

MDG Progress and a Deeper Look at Poverty

Edimon Ginting

Asian Development Bank

Surabaya, 12 November 2014

Outline of Presentations

- 1. Asia-Pacific MDG Progress and Emerging Challenges**
- 2. A Deeper Look at Poverty in Asia and Pacific**

ASIA-PACIFIC MDG Progress and Emerging Challenges

Significant Progress, but Some Goals are Unfinished

Goal	1	2	3	4	5	6	7
	\$1.25 per day poverty Underweight children	Primary enrolment Reaching last grade Primary completion	Gender primary Gender secondary Gender tertiary	Under-5 mortality Infant mortality	Maternal mortality Skilled birth attendance Antenatal care (≥ 1 visit)	HIV prevalence TB incidence TB prevalence	Forest cover Protected area CO2 emissions per GDP Safe drinking water Basic sanitation
Asia-Pacific	●	■	▶	■	■	●	■
Excluding China and India	●	▶	■	■	■	●	■
South-East Asia	●	▶	■	■	■	●	■
South Asia	▶	■	■	■	■	●	■
Excluding India	●	■	▶	■	■	●	■
Pacific Islands		■	■	▶	■	●	■
Excluding Papua New Guinea		●	■	■	■	●	■
North and Central Asia	●	■	■	■	■	●	■
Excluding Russia	●	▶	■	■	■	●	■
Asia-Pacific LDCs	▶	■	■	■	■	●	■
Asia-Pacific Low Income	▶	■	■	■	■	●	■
Asia-Pacific Middle Income	●	■	■	■	■	●	■

● Early achiever
 ▶ On track
 ■ Slow
 ◀ Regressing/No progress

Substantial progress in the MDGs in Asia

- Reduced extreme poverty by half; growing number of middle-income economies
- Halving the proportion of people without access to safe drinking water
- Achieving gender parity in primary and secondary education
- Reversing prevalence of HIV/AIDS and slowing the spread of tuberculosis

MDG Progress in Asia

- MDG 1 on Poverty and Hunger
 - Remarkable success on poverty, but hunger remains a big challenge.
- MDG 2 on Primary Education
 - Enrollment rate rose from around 86% in 1999 to 94% in 2010, with 30 of 42 economies achieving net enrollment rates of 95% or higher.
- MDG 3 on Gender Equality in primary education
 - The gap has been filled with a gender parity ratio of 0.99 in 2010, up from 0.86 in 1991.
- MDG 4 on Child Mortality
 - Steady progress but not on track to achieve targets. In 2011, Asian child mortality rate stood at 44 deaths per 1,000 live births, down from 87 in 1990. But this is still more than twice the rate of 19 in Latin America and the Caribbean.

MDG Progress in Asia

- MDG 5 on Maternal Health
 - Early signs of progress, although far too little. Many of the deaths still occur due to lack of access to skilled birth attendants and inadequate antenatal care.
- MDG 6 on Infectious Diseases
 - The absolute number of persons living with HIV has increased although the rate of HIV infection has declined.
- MDG 7 on Environmental Sustainability
 - Economic progress is pushing planetary boundaries.
- MDG 8 on Development of a Global Partnership for Development
 - Flows of ODA to the region has been declining.

