



HIGH-LEVEL POLITICAL FORUM ON SUSTAINABLE DEVELOPMENT

2017 HLPF Thematic Review of SDG 1: End Poverty in All its Forms Everywhere¹

1. Status of Progress on SDG 1

The 2030 Agenda for Sustainable Development highlights the strong commitment of UN Member States and the international community to ending poverty in all its forms and dimensions, including by eradicating extreme poverty by 2030. This ambition builds on the remarkable achievements recorded during the era of the Millennium Development Goals (MDGs). In 2000, no one would have predicted that the first MDG target of cutting global extreme poverty in half would be achieved 5 years early; yet, by 2010, the world passed this milestone. Nearly 1.1 billion people globally escaped extreme poverty between 1990 and 2013, driven by strong economic growth that benefited the world's poorest. Despite this progress, the number of people living in extreme poverty remains unacceptably high, with nearly 800 million living on or below US\$1.90 per day.² The road to 2030 will not be easy because economic growth alone will not be sufficient to help those remaining in extreme poverty to move out.

Poverty reduction has been deeply uneven between regions and countries. There has been an important shift in the global distribution of poverty from Least Developed Countries (LDCs) and low-income countries (LICs) to middle-income countries (MICs). In 1990, 93 percent of the world's poor people lived in LICs. Now, more than 70 percent of the world's poor live in MICs, mainly in Sub-Saharan Africa and South Asia³. There are special challenges to addressing poverty in LDCs, Land Locked Developing Countries (LLDCs) and Small Island Developing States (SIDS). Of the 19 LDCs with poverty data since 2011, seven have poverty rates in excess of 50 per cent. Common challenges across LDCs, LLDCs and SIDS include structural rigidities, low share of global trade, remoteness, poor infrastructure development, low productivity, jobless growth, and limited resilience to the impact of internal and external shocks including the impact of climate change, desertification, and land degradation.

By all measures, poverty today is predominantly rural. 80 percent of the extreme poor live in rural areas; 65 percent work in agriculture. Children are more likely to be poor than adults: around half of those living in extremely poor households are under the age of 18.⁴ As such, child poverty threatens not only the individual child, but is likely to be passed on to future generations, creating and sustaining intergenerational cycles of poverty. About two thirds of children in sub-Saharan Africa are deprived in two or more dimensions critical to survival and development.⁵ Moreover, some 76.5 million children are

¹ This background note has been developed by members of ECESA Plus as a coordinated contribution by the UN system to the 2017 HLPF in depth review of SDG 1. Co-leads: ILO, UNDP with contributions from OHCHR, UNCDF, UN-WOMEN, UN-HABITAT, UNIDO, UNESCO, ESCAP, ECA, ESCWA, ECLAC, UNECE, IOM, OHRLS, HLTF, UNRISD, World Bank, ITU, UNICEF, OCHA and UN-DESA.

² World Bank Group. *Poverty and Shared Prosperity 2016: Taking on Inequality*. Washington, DC: World Bank. <https://openknowledge.worldbank.org/handle/10986/25078> Accessed on March 27, 2017

³ Sumner, Andy. 'The New Bottom Billion: What If Most of the World's Poor Live in Middle-Income Countries?' March 2011. Available at https://www.cgdev.org/files/1424922_file_Sumner_brief_MIC_poor_FINAL.pdf. Accessed on March 25, 2017

⁴ UNICEF and the World Bank Group, 'Ending Extreme Poverty: A Focus on Children', October 2016. Available at: <https://www.unicef.org/publications/index_92826.html>

⁵ de Milliano, Marlous and Ilze Plavgo, 'Analysing Child Poverty and Deprivation in sub-Saharan Africa', UNICEF Office of Research Working Paper, WP-2014-19, November 2014, p. 18.



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living in relative poverty in the world's richest countries,⁶ showing that poverty remains a universal issue of global importance. Children, youth, women, people with disabilities, people living with HIV/AIDS, older persons, indigenous peoples, refugees and internally displaced persons, migrants and ethnic and linguistic minorities are disproportionately affected by poverty.

