

**Sustainable Development Goal 1:  
End poverty in all its forms everywhere  
EXPERT GROUP MEETING**

Geneva, May 7, 2024

**Where Are We Today in the Fight  
Against Global Poverty?**

Cecilia García Peñalosa  
Aix Marseille School of Economics



- What we know
  - Growth is **still good** for the poor
    - Average incomes in the poorest two quintiles increase at the same rate as overall average incomes
- Identifying pro-poor macroeconomic policies is difficult
  - Policies that benefit everyone else tend to benefit the poor too
  - Two exceptions
    - Financial development
    - Government expenditure cuts

- Macroeconomic shocks impact poverty
  - Direct channels
    - Relative price changes
    - Reduced labour demand
    - Inflation
  - But there are indirect channels too
    - Crises (eg. terms of trade shocks) increase armed conflict which then impacts poverty
    - Decline in public expenditures in response to the shock

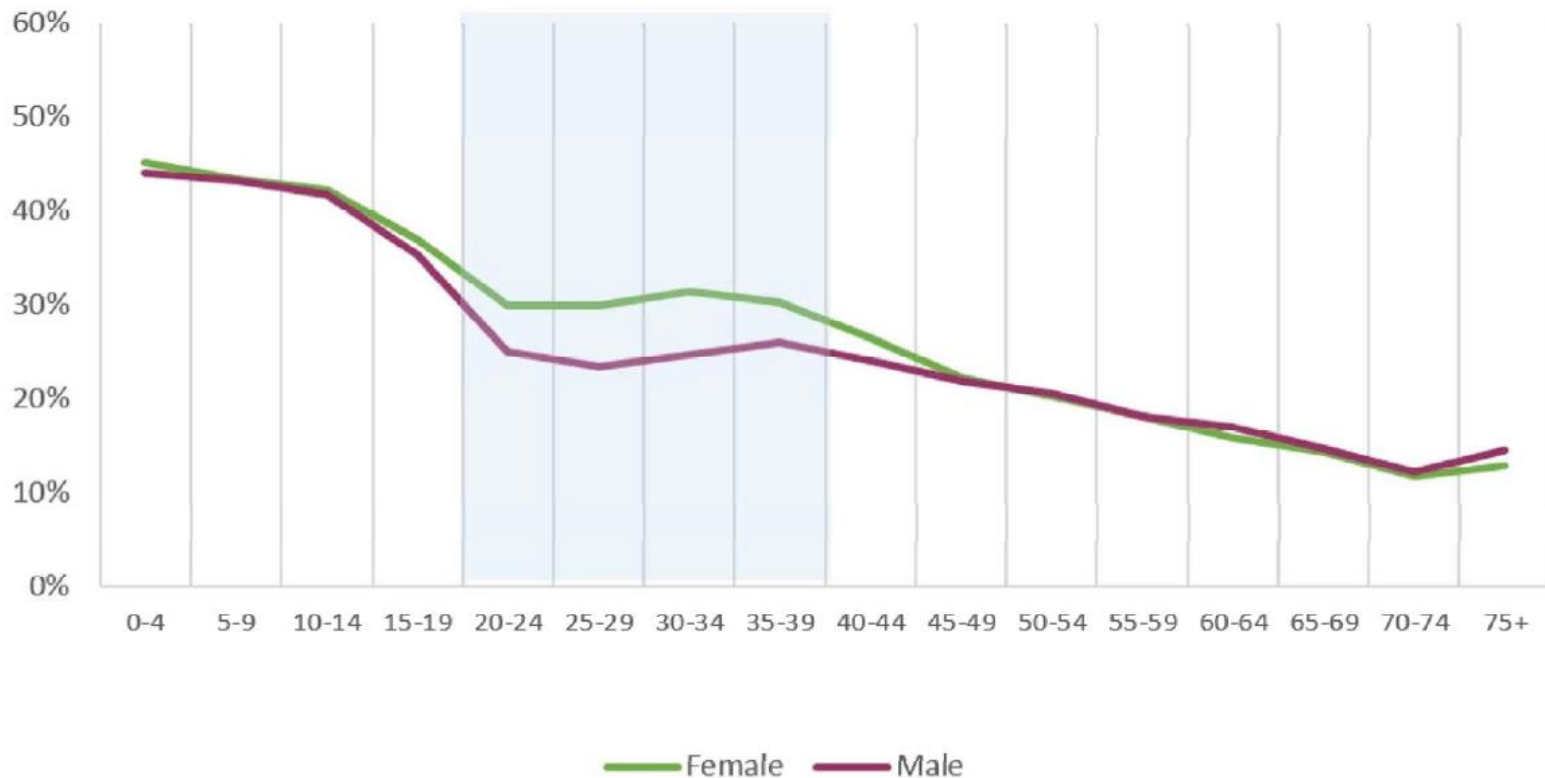
- Macroeconomic shocks have medium-term effects
  - Missed opportunities for human capital accumulation
- In poor countries, human capital accumulation of children is procyclical
  - Infant mortality rises and school enrolment and nutrition fall during recessions
  - Reasons?
    - Household: costs, need for child labour
    - State: Reduction in public expenditures

# II. Gender and poverty

- Poverty incidence is gendered
  - Global poverty rates systematically 0.5 pp higher for women than for men
- Sustainable Development Goal 5: Achieve gender equality and empower all women and girls
- Closely related to poverty goals because
  - Gender equality can be an important tool in reducing poverty
  - As countries reduce poverty, gender outcomes improve