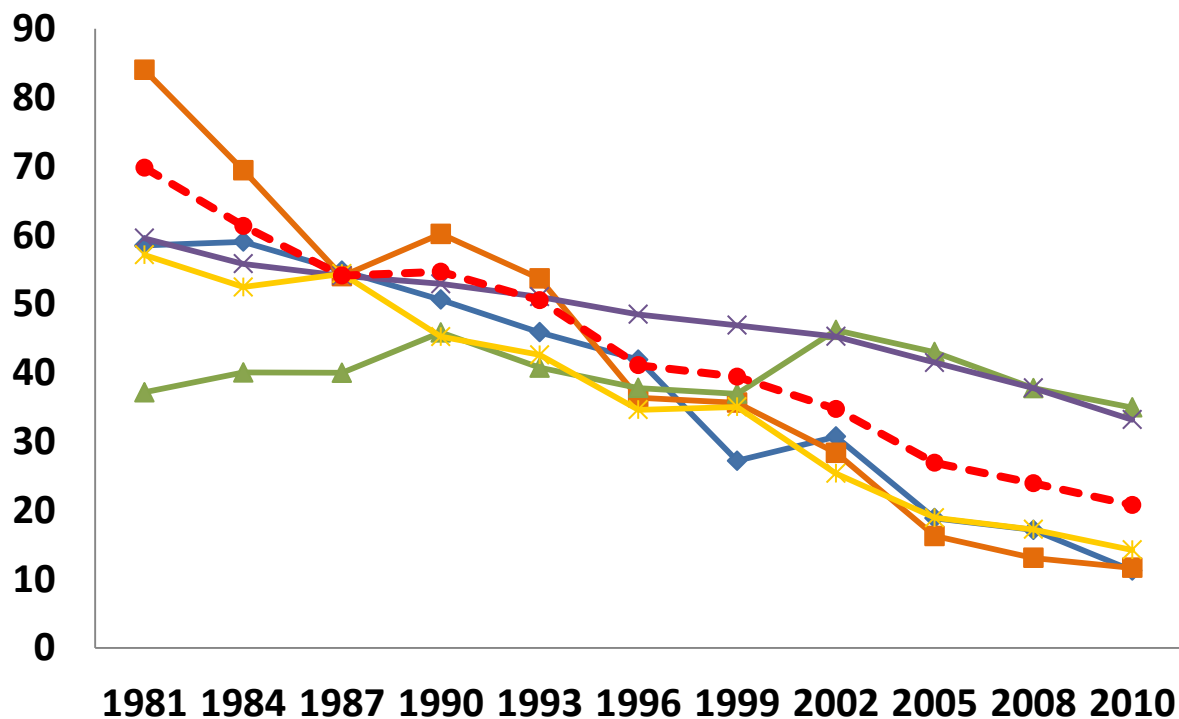
Emerging Challenges

- Asia and Pacific is still home to an extraordinary number of extremely poor people.
 - More than 80% of the region's extreme poor live in middle-income countries
- Asia needs to confront rising inequality
 - Gini coefficient is rising many Developing Asian Countries
- Environment Sustainability: Economic growth has put significant pressure on environment
 - The region requires three times of the input of resources as the rest of the world to produce one unit of GDP

A Deeper Look at Poverty

Asia's dramatic poverty reduction

Poverty rate (%)



Number of poor (millions)	1981	2010
Central and West Asia	67	25
East Asia	835	156
Pacific	2	3
South Asia	495	473
Southeast Asia	189	77
Developing Asia	1587	733

- ◆ Central and West Asia
- East Asia
- ▲ Pacific
- ✕ South Asia
- ✱ Southeast Asia
- Developing Asia



Three reasons for inadequacy of the \$1.25 PL for Asia

- \$1.25 PL was developed based on PL in Africa
- Consumption basket not specific to Asia's poor
- Food prices rise faster than general price level
- Vulnerability to shocks not factored in

⇒ *New count of extreme poor*

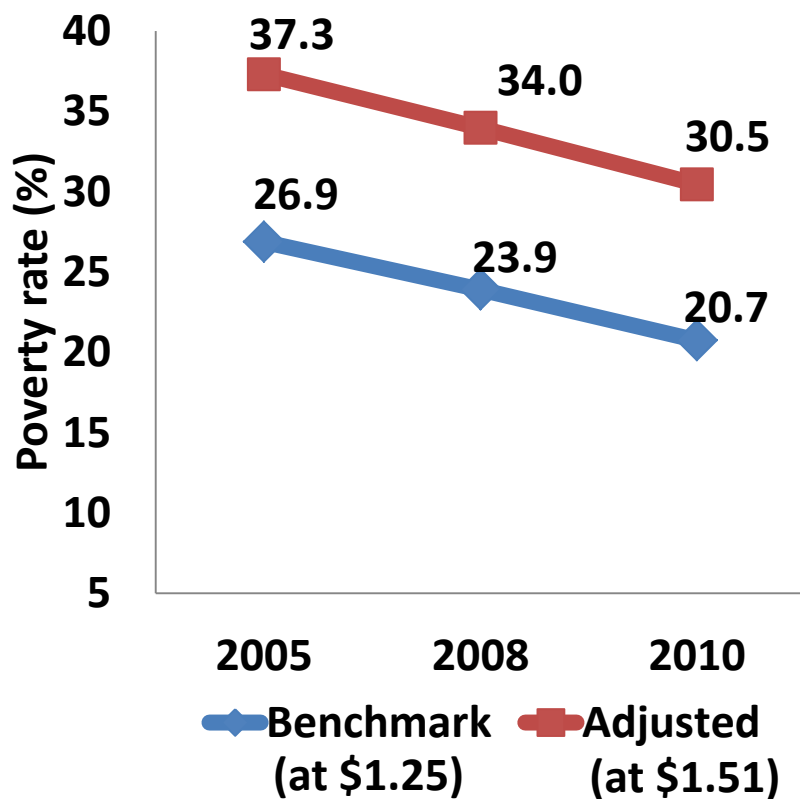
An Asian poverty line...