While there have been impressive gains in reducing global extreme poverty over the last three decades, 1.6 billion people still live in multidimensional poverty.⁷ It is becoming even more difficult to reach those remaining in extreme poverty, who often live in fragile contexts and remote areas⁸. Access to adequate education, healthcare, electricity, safe drinking water and other critical services remains elusive for many people, often determined by socioeconomic status, gender, age, race, ethnicity, migratory status, disability and geographic location. Moreover, for those who have been able to climb out of poverty, progress is often temporary: persistent economic slowdown, food insecurity and climate change threaten to rob them of their hard-won gains and force them back into cycle of poverty.

Decent work remains one of the best routes to get out and stay out of poverty. Yet, the global economy has not managed to create a sufficient number of decent jobs to meet labour market demands. Every year the global labour market grows by roughly 50 million people, with the majority of increases in developing countries. Creating jobs for the expanding labour force is an important challenge, given that 201 million people are currently unemployed and 783 million more are working but unable to lift themselves and their families above the moderate poverty threshold of US\$3.10 per day (the 'working poor').⁹ Current estimates indicate that working poverty rates will decline between 2017 and 2018, but at a slower pace than in the previous 25 years.

During the MDG era, lifting people above the international line for extreme poverty was easier due to large number of people who lived just below the poverty line. Small increases in income, spurred by economic growth or government transfers were enough to pull households over the threshold¹⁰. Today, far fewer live just below the extreme poverty line. The remaining poor are more deeply poor and harder to reach. Two groups of people are particularly at risk.

One category of people are those who live in "pockets" of extreme poverty - left behind due to market and/or governance failure; exclusion or discrimination. The vast majority in this category live in middle income countries with high *average* rates of progress. Many live in remote communities, largely disconnected from society or belong to marginalized groups facing multiple, compounding sources of social and economic discrimination.

Another group of people are those living in particularly poor countries, which have been, thus far, largely cut off from reaping the benefits of globalization. An analysis undertaken for "The Last Mile" identified 24 countries with both a high prevalence of extreme poverty and a poor track record of poverty reduction. 265 million people live in extreme poverty in these 24 countries¹¹. Without strong

⁶ UNICEF. 'Children of the Recession: The impact of the economic crisis on child well-being in rich countries', Innocenti Report Card 12, UNICEF Office of Research, Florence, 2014.

⁷ Alkire, Sabina, Christoph Jindra, Gisela Robles Aguilar, Suman Seth and Ana Vaz, 'Global Multidimensional Poverty Index 2015', OPHI brief, June 2015,

⁸ UNDP: The Human Development Report 2016. 'Human Development for Everyone'. http://hdr.undp.org/sites/default/files/2016_human_development_report.pdf. Accessed on March 31, 2017.

⁹ ILO: *World Employment and Social Outlook: Trends 2017*.

¹⁰ UNDP: *From MDGs to Sustainable Development For All: Lessons from 15 Years of Practice*. UNDP Global Report, November 2016

¹¹ *The Last Mile in Ending Extreme Poverty*, Laurence Chandy, Hiroshi Kato, Homi Kharas, Editors, 2015



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partnerships, adequate and effective development cooperation, they face a high risk of being left behind.

Global forces continue to frame the policies available to governments. Monetary policies and financial regulatory decisions in high-income countries trigger debt and financial crises that impact all economies. Policies on tax havens affect the ability of all countries, especially low-income countries, to fund policies to end poverty¹². The trade policies of one nation affects the prospects of others. Migration policies in the rich world affect people's potential to better themselves and, through remittances and knowledge, reduce poverty at home. All countries are increasingly impacted by conflicts, instability, terrorism, environmental disasters, diseases and outbreaks that may emerge in other countries.

2. Detailed look at interlinkages and implications for policy-making and implementation to realize SDG 1

The SDGs reflect the multidimensional nature of poverty. Poor health, job insecurity, social exclusion, malnutrition and lack of personal security are among the non-material aspects. To eradicate poverty, its causes and manifestations must be fully understood and addressed. Poverty eradication can only be achieved when interconnected factors are addressed together. Such factors include inclusive growth, livelihoods and decent work, social protection, access to basic infrastructure and services, food security, nutrition, health, education, empowerment of women and girls, environmental sustainability, governance and more equitable access to opportunities and distribution of income and wealth. Poverty eradication demands cross-cutting, coherent initiatives that make people less vulnerable, reduce the risks of setbacks, break patterns of discrimination, and enable all women and men to fully participate and benefit from economic growth. Concerted effort is needed to tackle the most prevalent and reoccurring constraints to eradicating poverty as set out below:

i. Preventing and reducing vulnerability to conflict, natural disasters and economic downturns that send poor households into a downward spiral.

