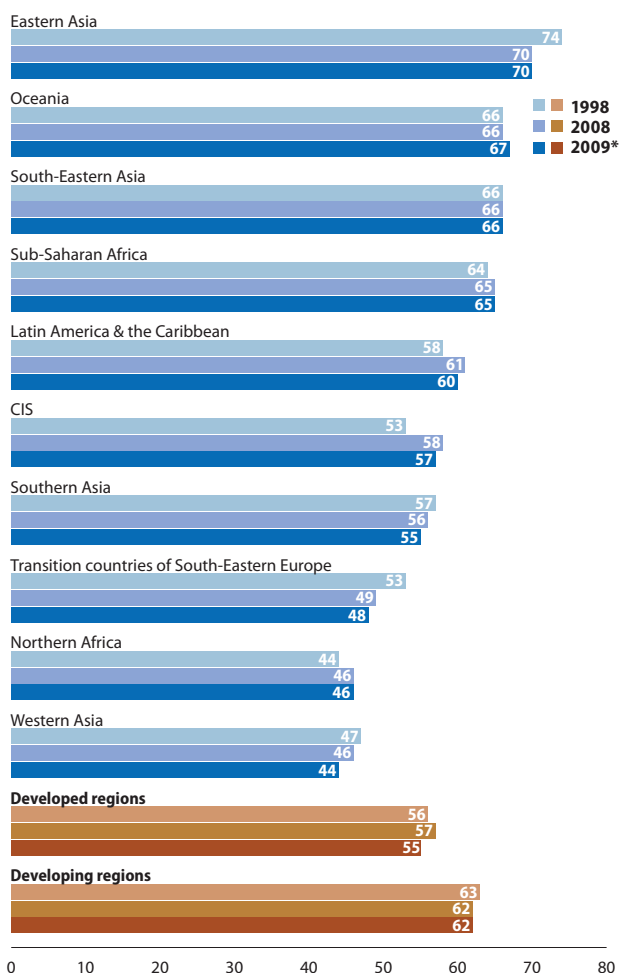
Experience from countries has shown that investments in disaster risk reduction produce long-term benefits—from reduced future losses and avoided reconstruction to co-benefits such as more robust livelihoods, resilient communities, and protective and productive ecosystems. In Peru, incorporation of risk reduction into development has led to benefits that exceeded costs by as much as 37 times. When China spent \$3.15 billion on reducing the impact of floods between 1960 and 2000, it averted losses estimated at \$12 billion.

TARGET

Achieve, full and productive employment and decent work for all, including women and young people

Deterioration of the labour market, triggered by the economic crisis, has resulted in a decline in employment

Employment-to-population ratio, 1998, 2008 and 2009 preliminary estimates



* Data for 2009 are preliminary.

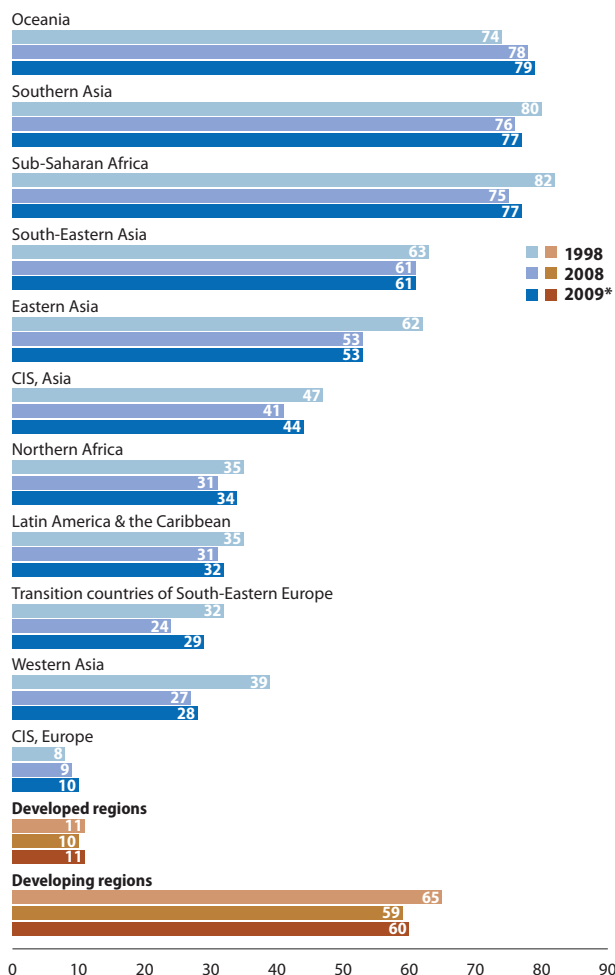
The bursting of the housing bubble in the United States in 2007 and subsequent paralysis of the global financial system became an economic and labour market crisis that plagued the world throughout 2009. The cascading crisis crippled economies, reduced enterprise capacities and forced millions of people out of work. Many workers resorted to vulnerable forms of employment as the ranks of the working poor swell.