- Apply method used to derive \$1.25 PL, but with updated national poverty lines from Asia

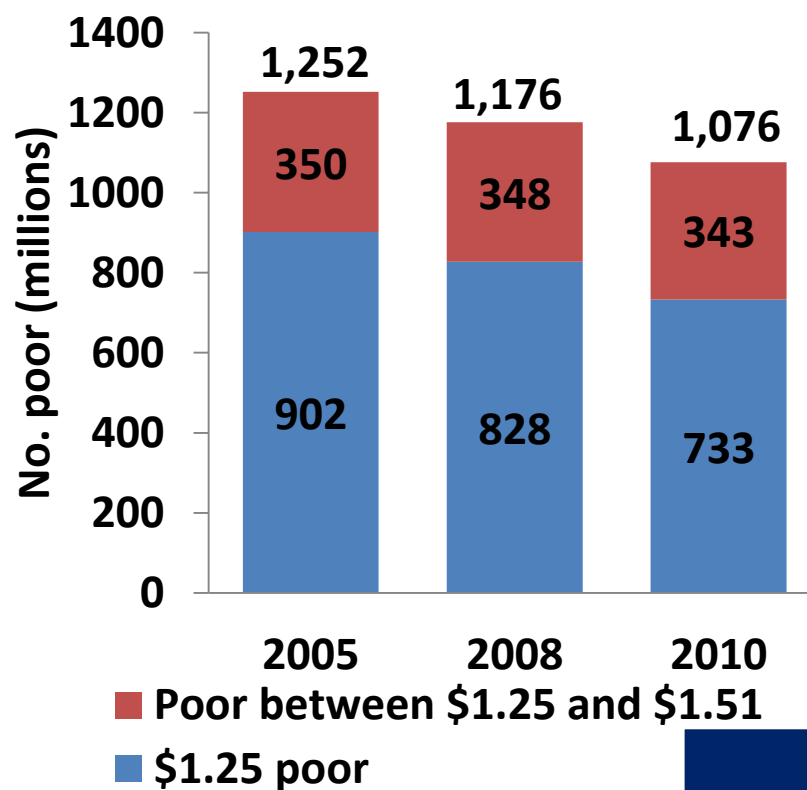
⇒ *Asian poverty line = \$1.51/day (in 2005 PPPs)*

...implies higher poverty rates

Poverty rates (%) in Asia (\$1.51 vs. benchmark \$1.25 poverty lines)



Number of poor (millions) in Asia under the \$1.25 and \$1.51 poverty lines



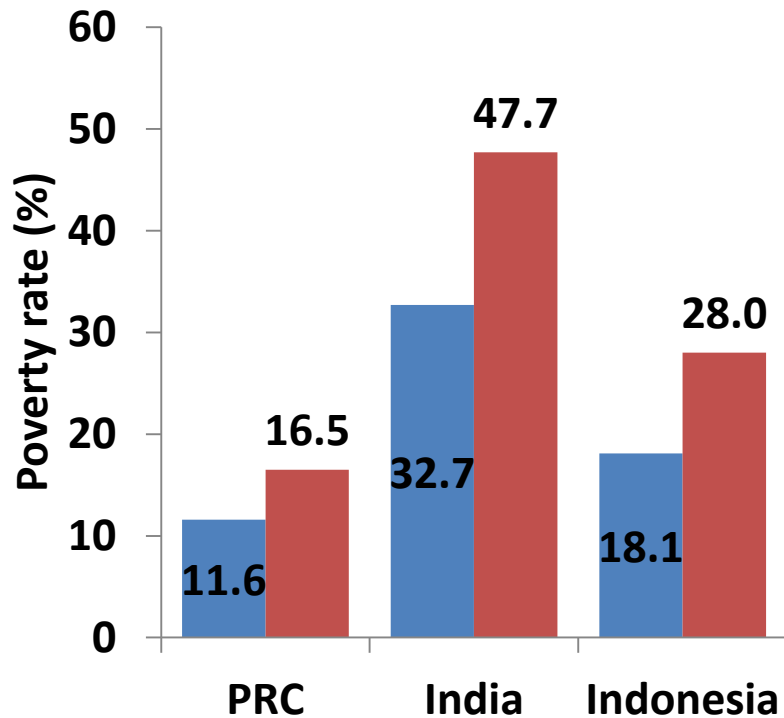
Source: ADB estimates.

