



FACT SHEET

GOAL 1: ERRADICATE EXTREME POVERTY AND HUNGER	
Target 1: Halve, between 1990 and 2015, the proportion of people whose income is less than one dollar a day	
Indicator 1: Percentage of the population living in extreme poverty, according to national poverty lines (cost of a basic food basket)	
Latin America and the Caribbean	Insufficient progress
Less developed countries	Insufficient progress
Countries with intermediate levels of development	On track to meet the target
More developed countries	Rapid progress
Caribbean	Rapid progress
Target 2: Halve, between 1990 and 2015, the proportion of people suffering from hunger	
Indicator 4: Prevalence of underweight children under five years of age	
Latin America and the Caribbean	Rapid progress
Less developed countries	Rapid progress
Countries with intermediate levels of development	Rapid progress
More developed countries	Setback
Caribbean	Insufficient progress
Indicator 5: Proportion of population below the minimum level of dietary consumption	
Latin America and the Caribbean	On track to meet the target
Less developed countries	Insufficient progress
Countries with intermediate levels of development	On track to meet the target
More developed countries	Rapid progress
Caribbean	Rapid progress

Extreme poverty in Latin America and the Caribbean fell by almost four percentage points (from 22.5% to 18.6%) between 1990 and 2004, less progress than necessary to achieve this first Millennium Goal by 2015. In contrast, the region made satisfactory progress in reducing hunger and child malnutrition, and most countries will probably meet the goal of eliminating hunger.

There are 96 million people living in extreme poverty in Latin America and the Caribbean. Almost 52 million people live in urban and 44 million in rural zones.

By 2004, progress toward reducing extreme poverty in the region overall had reached 34%, despite the fact that since 1990 more than half (56%) of the time scheduled for achieving this goal has passed. Only Brazil, Ecuador, Mexico, Panama and Uruguay, along with Chile, which has already met this goal, had achieved progress equal to or greater than scheduled for this year. In contrast, Argentina and Venezuela posted levels of extreme poverty higher than in 1990, and therefore fewer possibilities of meeting this goal by 2015.

It is worrisome that the countries with the most extreme poverty in the region are those making the least progress toward its reduction and, therefore, are not on track for meeting this first goal. **ECLAC** estimates that on average, each country's per capita growth rate must reach 2.9% annually, to meet this goal by 2015. This average, however, hides some important differences. For example, Bolivia, Guatemala, Honduras, Nicaragua and Paraguay, with the highest levels of extreme poverty (over 30%), must increase per capita income by an annual average rate of 4.4% during the next 11 years. This would allow them to meet the goal of halving extreme poverty, on the assumption that income distribution remains unchanged. Chile, Costa Rica and Uruguay, the group of countries with the lowest extreme poverty rates, need to average growth of just 0.4% annually over the next 11 years. Argentina, Brazil, Colombia, Ecuador, El Salvador, Mexico, Panama, Peru and Venezuela, with average rates of extreme poverty, require annual per capita growth of about 3.1%.

As **ECLAC** has pointed out, improving income distribution would enhance the impact of economic growth on reducing poverty. Reducing the Gini coefficient by just 5% would cut the rise in the region's per capita output necessary to meet the goal to just 2.1% annually, from 2.9%. In other words, the required growth would be less or the goal could be achieved more quickly, provided the income of poor sector could be increased more quickly.

In terms of the goal of eradicating hunger, the inter-agency report reveals that there was a decline in sub-nutrition in most countries and that, as a result, the region is on the way to meeting this goal. Even if the target were to be met, however, projections show that in 2015 more than 40 million people will be undernourished in Latin America and the Caribbean.

The report indicates that there has been a decline in child malnutrition (measured as weight for age deficit), which suggests that this goal will probably be achieved by most countries in 2015. Although not reflected as such in the first Millennium Development Goal, however, chronic undernutrition (low height for age) is the severest manifestation of hunger in the region, and has been found to be linked to extreme poverty even more closely than general malnutrition. In most cases, the countries with the highest malnutrition figures –the Central American and Caribbean countries and Bolivia– also have the highest levels of chronic undernutrition. In the region as a whole, 8.8 million children suffer from chronic undernutrition as a result of an intake of food that is insufficient in terms of both quantity and quality.

One hopeful discovery is that, despite the fact that countries with high levels of extreme poverty have not achieved significant progress in this area, they can achieve some progress toward eradicating hunger and malnutrition by strengthening their policies and implementing programmes such as school meals, early infant care, and nutritional programmes that focus on mothers and their children, especially in rural areas and the most vulnerable sectors.

The interagency report, coordinated by **ECLAC**, states that the countries with the lowest income per capita, which require the most effort and international assistance to reduce poverty and hunger in the next decade, are located in Central America, the Andes and the Caribbean, specifically Bolivia, Ecuador, Guyana, Suriname, Haiti and Paraguay. It is quite likely that several of them will not be able to halve their high extreme poverty levels from the early 1990s, unless their economies grow much faster than they did from 1990 to 2004 and they are guaranteed an adequate flow of development aid.