As the crisis deepened, government stimulus measures began to curb the slide in economic activity and lessen the impact of global job losses. The coordinated efforts of countries responding to the crisis have been instrumental in averting even greater social and economic hardships. However, labour market conditions have continued to deteriorate in many countries and will likely threaten much of the progress made over the last decade towards decent work.

The economic deterioration resulted in a sharp drop in employment-to-population ratios. In addition, labour productivity declined in 2009. In most regions, the decrease in gross domestic product was even greater than the decline in employment, resulting in diminishing output per worker. Preliminary estimates indicate a negative growth in output per worker in all regions except Northern Africa, Eastern Asia and Southern Asia. The largest fall in output per worker was in CIS countries in Europe, the transition countries of South-Eastern Europe and in Latin America and the Caribbean. Declining labour output contributes to poorer working conditions, worsening the plight of workers in regions where labour productivity was already low before the economic crisis, as in sub-Saharan Africa.

As jobs were lost, more workers have been forced into vulnerable employment

Proportion of own-account and contributing family workers in total employment, 1998, 2008 and 2009 second scenario (Percentage)



*Forecasts for 2009 are based on the International Labour Organization's second scenario. Details are available at mdgs.un.org

The positive downward trend in vulnerable employment was interrupted by deteriorating conditions on the labour market following the financial crisis. For many wage and salaried workers who lost their jobs, as well as first-time job seekers who entered the labour market in the midst of the crisis, own-account and unpaid family work are options of last resort.

Those engaged in 'vulnerable employment', defined as the sum of own-account workers and contributing family workers, are not typically bound by formal work arrangements. They are therefore more likely to lack benefits associated with decent employment, such as adequate social security

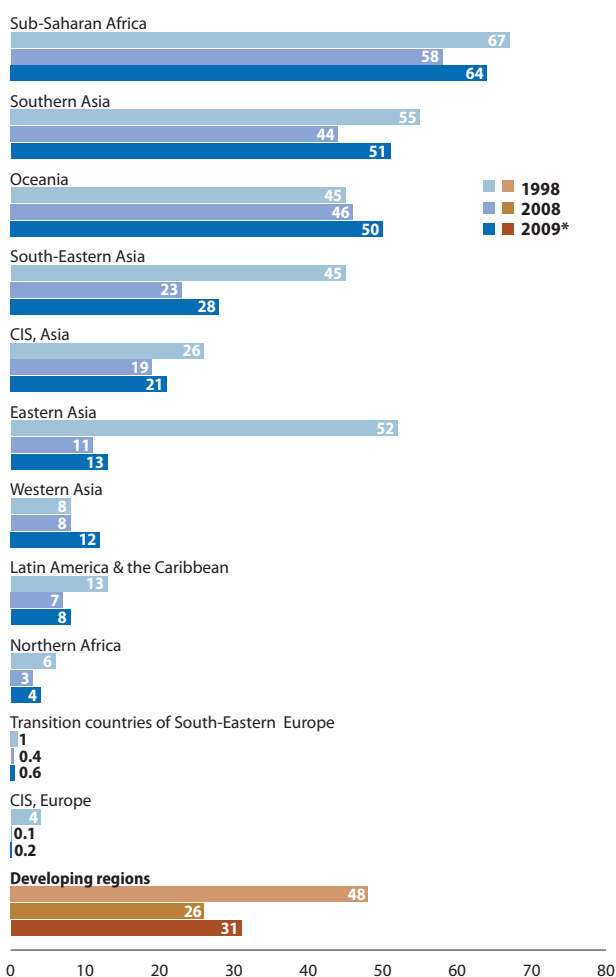
and recourse to effective mechanisms for social dialogue. Vulnerable employment is often characterized by inadequate earnings, low productivity and substandard working conditions that undermine fundamental labour rights.