Top number = the poor at \$1.51 poverty line

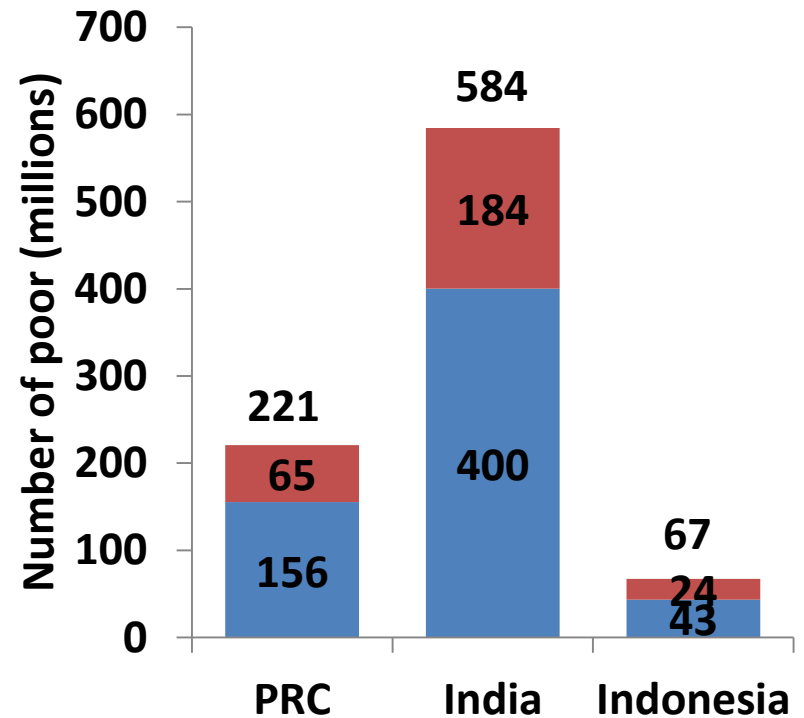


Country-specific data

Poverty rates (%), 2010, (\$1.51 vs. benchmark \$1.25 poverty lines)



Number of poor (millions), 2010, under the \$1.25 and \$1.51 poverty lines



■ Benchmark (at \$1.25)

■ Adjusted (at \$1.51)

Top number = the poor at \$1.51 PL



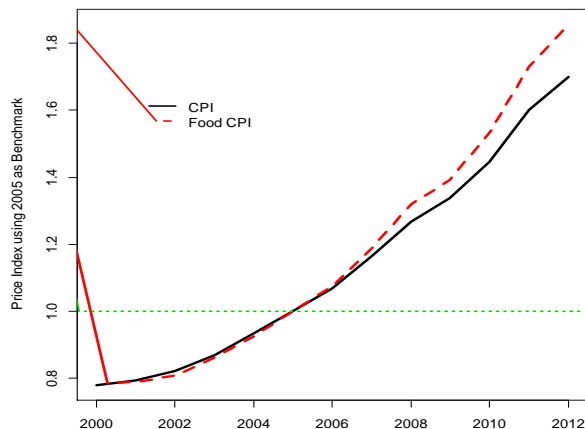
Faster food price hikes affect poor more

- Food insecurity often reflected in rising food prices
- Adjust \$1.25 PL by food CPIs when higher than general CPIs