# II. Gender and poverty

Example: Latin America and the Caribbean  
Poverty rate 2021, females and males



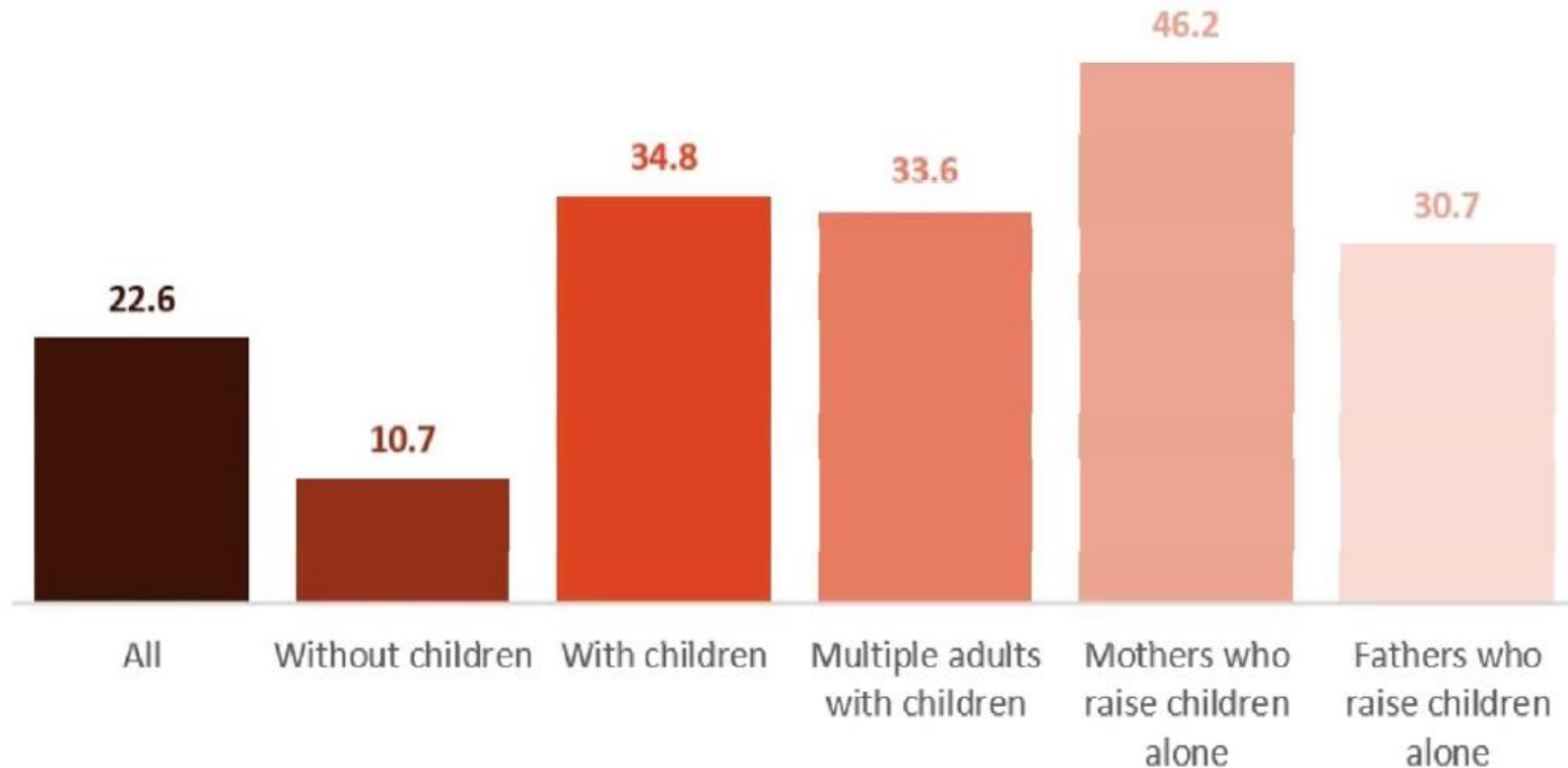
Source: Buitrago-Hernandez et al. (2024)

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# II. Gender and poverty

Example: Latin America and the Caribbean

Household poverty rate 2021, by household structure



Source: Buitrago-Hernandez et al. (2024)

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# III. Going forward

1. Macroeconomic shocks: Pro-poor crisis response
  - Adequate safety nets (short-run)
    - Safety nets should exist ex ante even if not much used
    - Financial access as part of the safety net
  - Focus on human capital (medium-term)
2. Fertility seems to be closely associated to female poverty
  - What determines desired fertility?
  - Importance of age at first birth
3. Breaking a poverty trap may require breaking an “aspiration trap”
  - In low-income countries, fatalism and low aspirations are associated with poverty
  - Migrants have different educational aspirations (esp. men)



# III. Going forward

1. Macroeconomic shocks: Pro-poor crisis response
2. Fertility seems to be closely associated to female poverty
3. Breaking a poverty trap may require breaking an “aspiration trap”
  - Requires exposure to new information or new role models that may induce individuals to revise their goals
    - Particularly important for girls → tend to internalize parental stereotypes and have weaker outcomes
  - Role of the media (esp. where literacy is low)
    - Shown to affect family preferences, education and occupational choice

# III. Going forward

Thank you!



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