Prior to the economic crisis, over three quarters of workers in Oceania, Southern Asia and sub-Saharan Africa were without the security that wage and salaried jobs could provide. The crisis is likely to have further increased the number of workers engaged in vulnerable employment in these regions in 2009. The International Labour Organization (ILO) estimates* the global vulnerable employment rate in 2009 to be between 49 per cent and 53 per cent, which translates into 1.5 billion to 1.6 billion people who are working on their own or as unpaid family workers worldwide.

* Details are available at <http://mdgs.un.org>

Since the economic crisis, more workers find themselves and their families living in extreme poverty

Proportion of employed people living below \$1.25 a day, 1998, 2008 and 2009 second scenario (Percentage)



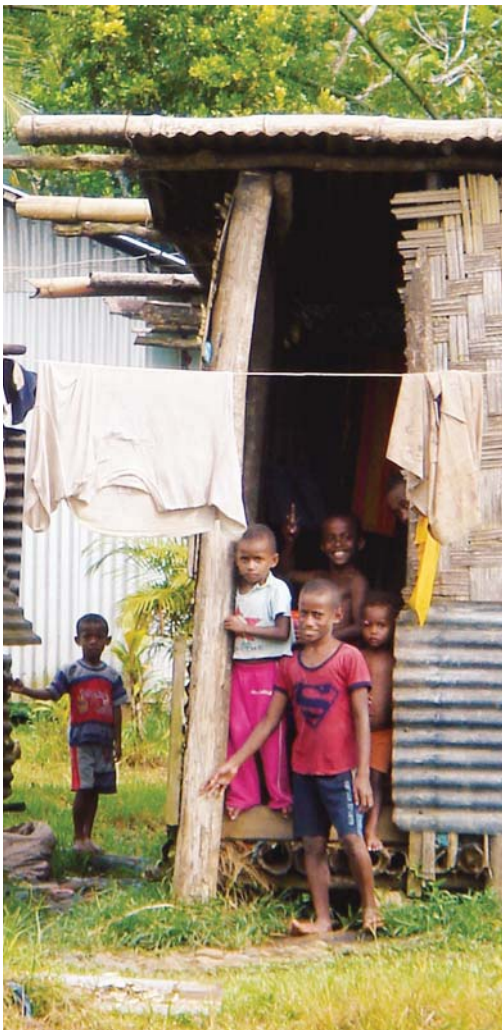
*Data for 2009 are based on the ILO's second scenario.

Details are available at mdgs.un.org

The 'working poor' are defined as those who are employed but live in households where individual members subsist on less than \$1.25 a day. Most of these workers are engaged in jobs that lack the social protection and safety nets that guard against times of low economic demand, and they are often unable to generate sufficient savings to offset hard times. Since vulnerable employment is often characterized by low productivity work, and the global financial crisis has resulted in declining output per worker, working poverty is likely to have increased as well. The small decreases in the percentage of working poor in 2009 that would result from a

continuation of historical trends (scenario 1) are therefore not likely to have materialized. Rather, it is estimated that an additional 3.6 per cent of the world's workers were at risk of falling into poverty between 2008 and 2009 (scenario 2), an alarming increase and a setback of many years of steady progress.

The largest negative impact is most likely to be seen in sub-Saharan Africa, Southern Asia, South-Eastern Asia and Oceania, where extreme poverty among the employed may have increased by four percentage points or more in the second scenario. These estimates reflect the fact that, prior to the crisis, many workers in these regions were only slightly above the poverty line. In the case of sub-Saharan Africa, the large majority of workers (63.5 per cent) were at risk of falling below the extreme poverty line in this scenario.