Extreme poverty today is increasingly concentrated in conflict-affected areas. Of the 24 countries that have high poverty rates and little record of poverty reduction, 13 or more than half had peacekeeping missions in the last decade. Conflicts have led to massive and protracted forced displacements both internally and to neighboring countries, placing high strains on already vulnerable host communities and economies, where scarce jobs and livelihood opportunities, lack of resources and inadequate living conditions are eroding socio-economic resilience and threatening social cohesion. In such contexts, 'business as usual' in poverty reduction efforts cannot work. Innovative, holistic, gender responsive and conflict-sensitive solutions are needed to help host countries and communities continue to make progress toward poverty reduction, while addressing the specific vulnerabilities of the displaced in accessing sustainable livelihood opportunities.

ii. Curbing inequalities and exclusion that leave segments of society stuck in poverty.

A focus on the most deprived people, communities and areas is not enough. Inequality around the world remains high, and poses a serious threat to the world's ability to end poverty by 2030. Progress over the

¹² UNDP and AFD: [Financing the SDGs in the Least Developed Countries \(LDCs\): Diversifying the Financing Tool-box and Managing Vulnerability](#). May 2016



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last 25 years, however, shows that inequality can be addressed, and that countries can make policy decisions to combat inequality and improve the lives of the poorest. The gap between the rich and the poor, and across salient social groupings, and the observed level of inequality of opportunities in access to basic services — such as health and education — are not only incompatible with States' commitments to upholding the equal rights of all persons, but also undermine social cohesion, and can further exacerbate poverty and deprivation.

Inequality today to a large extent reflects unequal opportunities in the past. Nations with a widening gap between those who can and cannot access opportunities in life have difficulty sustaining economic growth and social stability over time. In particular, gender inequality continues to be a major driver of poverty. Entrenched social norms and power structures hold girls and women back, resulting in their lack of autonomy and decision making over their sexual and reproductive health that can severely limit their health and economic outcomes, and in the most severe cases, their lives, through death from gender based violence and preventable causes during pregnancy and in childbirth. Child marriage and adolescent pregnancy not only limit or end girls' education and thereby their economic potential but they also preclude women and girls from participating in the marketplace for years.¹³ Women and girls bear disproportionate burden of unpaid care and household work, which undermine their access to education and the labour market¹⁴. The empowerment of women and girls and of historically discriminated groups is a priority in its own right, but it also provides a sound basis for economic efficiency and poverty reduction.

iii. Supporting effective governance that ensures all citizens have voice, particularly those left behind.

The 2030 Agenda for Sustainable Development calls for the empowerment of people who are vulnerable by removing the barriers and obstacles they face. This means rooting poverty eradication in the principle of inclusion and the recognition of poor and other excluded groups as agents of their own development¹⁵. This is not only an acknowledgment of the inherent value of voice and participation, but also the significant body of evidence showing that people's meaningful involvement, when properly designed and facilitated, can significantly enhance the effectiveness of poverty eradication interventions. In order for such meaningful involvement to take place, it is critically important that an enabling environment be maintained, including through the promotion of the freedoms of expression, peaceful assembly and association and collective bargaining in compliance with internationally-agreed human rights laws and standards.

iv. Enabling governments to generate growth that is inclusive, sustainable and sustained.

Eradicating extreme poverty around the world as foreseen in the 2030 Agenda for Sustainable Development requires high and sustained economic growth, which is inclusive. International trade and foreign direct investment are key enablers of growth and can contribute to poverty reduction by creating job opportunities, enhancing productivity, lowering domestic prices and transferring technology

¹³ International Center for Research on Women. "Too Young to Wed", 2005

¹⁴ OECD: Gender and Sustainable Development: Maximizing the Economic, Social and Environmental Role of Women, 2009

¹⁵ UNDP: The Human Development Report 2016. 'Human Development for Everyone'. http://hdr.undp.org/sites/default/files/2016_human_development_report.pdf. Accessed on March 31, 2017.



