Poverty, Prosperity and Planet Report 2024

Why in News?

World Bank has recently released the 'Poverty, Prosperity and Planet: Pathways out of the Polycrisis' report.

What is the global poverty situation ?

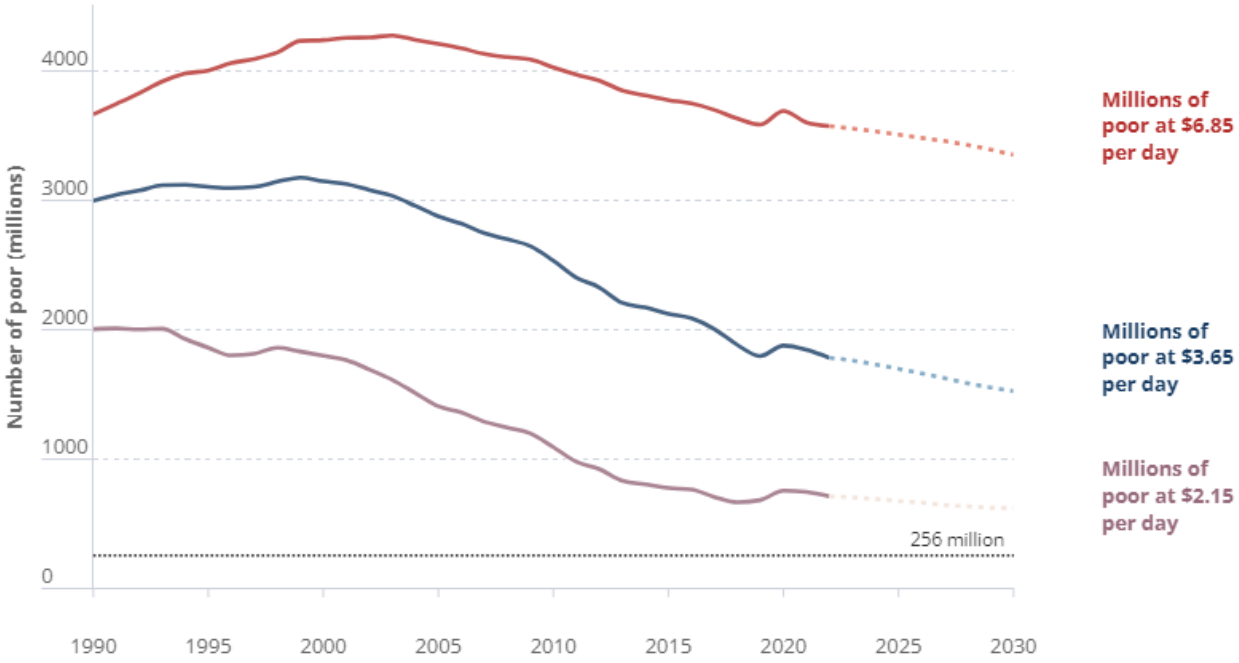
- **Pathways out of the Polycrisis** – The report released by World Bank provides the first post-pandemic global assessment of poverty and shared prosperity.

  Polycrisis a complex situation where multiple, interconnected crises converge and amplify each other, resulting in a predicament which is difficult to manage or resolve.

- **Global Poverty Level** - Almost half the global population(44%) – around 3.5 billion people – live today on less than $6.85 per day, the poverty line for upper-middle-income countries.
- **Global Extreme Poverty** - 8.5% of the global population (almost 700 million people) live today in extreme poverty, on less than $2.15 per day.

  *According to World Bank, the people in extreme poverty is who live on less than **$2.15 per day**.*

- **Global Poverty Concentration** - Extreme poverty in Sub-Saharan Africa and fragile countries is increased.
- In 2024, Sub-Saharan Africa accounted for 16 % of the world's population, but 67 % (2/3rd) of the people living in extreme poverty.