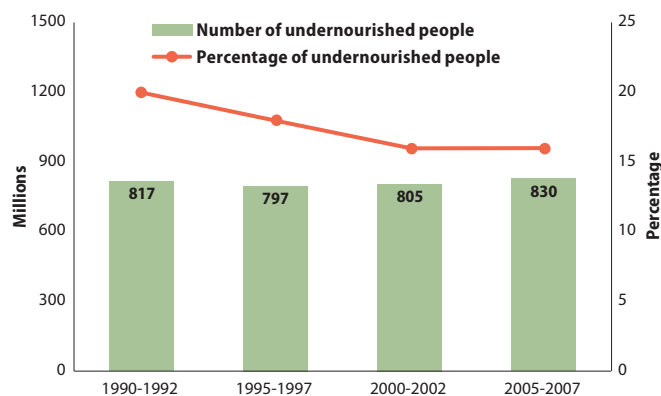


TARGET

Halve, between 1990 and 2015, the proportion of people who suffer from hunger

Hunger may have spiked in 2009, one of the many dire consequences of the global food and financial crises

Proportion of people who are undernourished in the developing regions (Percentage) and number of undernourished people (Millions), 1990-1992, 1995-1997, 2000-2002 and 2005-2007

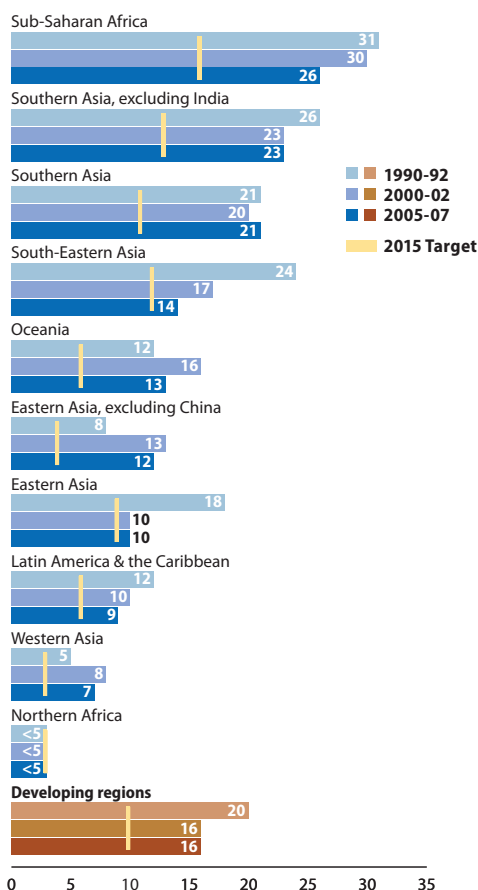


Since 1990, developing regions have made some progress towards the MDG target of halving the proportion of people suffering from hunger. The share of undernourished populations decreased from 20 per cent in 1990-1992 to 16 per cent in 2005-2007, the latest period with available data. However, progress has stalled since 2000-2002. Overall progress in reducing the prevalence of hunger has not been sufficient to reduce the number of undernourished people. In 2005-2007, the last period assessed, 830 million people were still undernourished, an increase from 817 million in 1990-1992.

Food prices spiked in 2008 and falling income due to the financial crisis further worsened the situation. The Food and Agricultural Organization of the United Nations estimates that the number of people who were undernourished in 2008 may be as high as 915 million and exceed 1 billion in 2009.

Progress to end hunger has been stymied in most regions

Proportion of undernourished population, 1990-1992, 2000-2002 and 2005-2007 (Percentage)



Before the onset of the food and financial crises, a number of regions were well on their way to halving, by 2015, the proportion of their population that were undernourished. South-Eastern Asia, which was already close to the target in 2005-2007 made additional progress, as did Latin America and the Caribbean and Eastern Asia. Progress in the latter region was largely due to reductions in hunger in China. The prevalence of hunger also declined in sub-Saharan Africa, although not at a pace that was sufficiently fast to compensate for population growth and to put the region on track to meet the MDG target.

Prices of staple foods remained high in 2009, after the initial food crisis of 2008. At the same time, the incomes of poor households diminished because of higher unemployment following the economic downturn. Both crises contributed to a considerable reduction in the effective purchasing power of poor consumers, who spend a substantial share of their income on basic foodstuffs.

