

WORLD DEVELOPMENT REPORT ²⁰⁰⁰/₂₀₀₁

ATTACKING POVERTY



WORLD BANK 2000

The World Development Report

- An annual event since 1978
- This is the third one on poverty: 1980, 1990, 2000/1.
- Each one reflects evolving views on poverty and how to reduce it.

1990 report influenced by experience of preceding decade

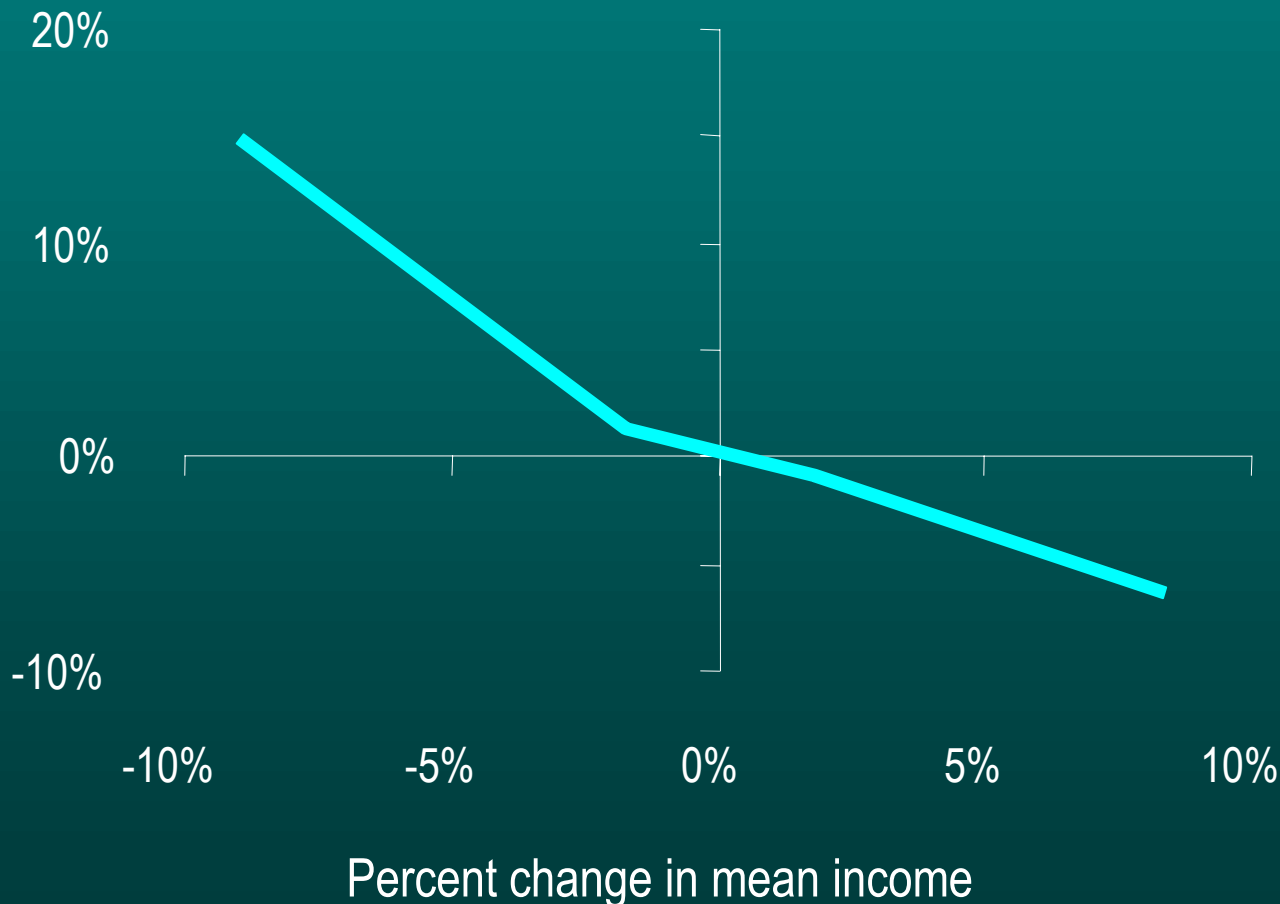
- 1990 WDR emphasized the need for:
 - market-oriented reforms
 - building human capital
 - safety nets
- East Asia success in growth & poverty reduction
- In contrast to Latin America, Africa and Eastern Europe, where price distortions or under-investment in human capital were severe

The new framework for action

- Opportunity
- Empowerment
- Security

Growth is strongly associated with reductions in income poverty

Percentage change in poverty rate per year



Note: Collection of 150 country-level spells of poverty change and mean income change from poverty surveys 1980-1998.