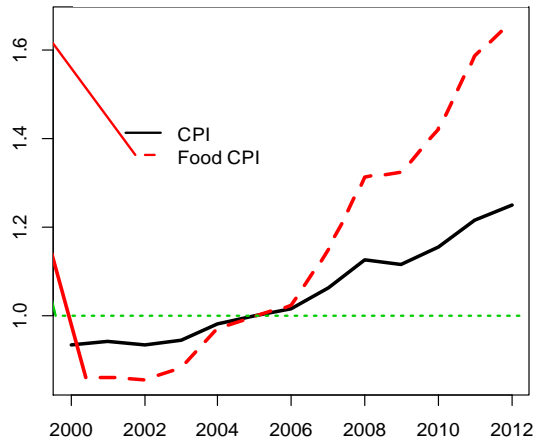


Food price vs. general price increases

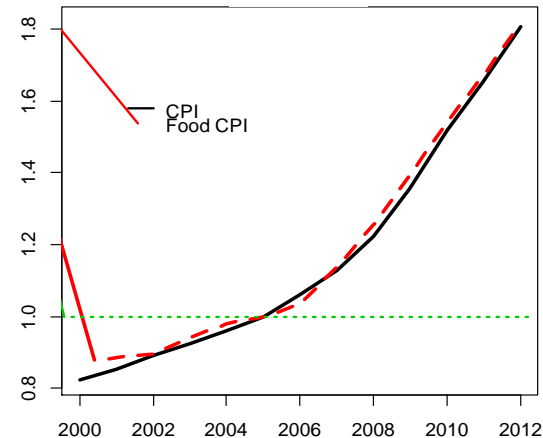
Bangladesh



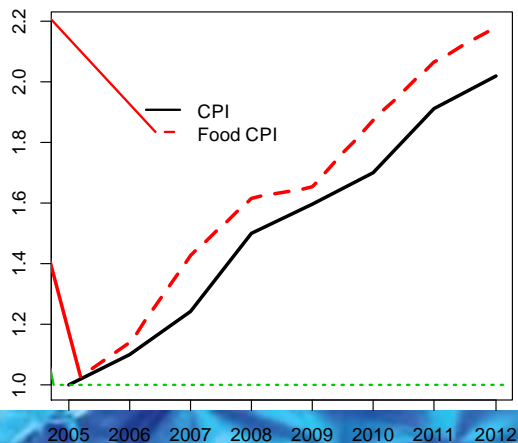
China, People's Rep. of



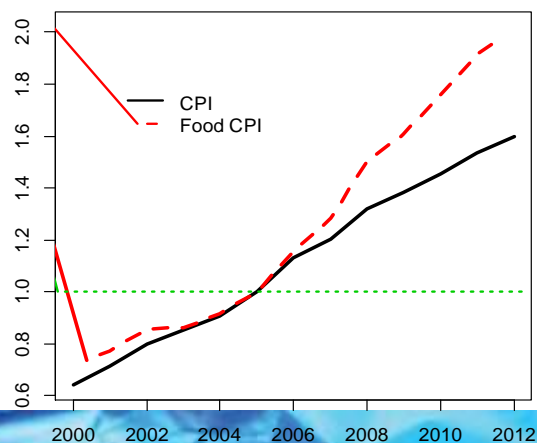
India



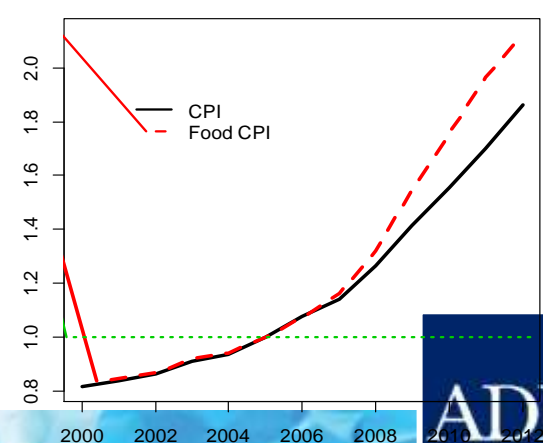
Tajikistan



Indonesia

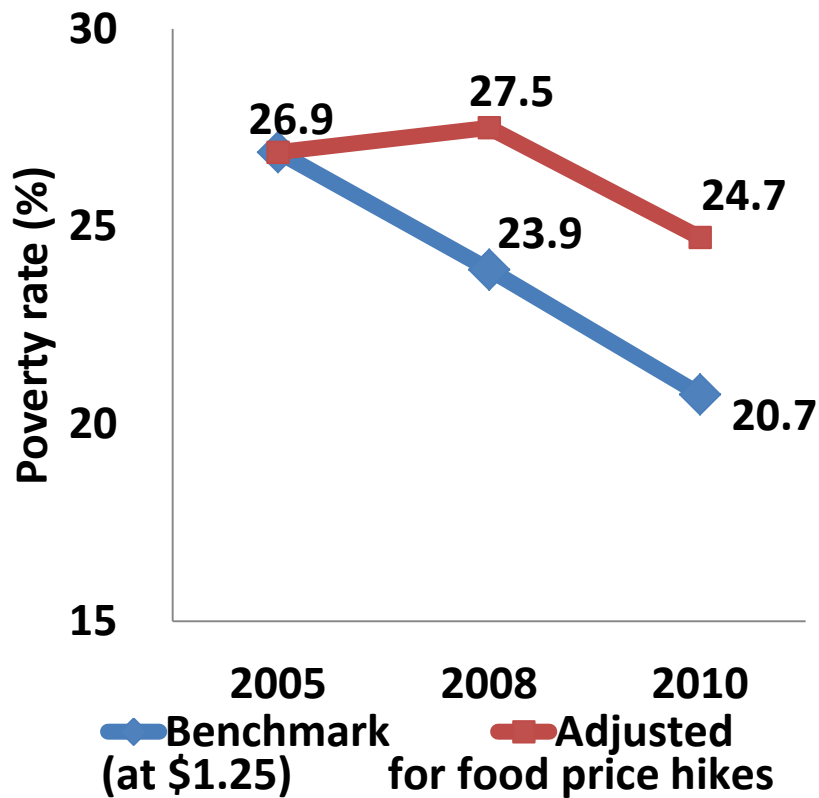


Nepal

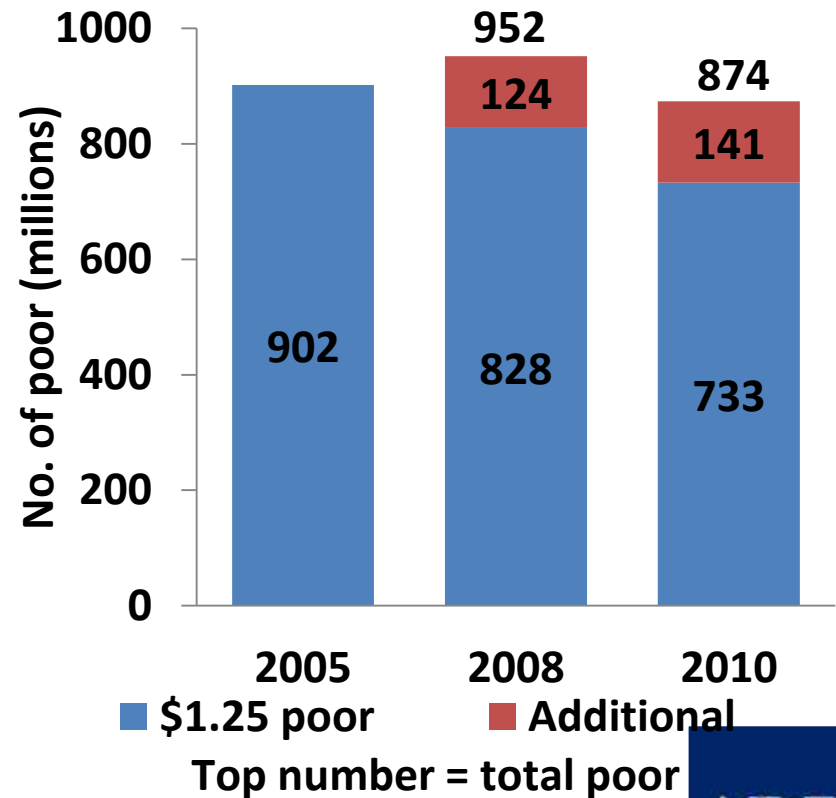