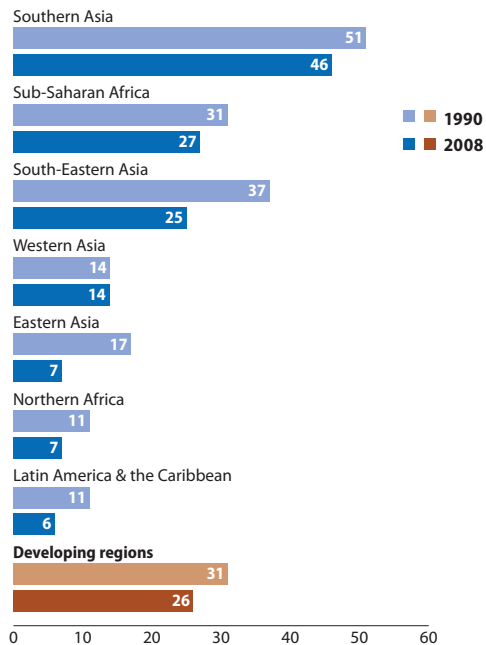
Though international food prices continued to decline in the second half of 2008, consumer food price indexes rose. International food prices have not yet stabilized and threats of new food crises loom.

Aggregate food availability globally was relatively good in 2008 and 2009, but higher food prices and reduced employment and incomes meant that the poor had less access to that food.



Despite some progress, one in four children in the developing world are still underweight

Proportion of children under age five who are underweight, 1990 and 2008 (Percentage)



Note: Prevalence of underweight children is estimated based on the NCHS/WHO/CDC reference population. The United Nations Children's Fund (UNICEF) is in the process of converting its entire child undernutrition database according to the new World Health Organization (WHO) Child Growth Standards.

Halving the prevalence of underweight children by 2015 (from a 1990 baseline) will require accelerated and concerted action to scale up interventions that effectively combat undernutrition. A number of simple and cost-effective interventions at key stages in a child's life could go a long way in reducing undernutrition, such as breastfeeding within one hour of birth, exclusive breastfeeding for the first six months of life, adequate complementary feeding and micronutrient supplementation between six and 24 months of age.

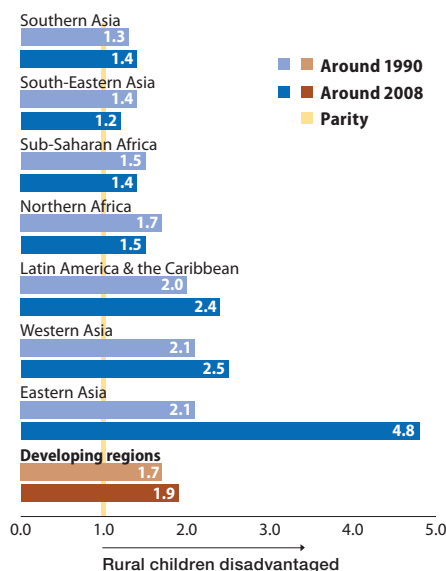
Undernutrition among children under five continues to be widely prevalent, due to both a lack of food and lack of quality food, inadequate water, sanitation and health services as well as less than optimal caring and feeding practices. Until improvements are made in all these areas, progress will be limited. In Southern Asia, for example, feeding practices are often poor and shortages of quality food are common. But in addition, nearly two thirds of the population are without improved sanitation and nearly half practise open defecation, resulting in repeated episodes of diarrheal diseases in children. Moreover, more than 25 per cent of infants are underweight at birth. Many of these children are never able to catch up in terms of their nutritional status. All of these factors have made underweight prevalence in Southern Asia—at 46 per cent—the highest in the world.

From 1990 to 2008, the proportion of children under five in the developing regions who are underweight declined from 31 per cent to 26 per cent. Progress in reducing underweight prevalence among children has been made in all regions except Western Asia. Eastern Asia, Latin America and the Caribbean, and CIS countries in Asia have reached or nearly reached the MDG target, and South-Eastern Asia and Northern Africa are on track.

Progress is being made, but not fast enough to reach the MDG target. Data are not yet available to fully understand the impact of the food and financial crises on underweight prevalence, but the achievement of the MDG target may be further threatened by them.