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and know-how. The linkages between trade and investment on one hand, and growth and poverty reduction on the other, are complex and country specific. They depend among others, on the consumption patterns of the poor, and whether trade and investment-induced growth happen in sectors and locations where the poor, including women, live and/or are economically active, and where trade and investment are underpinned by workers' rights and an enabling environment for enterprises, particularly Small and Medium Enterprises (SMEs). Nowadays, Information and Communication Technologies (ICTs) can play an important role in reducing poverty in rural areas.¹⁶ ICTs are also helping farmers and producers discover new markets, and helping economies open up to new markets abroad, and the opportunities of e-commerce.

v. **Helping countries halt environmental degradation that causes and aggravates deprivation and increases the risks of setbacks.**

Policy-making must take on environmental sustainability as a central objective in order to eradicate poverty. Competition over resources and environmentally-related migration can lead to insecurity and conflicts, which undermine poverty reduction. Climate change is a long-term threat to the planet and, equally, a short-to-medium-term threat to livelihoods in many countries. Environment and natural resources such as water, forests, soils, minerals and fisheries form an essential economic base in many developing countries, and their use generates significant economic and social benefits for people—particularly the poor.¹⁷ 70 percent of the world's extreme poor largely depend on natural resources for their livelihoods¹⁸. Eradicating poverty is, thus, directly linked to how we manage ecosystems and the goods and services they provide. The unprecedented degradation of natural resources of the last decades has deleterious repercussions on poor communities. 40 percent of the world's degraded land are in areas with the highest incidence of poverty¹⁹. The well-being and livelihoods of rural communities, particularly rural women and indigenous peoples, depend heavily on the health and productivity of the land. Women's equal access to, ownership and control over resources including land as well as access to finance are a prerequisite for gender equality, agricultural productivity and inclusive growth - all essential to the eradication of poverty. Today, ICTs, and especially mobile phones, are being used to give indigenous peoples a voice and the abilities to monitor and report on the use, status and degradation of their land.

3. Recommendations

There is no silver bullet to ending poverty, and strategies to reach the least well-off must be tailored to each country's context, taking into account the latest data and analysis and the needs of the people. The fact that there has been remarkable progress in poverty reduction in the world, however, tells us that a few things are working. Experience shows that in order to sustainably reduce poverty, countries need to:

¹⁶ <http://www.itu.int/en/sustainable-world/Pages/goal1.aspx>

¹⁷ UNDP-UNEP: [Mainstreaming Environment and Climate for Poverty Reduction and Sustainable Development: A Handbook to Strengthen Planning and Budgeting Processes, 2015](#)

¹⁸ *The Green Economy Pocketbook: The case for action*. Green Economy Coalition, 2012.

¹⁹ 3 Towards a Green Economy: Pathways to Sustainable Development and Poverty Eradication, UNEP 2011, cited in "An inclusive and equitable green economy in the context of sustainable development and poverty eradication", Background Note (UNEP/GC.27/INF/19), 14 December 2012.



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-Grow their economies in an inclusive way that fully guarantees the rights to work and to just and favourable conditions of work, which enable people to rise out of poverty and stay out of poverty.

-Invest in people—especially children and women— and commit to providing the minimum essential levels of basic services for health and education, access to safe water and sanitation, and quality social and physical infrastructure, including ICT infrastructure to bridge the digital divide in the growing digital economy —prioritizing those who are excluded from these basic services, to ensure upward economic and social mobility within and across generations.

- And, provide social protection floors to poor and vulnerable people to protect them against the shocks that can push them into (or deeper into) poverty including risks such as severe weather, pandemics, food price variability, and economic crises.

But for a country to really be successful in reducing poverty, there are a few pre-conditions that need to be met. It is crucial for countries to find pathways out of conflict, work to mitigate climatic risks, eliminate discriminatory laws and policies and empower women and girls, which will make efforts to reduce poverty far more effective.

This same approach can be applied to promoting shared prosperity, and can work to ensure that the poorest segments of society in every country, whether in the poorest nations or thriving, middle- or high-income countries, are able to improve their incomes and welfare over time.

