

Among low- and middle-income countries in the Asia/Pacific region, 35% of the population is poor, and 14% is extremely poor (Figure 6.1, Panel A). More than 60% of the population live in poverty in India, Lao PDR and Pakistan; the country with the highest poverty rate is Bangladesh, where more than 75% of the population live on less than USD 2 a day. Among the low- and middle-income countries, poverty levels are lowest in Azerbaijan, Kazakhstan and Thailand.

Despite considerable disparities in the pace of poverty reduction, **absolute poverty rates decreased in all the Asia/Pacific low- and middle-income countries over the last decade** (Figure 6.1, Panel B). Absolute poverty rates fell most in Azerbaijan, Fiji, Indonesia, Nepal and Tajikistan. Armenia, Kazakhstan and Pakistan recorded the smallest decline in absolute poverty, but while absolute poverty in Armenia and Kazakhstan is low compared to other countries, the poverty rate in Pakistan remains very high.

Absolute poverty is a measure of inability to satisfy subsistence needs, including nutritional needs. The share of undernourishment is generally correlated with the share of the population living under the USD 2 poverty line (Figure 6.2), but in Sri Lanka and Tajikistan the prevalence of undernourishment is well above what one would expect given absolute poverty rates. Levels of undernourishment are also very high in Lao PDR, Cambodia, India, Pakistan and Nepal. Particularly in the aforementioned countries, there may be space for social policies with a greater focus on food security.

Among low- and middle-income countries, poverty generally declined more rapidly in countries with the strongest GDP growth (Figure 6.3). The pace of both growth and poverty reduction was fastest in Azerbaijan, where GDP per capita increased on average by 17% each year over the 2001-08 period, while over the same period absolute poverty rate fell on average by more than 25% each year.

Definition and measurement

Absolute poverty is commonly measured by using income or consumption levels. A person is considered poor if his or her consumption or income level falls below a predetermined poverty line, which corresponds to a minimum level necessary to meet basic needs. At the international level, two reference poverty lines are set at USD 1.25 and USD 2 per person per day (2005 purchasing power parity). The USD 1.25 poverty line corresponds to the mean of national poverty lines for the 10-20 poorest countries of the world, while the USD 2 line is the median poverty line found among developing countries as a whole. People living with less than USD 1.25 a day are said to be in extreme poverty. The poverty data here concern low- and middle-income countries as categorized in line with World Bank definitions (<http://data.worldbank.org/about/country-classifications>). At these low income-thresholds poverty rates in high-income countries are close to zero. For OECD countries poverty is generally measured along a relative income threshold where people are considered poor when their equivalised household income is less than 50% of the median (see for more detail <http://oe.cd/idd>).

This indicator also presents information on the share of undernourished people in the total population. Undernourishment refers to circumstances, lasting for at least one year, of inability to acquire enough food, defined as a level of food intake insufficient to meet dietary energy requirements. Data was taken from the World Bank's *World Development Indicators online Database* (<http://data.worldbank.org/indicator>). Poverty data are based on household surveys or obtained from government statistical agencies and World Bank country departments. For more information on data on undernourishment and other aspects of food insecurity, see FAO (2013), *The State of Food Insecurity in the World 2013*, Food and Agriculture Organization of the United Nations, Rome (www.fao.org/docrep/018/i3434e/i3434e00.htm).

Figure note

Figures 6.1 to 6.3: Data refer to 2010 and 2006 for Armenia and Viet Nam, 2008 and 2001 for Azerbaijan, 2010 and 2005 for Bangladesh and India, 2012 and 2007 for Bhutan, 2009 and 2004 for Cambodia and Tajikistan, 2009 and 2005 for China, 2009 and 2003 for Fiji, 2011 and 2006 for Indonesia and the Kyrgyz Republic, 2009 and 2006 for Kazakhstan and Philippines, 2008 and 2002 for Lao DPR, 2010 and 2003 for Nepal, 2008 and 2006 for Pakistan, 2010 and 2002 for Sri Lanka, 2010 and 2006 for Thailand, and 2008 and 2006 for Viet Nam.