Children in rural areas are nearly twice as likely to be underweight as those in urban areas

Ratio between the proportion of under-five children who are underweight in rural areas and urban areas, 1990 and 2008

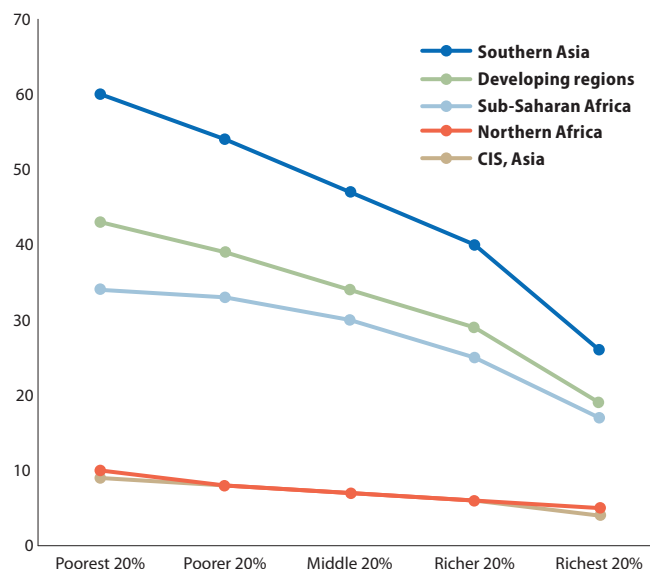


In all developing regions, children in rural areas are more likely to be underweight than children living in cities and towns. In parts of Asia and in Latin America and the Caribbean, the relative disparity actually increased between 1990 and 2008. In Eastern Asia, there was a striking increase in the rural/urban ratio (from 2.1 to 4.8), indicating that, in 2008, children in rural areas were almost five times as likely to be underweight as children in urban areas. This region, however, has already achieved the target—in both rural and urban areas—of halving the 1990 underweight prevalence: only 2 per cent of children in urban areas are underweight, versus 9 per cent of rural children.

South-Eastern Asia, sub-Saharan Africa and Northern Africa have succeeded in reducing child malnutrition more rapidly in rural areas and in narrowing the gap with the urban population, demonstrating that more equitable progress is indeed possible.

In some regions, the prevalence of underweight children is dramatically higher among the poor

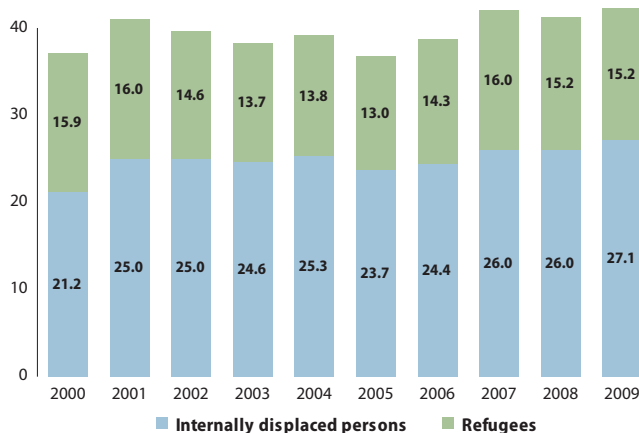
Proportion of under-five children who are underweight, by household wealth, around 2008 (Percentage)



Across the developing world, children from the poorest households are twice as likely to be underweight as children from the richest households. The disparity is most dramatic in regions with a high prevalence of underweight children. This is the situation in Southern Asia, where as many as 60 per cent of children in the poorest families are underweight, compared to about 25 per cent in the richest households.

Over 42 million people have been uprooted by conflict or persecution

Number of refugees and internally displaced persons, 2000-2009 (Millions)



Conflicts are a major threat to human security and to hard-won MDG gains. Years after a conflict has ended, large populations of refugees remain in camps with limited employment and education opportunities and inadequate health services. Not surprisingly, refugees often become dependent on subsistence-level assistance and lead lives of poverty and unrealized potential.

More than 42 million people are currently displaced by conflict or persecution. Of these, 15.2 million are refugees (residing outside their countries of origin) and 27.1 million people have been uprooted but remain within the borders of their own countries. Developing countries hosted four fifths of the global refugee population in 2009. They included 10.4 million people who fall under the aegis of the United Nations High Commissioner for Refugees (UNHCR) and 4.8 million Palestinian refugees, who are the responsibility of the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA).

The number of refugees has remained relatively stable over the past two years—about 15 million—in part because of the lack of durable solutions. In 2009, some 250,000 refugees were able to return to their homes voluntarily, the lowest level in 20 years. Afghans and Iraqis continue to be the largest refugee populations under the UNHCR mandate, totalling 2.9 million and 1.8 million people, respectively, at the end of 2009. Together they account for nearly half of all refugees under UNHCR care.