Initial inequalities reduce the pace of poverty reduction

Reduction in poverty associated with a one percent increase in income

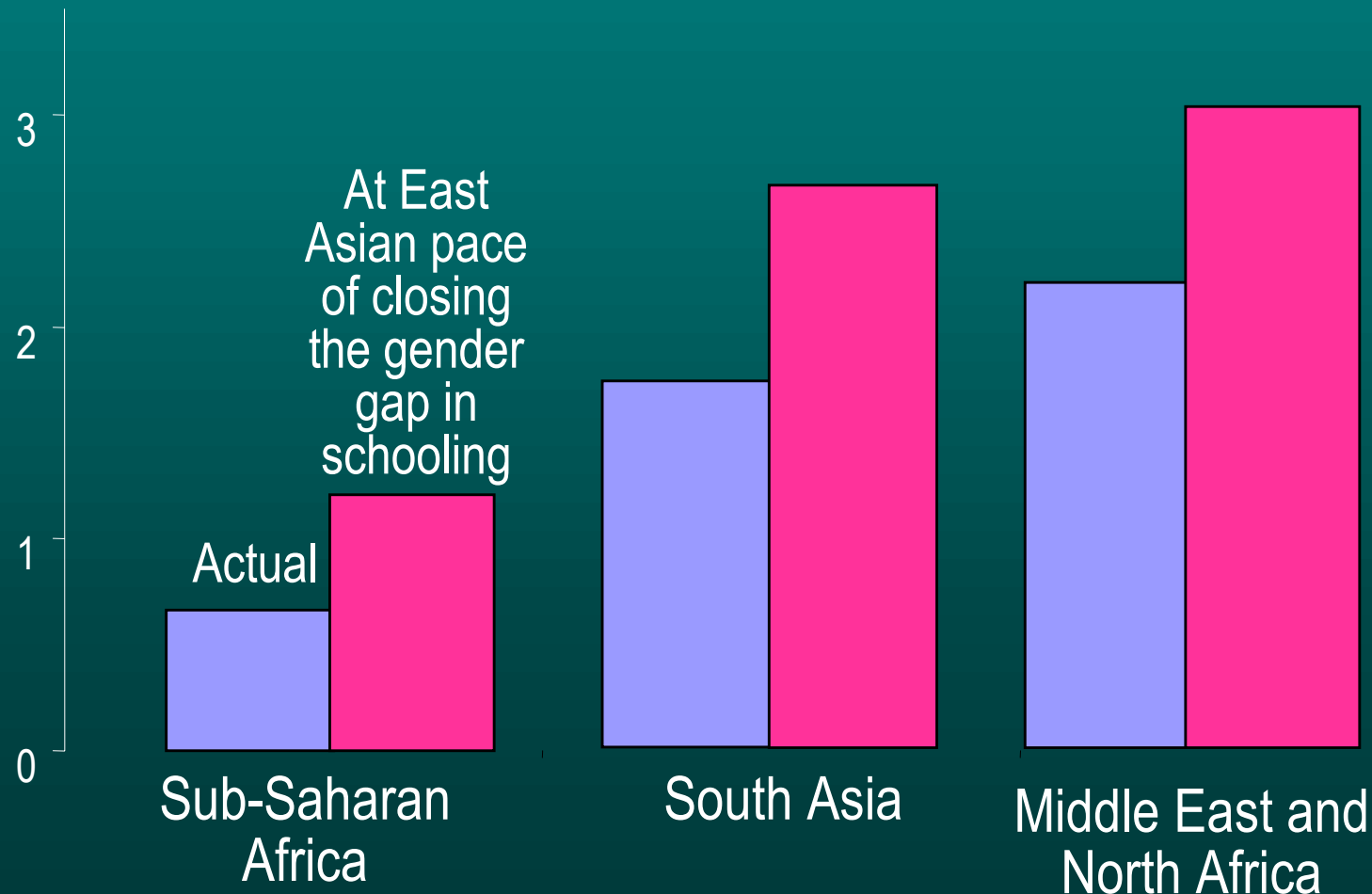


OPPORTUNITY

- Implementing policies for growth
- Addressing inequalities
- Making markets work for poor people
- Expanding poor people's assets

Closing the gender gap in schooling boosts economic growth

Income growth



EMPOWERMENT

Making state institutions work better for poor people

- Public actions focused on social priorities
- Legal systems that promote legal equity and are accessible to poor people
- Curbing corruption and bureaucratic harassment
- Decentralization with broad participation

Removing social barriers (gender, caste, ethnicity)

- Discrimination and exclusion
 - hinder poverty reduction
 - threaten social stability
- Measures to mitigate social barriers
 - legislative and judicial action
 - affirmative action where necessary
 - political inclusion

SECURITY

- Preventing economic crises and natural disasters, and protecting poor people when crises occur
- Helping poor people manage risk

Social protection during crisis

- Protect spending items that benefit poor people
- Safety nets: public works, stay-in-school scholarships, cash transfers
 - counter-cyclical
 - instruments available on a permanent basis
 - funding must be ensured

GLOBAL ACTIONS

- Market-opening by developed countries
- Promotion of global financial stability
- Financing of international public goods
- Participation of poor countries -- and poor people -- in global forums
- Increased aid and debt relief targeted at poverty reduction

Developing country policies to reduce poverty

- WDR
 - sets the stage for a comprehensive way of thinking about poverty reduction
 - provides a solid sense of direction in terms of policies
- Priorities and actions must be worked out in each country
- Country strategy will build on all three pillars -- opportunity, empowerment, security

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