

# WORLD POVERTY CLOCK



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The World Poverty Clock is a brilliant concept developed by Economists to get a grip on the magnitude of poverty across the globe. It was launched in May 2017, at a conference in Berlin by the Brookings Institute. The World Poverty Clock is created and maintained by the World Data Lab in Vienna, Austria.

It is their first attempt to develop a real-time global model for poverty. It is based on a global standardised database on income levels for every individual in the world.

The World Poverty Clock is a digital tool that shows the number of people living in extreme poverty worldwide. Its website illustrates how many people escape or fall into poverty every second. It also captures 'extreme' poverty – the gap between the actual number who have escaped poverty since

the end of December 2015 and the hypothetical number who should have escaped in order for the world to be on-track to reach the United Nations Sustainable Development Goal (SDG) of ending poverty by 2030.

According to the Study, 635 million people – 8.3 percent of the world population – were living in extreme poverty at the end of August 2018.



## Why a Clock?

The Brookings Institute wanted to raise awareness and connect with the audience in a more meaningful manner. They found that few people understood or looked at World Bank graphs and charts as these were too static. They wanted to emphasise the dynamics of poverty and highlight the progress being made. Equally underlying the fact that the pace of poverty reduction is still too slow in order to reach the global target of eradicating poverty. Therefore the Institute felt a clock had a greater visual impact and is a better way of conveying this moving picture to a global audience.

## The challenge

The Study illustrates the enormity of the challenge. Poverty is expected to rise in 27 countries (19 in Africa, 4 in the Americas, 3 in Asia and 1 in Oceania). This means that in these countries, the number of poor will increase from 287 million people to 345 million by 2030.

The good news is that Asia is witness to 80.1 people clambering out of poverty every second, as against the required minimum target of 29.7 if Asia is to escape poverty altogether by 2030. Extreme poverty is itself described by the UN as those who live on less than \$1.75 a day.

There is another reason to feel pleased, says the UN website: "Extreme poverty rates have been cut by more than half since 1990".

While this is a remarkable achievement, one in five people in developing regions still live on less than \$1.75 a day. Moreover, there are millions more who make little more than this daily amount. In addition, many people risk slipping back into poverty. From our work in India, we feel that economic growth must be inclusive to provide sustainable jobs and promote equality

# What does this mean for India?

India is no longer leading the world on the poverty index as 44 Indians jump the extreme poverty line every minute, according to the Poverty Clock Study. The World Bank, in 2013 stated that India accounted for the largest number of people living below the international poverty line, with 30 percent of its population earning under the international poverty mark.

Every minute, 70 people escape poverty (or 1.2 people per second). This is close to the SDG target (92 people per minute, or 1.5 per second) and estimates around 36 million people have escaped extreme poverty in the year 2016.

The Study has warned about a rising trend of extreme poverty on the African continent.

Brookings' study noted, "with extreme poverty in Nigeria growing by six people every minute, Nigeria has already overtaken India as the country with the largest number of extreme poor in early 2018 and the Democratic Republic of the Congo could soon take over the number 2 spot".

At the end of May 2018, their trajectories suggest that Nigeria had about 87 million people in extreme poverty, compared with India's 73 million. Already, Africans account for about two-thirds of the world's extreme poor. If current trends persist, they will account for nine-tenths by 2030. 14 out of 18 countries in the world where the number of extreme poor is rising are in Africa, it noted.



## The time is now for India to rise to the challenge!

Already the world's third largest economy in purchasing parity terms, India aspires to better the lives of all its citizens and become a high-middle income country by 2030, well before the centenary of its independence.

Long-term GDP growth has become more stable, diversified, and resilient. Over the next few years, India is expected to grow at well over 7 percent per year, with progress being bolstered by dynamic reforms in the economic, financial, tax and business sectors.

In recent years, the country has made a significant dent in poverty levels, with extreme poverty dropping from 46 percent to an estimated 13.4 percent over the two decades before 2015. While India is still home to 176 million poor people, it is seeking to achieve better growth, as well as to promote inclusion and sustainability by reshaping policy approaches to human development, social protection, financial inclusion, rural transformation and infrastructure development.

# India's Development Trajectory

**Economic performance has been strong, but development has been uneven, with the gains of economic progress and access to opportunities differing between population groups and geographic areas. The country's human development indicators - ranging from education outcomes to a low and declining rate of female labour force participation - underscore its substantial development needs.**



The current Government's plan of doubling rural incomes could catalyse this climb out of poverty. It is important to remember that without good schooling, the chances of slipping back into poverty can be very high. However, when it comes to poverty, the government has not yet made up its mind about what benchmark it should use for defining poverty.

There is another cause for concern. The going has been good for India till now. But with the Middle-East cutting back on migrant workers and the US cutting the number of visas for Indian workers, India needs to re-work some of its major strategies urgently.

One option could be to lobby hard with countries that desperately need reconstruction - Iraq, Syria and Libya are some names that top the list. But then there are countries like Afghanistan and Iran where India needs to move quickly and grab contracts with brilliantly structured deals that benefit all parties concerned. Unless this is done, India

will see the numbers of unemployed swell and its remittances could also shrink considerably.

In fact, the government should take a lesson from what Tata Power is doing with Russia. It is helping that country exploit a large coal mine in East Russia, build a railway line and even set up a port there. After all, Russia is one country which holds out enormous possibilities for India - and where both countries can benefit enormously. Russia needs workers to unlock its mammoth reserves of mineral wealth in its large land mass. India can play a big role here, given the right agreements and conditions. The Modi government should be working on facilitating many more such deals.

The government needs to work on the employment front urgently. For three years, India has witnessed a jobless growth. When people don't get jobs and the unemployment rate rises, many people could slip into poverty once again.

## Implications for the future

Through our work over the last decade, we have found that the only effective large-scale answer to extreme poverty is to stimulate rapid scalable growth centred specifically in the villages where most poor people live, not urban-centred growth that generates only a trivial trickle-down impact. If you ask poor people why they're poor, as we have, they'll freely tell you they simply don't have enough money.

We're all familiar with the global effort to help poor people build their own businesses through microcredit - an effort that has brought mixed results. The biggest problem is that most microloans are used for consumption, not to build businesses.

For international trade and the health of the global economy too, India's growth will be ever more important. In addition, the carbon footprint India leaves as it propels its high growth will have a significant influence on the planet's ability to keep global warming within the agreed threshold.

On crucial issues ranging from managing scarce water resources, to modernising food systems, to improving rural livelihoods, to ensuring that megacities become engines of sustainable economic growth and inclusion, India's development trajectory will have a major influence on the rest of the world.

At the same time, India's growing economic and political stature and the relevance of its experience, know-how and investments for the development efforts of other nations', well-position the country to play a greater leadership role in the global arena.

Finally, India's success will be central to the world's collective ambition of ending extreme poverty and promoting shared prosperity, as well as achieving the 2030 Sustainable Development Goals (SDGs). Indeed, the world will be only able to eliminate poverty if India succeeds in lifting its citizens above the poverty line. To achieve a higher rate of poverty reduction, India will need to address the inequalities in opportunities that impede the poorest from participating in the growth process.

**For further information: <https://worldpoverty.io>**

Kamla Foundation works in India expanding opportunities for the poorest people, helping them to develop their capacity to meet basic needs and create solutions to poverty and injustice.

*Bhupendra Mistry*

KAMLA FOUNDATION  
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