Figure 6.1. Levels and trends in absolute poverty rates

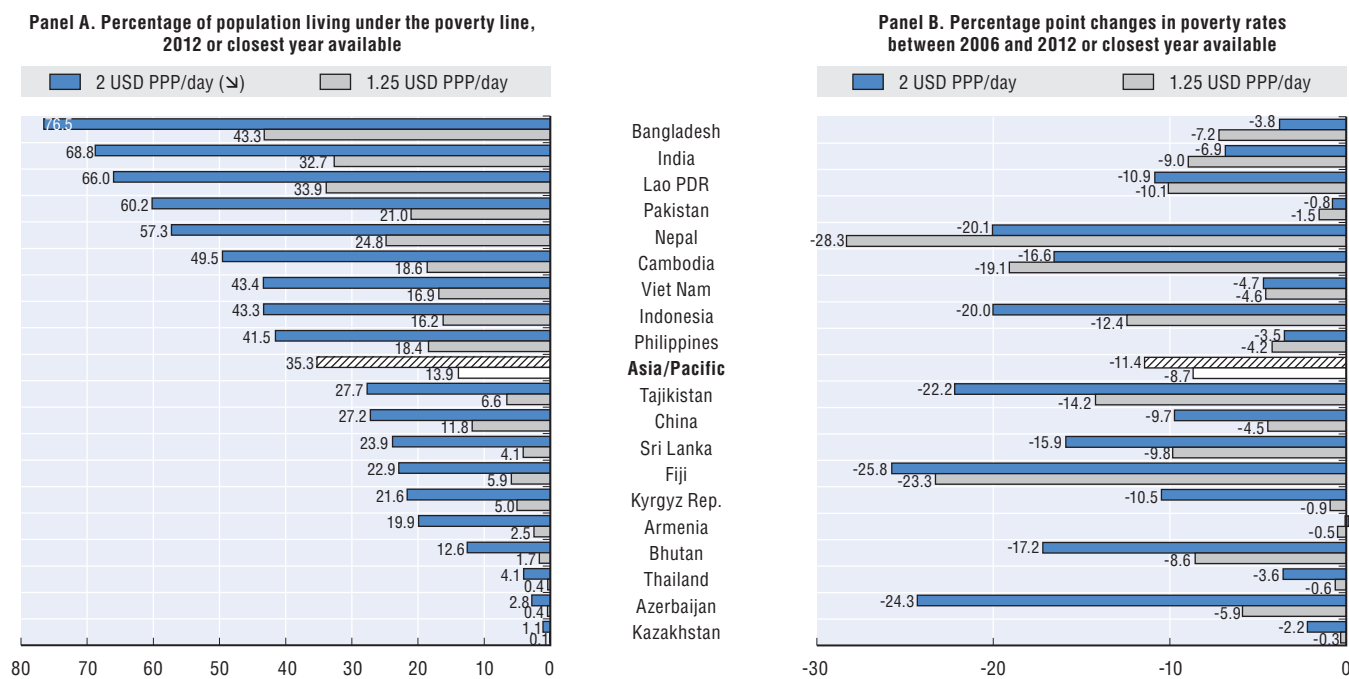


Figure 6.2. The prevalence of undernourishment is lowest in countries with the lowest absolute poverty rates

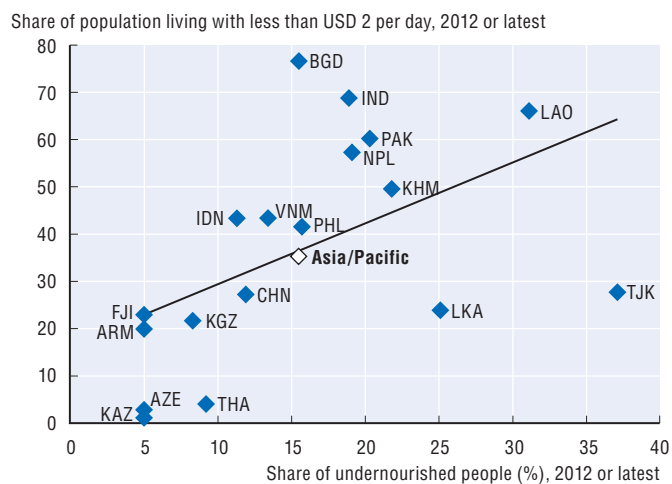
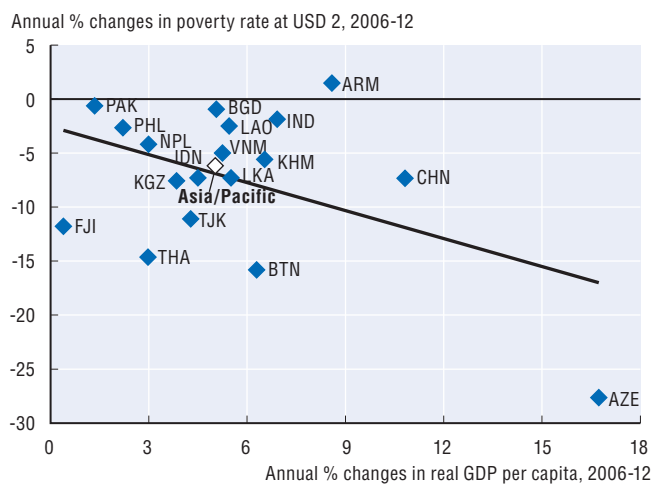
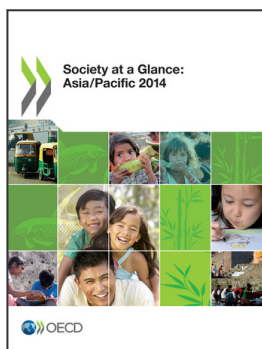


Figure 6.3. Higher growth rates are linked with faster poverty reduction



Source: World Bank, World Development Indicators.

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