Poverty adjusted for faster food price hikes

Poverty rates (%) in Asia, with faster food price increases considered



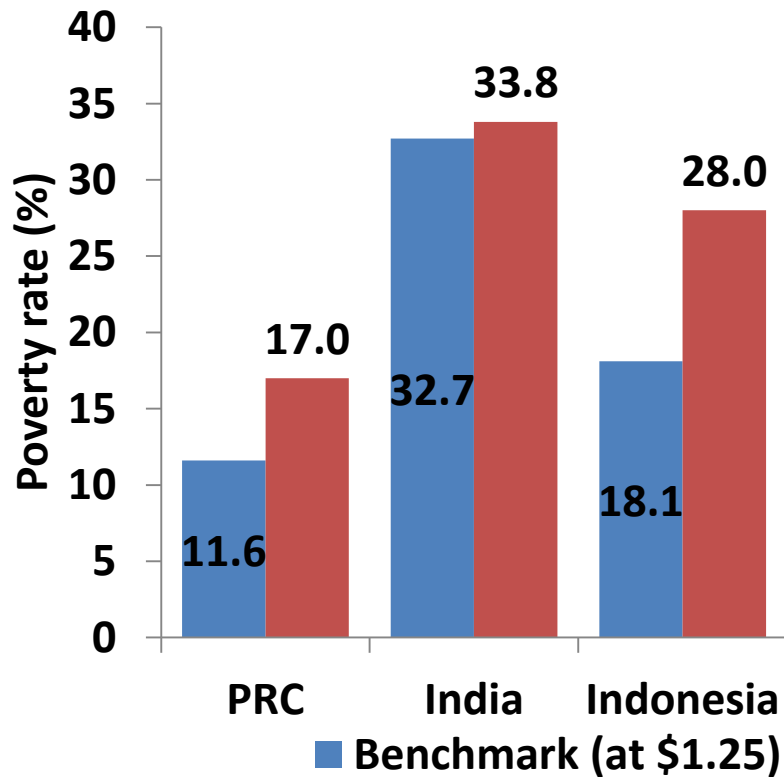
Number of poor (millions) in Asia, with faster food price increases considered



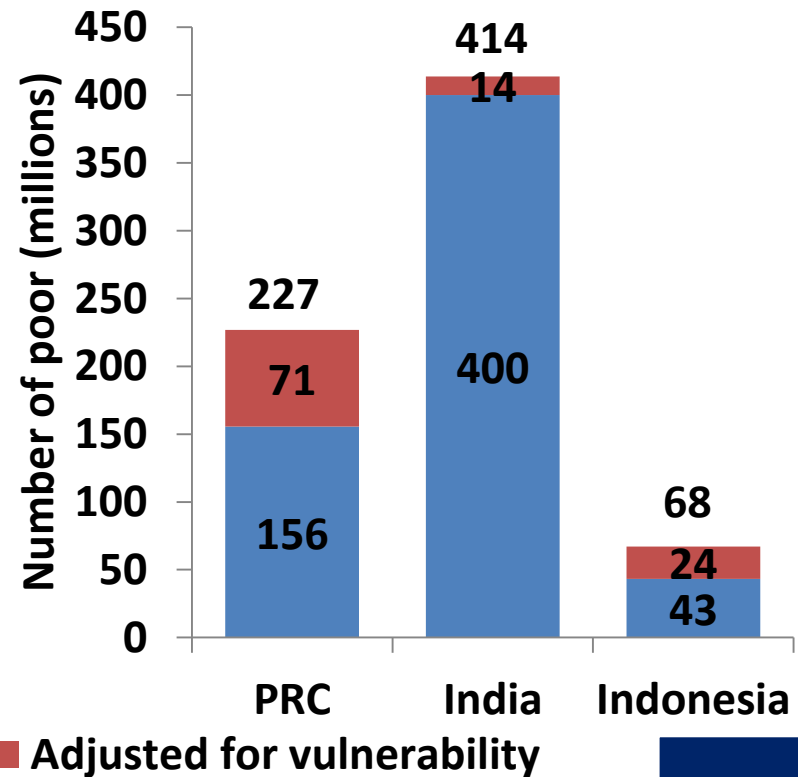
Source: ADB estimates.

Country-specific data

Poverty rates (%), 2010, with faster food price hikes considered



Number of poor (millions), 2010, with faster food price hikes considered



Top number = total poor



Thank you!

Sources:

ADB (2004), Key Indicator for Asia and Pacific, Special Chapter, *Poverty in Asia: A Deeper Look*

Douglas H. Brooks et.al (2013), *A ZEN Approach to Post-2015: Addressing the Range of Perspectives across Asia and the Pacific*, ADB Working Paper