- **Poverty Level in India** - More Indians are living below the poverty line in 2024 than in 1990, primarily driven by 'population growth'.

  Poverty threshold standard for middle-income countries is ***$6.85 (about Rs 576) per day.***

- **Extreme Poverty in India** - ***129 mn*** Indians living in extreme poverty in 2024 down from 431 million in 1990.
- **Cessation of Poverty Reduction** - Global poverty reduction had slowed to a near standstill, with 2020–2030 set to be a lost decade.
- **Poverty Forecast -** At the current pace of progress, it would take decades to eradicate extreme poverty and more than a century to lift people above $6.85 per day mark.
- Based on the current trajectory, 622 million people (7.3 % of the global population) are projected to live in extreme poverty in 2030.

  Global poverty reduction target is 3 % by 2030.

- **Projection for India** - India's contribution to global extreme poverty was projected to decline significantly over the next decade.
  - Extreme poverty rate in India will be 2030 to zero.
- **Causes of Stagnant Poverty** - Interconnected Crisis of slow economic growth, conflict and fragility, and climate-related shocks.
- **Recommendation** - It is critical to promote sustainable investments, mitigate climate risks, and create opportunities that foster inclusive growth.

What is the Global Prosperity Gap ?

- **Shared prosperity** – It is a measure of the inclusiveness of growth.
- **Global Prosperity Gap** – It is a new indicator of shared prosperity used by the World Bank.
- It tracks how far the world is, on average, from a threshold of $25 per person per day with a specific emphasis on the incomes of the poorest.
- **Slowdown in Inclusive Growth** - Progress in reducing the Prosperity Gap stalled since the pandemic, highlighting a slowdown in inclusive income growth over this period.
- **Impact** - High inequality can reflect a lack of opportunities for socioeconomic mobility, which can further hinder prospects for inclusive growth and poverty reduction over time.
- **Level of Inequality** - Around one-fifth of the world's population lives in countries with high inequality.
- High levels of income or consumption inequality are concentrated among countries in Sub-Saharan Africa and in Latin America and the Caribbean.
- **Forecast** - At current growth rates, a typical upper-middle-income country will need 100 years to close the Prosperity Gap.
- **Recommendation** - Faster and more inclusive growth is needed to accelerate progress in achieving shared prosperity.

What are the climate change risk to poverty and inequality reduction?

- **Climate Risk** - One in five people are at risk of an extreme weather event in their lifetime and faces severe setbacks in their livelihoods, significantly hindering poverty reduction efforts.



- **Increasing threat** - People's risks to climate hazards are expected to increase unless resilience is strengthened and greenhouse gas (GHG) emissions decline.
- Protecting people from extreme weather events requires acting on two fronts
    - Lowering vulnerability by enhancing risk management
    - Preventing the escalation of future climate hazards by accelerating transformations to reduce the emissions intensiveness of growth.
- **Trade-offs** - Eradicating poverty and boosting shared prosperity requires managing trade-offs between growing incomes and lowering GHG emissions.
- **Recommendations**
    - **Low-income Countries** - Prioritize poverty reduction by delivering economic growth and reduce multidimensional poverty.
    - **Middle-income countries** - Prioritize income growth that reduces vulnerability and synergies to reduce the carbon intensity of growth.
    - **Upper-middle- and high-income countries** - They account for four-fifths of global GHG emissions.
    - These countries need to act fast in transitioning to low-carbon intense economies while managing transition costs.

What lies ahead?

- Faster and more inclusive growth is needed to accelerate progress in achieving shared prosperity.
- Fostering international cooperation and closing financing gaps for sustainable development is critical to enable the transition toward more sustainable, low-carbon,

and resilient economies.
- Achieving a world free of poverty on a liveable planet is possible but requires serious and immediate efforts.

References

1. Business Standard | 129 mn Indians living in extreme poverty in 2024
2. World Bank | Poverty, Prosperity, and Planet Report 2024