The special needs of the most vulnerable countries need to be addressed. The LDCs, LLDCs and SIDS require enhanced productive capacities, trade promotion, economic diversification, improved transit, intensified infrastructure development, regional integration, resilience building, climate change mitigation and adaptation and promotion of private sector development as enablers for inclusive growth, job creation and poverty eradication.

Given current and projected growth patterns, reducing inequality can play an important role both in ending extreme poverty by 2030 and in ensuring that growth works for the poorest. Countries can and should make deliberate policy decisions to combat high inequality and to equalize opportunities for all, making smart use of both fiscal and social systems to improve the lives of their citizens.

While supporting countries, it is important for international organizations to focus on areas with greatest potential to address different forms and dimensions of poverty, which include improving the productive capacities of the poor and boosting their prospects for employment and livelihoods; improving capacities for the sustainable management of natural resources, biodiversity and ecosystem services for expanded employment and livelihoods; and innovative options for social protection systems to extend greater protection to the poor and at-risk groups from major natural, economic, and conflict-related shocks²⁰.

Given that most of those living in poverty are children and that poverty in childhood is a root cause of poverty in adulthood, children must be accorded priority. As such, breaking the intergenerational cycle of poverty can only be achieved by tackling the root causes of child poverty. Interventions to close the

²⁰ UNDP: [Leaving No One Behind: A Social Protection Primer for Practitioners](#). UNDP Global Primer, 2016



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gender gap in labour force participation and support greater access to sexual and reproductive health and rights, in particular to empower women and girls to exercise their reproductive rights, are essential for eliminating major barriers to poverty reduction and prosperity.²¹

Rural transformation is essential for structural transformation and poverty eradication.²² 65 percent of the extreme poor work in agriculture,²³ reinforcing the importance of an inclusive rural transformation that hinges on agriculture. Rural transformation does not happen in isolation. It is part of a broader process of structural transformation shaped by the interlinkages between agriculture, the rural non-farm economy, manufacturing and services. This requires innovation and the creation of new and more sustainable agricultural and marine industries, enabled by investment in research and development, and supported by infrastructure. Financing, information and entrepreneurial capacity building must be made accessible to SMEs to enable the transition to greater specialization and diversification in production and trade.

Efforts are needed to transform economies by facilitating the movement of workers from unproductive to more productive work in conditions of freedom, dignity and equality. This can drive a poverty-reducing growth dynamic in which increased productive capacity enables a rise in labour incomes, increased private sector investment, increased tax revenues and increased public investment in social and physical infrastructure. Both fiscal and monetary policies must be leveraged to generate domestic resources to support job creation and poverty eradication efforts.

In developing countries, the informal economy accounts for between 35 and 90 percent of total employment. For workers, this often means low pay and limited access to legal and social protections. For governments, it often equates to lost revenue and an inability to extend public sector benefits to those in need. Successful efforts to eradicate poverty are synonymous with efforts to encourage a transition from informal to formal employment and enterprises. Access to formal financial services such as savings, insurance, payments, credit and remittances are essential to the ability of individuals, households, and enterprises to manage risks, increase savings, and grow their businesses and thereby reduce poverty and vulnerability.

Well-designed and implemented social protection floors can powerfully transform countries' development paths by reducing economic insecurity and social exclusion. Evidence shows the impact that social protection policies can have on reducing poverty and vulnerability, addressing inequality and boosting inclusive growth. Yet, some 73 per cent of the world's population continues to live without adequate social protection coverage²⁴. This indicates that greater efforts are needed to develop and expand social protection coverage. The income security provided by social protection systems can be instrumental for improving livelihoods and resilience of the poorest and non-wealthy as well as for opening up opportunities for education, geographical mobility, employment and productive activity.

²¹ Hakkert, R, JM Guzman, M Herrmann and D Schensul. "Impacts of Population Dynamics, Reproductive Health and Gender on Poverty." UNFPA Working Paper, 2012

²² IFAD Rural Development Report 2016.

²³ World Bank Group. *Poverty and Shared Prosperity 2016: Taking on Inequality*. Washington, DC: World Bank. <https://openknowledge.worldbank.org/handle/10986/25078> Accessed on 27 March 2017.

²⁴ ILO World Social Protection Report 2014-2015.