SDG 1 (No Poverty): Sub-regional perspective (Asia and the Pacific)
Outline

What are the long-terms trends in poverty reduction in the Asia and Pacific region?

How have the COVID-19 pandemic and an increased cost of living affected developing Asia’s performance with respect to SDG 1 (no poverty)?

What can policymakers do to get back on track in achieving SDG 1?
What are the long-terms poverty reduction trends and how have the COVID-19 pandemic and increased cost of living affected Developing Asia’s performance with respect to SDG 1?
Living conditions in Developing Asia improved markedly over the 60 years leading into the COVID-19 pandemic.

### Improvement in Living Conditions of Asians over Time

<table>
<thead>
<tr>
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<th>Poverty (% of population)</th>
<th>Life Expectancy (years)</th>
<th>Infant Mortality Rate (per 1,000 live births)</th>
<th>Mean Years of Schooling (aged 25+)</th>
<th>Basic Drinking Water (% of population)</th>
<th>Access to Electricity (% of population)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1981</td>
<td>71.9%</td>
<td>42</td>
<td>40 (1960)</td>
<td>152.4 (1960)</td>
<td>3.6 (1971)</td>
<td>70% (1990)</td>
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Developing Asia significantly reduced extreme poverty over 30 years prior to the COVID-19 pandemic (1990-2019), but new international poverty lines reveal that there were more extremely poor people than initially thought.

Source: ADB Staff estimates using the World Bank’s Poverty and Inequality Platform (accessed 10 April 2023)
The impact of the pandemic made eradication of poverty an even more challenging goal, especially in selected countries.

Previous forecasts based on available data hinted that COVID-19 pandemic initially set back progress on reducing poverty in developing Asia by at least two years.

Proportion of People Living in Poverty Based on National Definitions

Although Asia and the world seemed poised for an economic recovery as the COVID-19 pandemic began to recede, additional shocks unsettled the nascent recovery, hindering the progress that had been underway.

Sources: ADB estimates using data presented in Key Indicators for Asia and the Pacific and Asian Development Outlook
The increase in food prices have hit many countries particularly hard. Nominal food Inflation (yearly % change)

Source: “Food Security Update, May 2023”, World Bank, 2023; IMF, 2023
Note: Calculations based on available monthly food inflation for each country between May 2022 and April 2023 for which the food component of the Consumer Price Index (CPI) and overall CPI data are available. This data shows the percentage change, year-on-year.
The increased cost of living crisis has added to the COVID-19 pandemic’s destructive impact on poverty reduction.

Notes: These are based on 29 developing Asian Development Bank member economies with available data required for calculations. Extreme poverty refers to the population below the $2.15/day international poverty threshold expressed in 2017 purchasing power parities.

In general, higher costs of living usually hit poor people the hardest.

Even small movements in prices may profoundly affect poor people as they spend significant fraction of their resources on basic items such as food and energy.

Comparison of Share of Expenditure on Food to Total Consumption between Poor and Ave.

Source: ADB staff illustration using data from the World Bank Global Consumption Database
What can policymakers do to get back on track in achieving SDG 1?
Based on medium-term growth projections, Developing Asia may be able to reduce prevalence of extreme poverty to 1% by 2030, however, 8% may still live in moderate poverty, and another 30% in economic vulnerability. We must navigate the ‘polycrisis’ that lie ahead!
Enhancing social protection systems and programs remains important for sustained poverty reduction. In the face of recent crises, a number of countries implemented social protection and other related measures, but this must be ongoing and targeted.

In 2020, less than half of the population in 26 of 40 economies were covered by at least one social protection measure.

Proportion of Population Covered by at Least One Social Protection Benefit, 2020

Source: Table 1.1.2 of Key Indicators for Asia and the Pacific 2023.
ADB’s social protection Guide 2030 is an integral part of the 2030 strategy that focuses on inclusive recovery from pandemic shocks, strengthening resilience to existing and new risks (including climate adaptation/mitigation), addressing remaining poverty and reducing inequalities.
Thank you!
Please check ADB’s “Key Indicators for Asia and the Pacific 2023” Report (August 2023)

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