

Poverty Reduction

Helping to Address Complex Challenges Facing the Poor



*Of the 17 Sustainable Development Goals (SDGs), relevant goals are shown

The proportion of the poor in developing countries as a whole has declined from 47% in 1990 to 14% in 2015.¹ However, around 35% of the population in Sub-Saharan Africa still suffers from poverty.² About 700 million people around the world are still in poverty, living on less than \$1.90 a day.³ Moreover, those people freed from poverty still remain in a vulnerable situation, easily brought back into poverty if they experience negative events such as illnesses, accidents, political conflicts, natural disasters, and market changes. JICA seeks a world where no one is left behind or excluded from the benefits of development. To this end, JICA works to help achieve Goal 1 of the Sustainable Development Goals (SDGs): End poverty in all its forms everywhere.

Overview of the Issue

People living in poverty are exposed to various risks. Addressing these risks calls for social security, social protection, and capacity building in many different fields. In recent years, large-scale natural disasters, environmental destruction, terrorism, and financial crises are taking an increasing toll on the lives of the poor, thus increasing and expanding poverty. The spread of COVID-19 from the beginning of 2020 has slowed social and economic activity, which in turn is beginning to seriously hurt the informal, day-to-day livelihoods of the poor.

To reduce poverty, it is more necessary than ever for development cooperation to embrace assistance aimed at increasing the resilience of the poor and the vulnerable in all sectors.

JICA Activities

JICA incorporates the perspective of poverty reduction in each of its projects in developing countries—be it aimed at training and capacity building, policy and institutional improvement, or the development of social and economic infrastructure—to help developing countries build service delivery systems for the poor. Also, supporting poor people’s access to various quality financial services and their active utilization, stabilization of consumption and expenditure, asset formation, responses to risks, and income diversification and income growth, JICA encourages their stable livelihood and participation in the market economy [→ see the case study below].

Initiatives to help poor people who face various barriers should be taken through a multi-sectoral approach. Diverse entities other than governmental agencies have an even more important role to play in this context. Thus, in addition to supporting governmental agencies and collaborating with civil society, JICA will actively promote partnerships with private-sector actors in Japan and abroad in order to support poverty reduction.

1–3. World Bank “Global Monitoring Report 2015/2016: Development Goals in an Era of Demographic Change.”

4. Financial inclusion is the concept of giving all people affordable, easy, and dignified access to quality financial services.

Study on Innovative Financial Inclusion Approach in Agriculture and Health Sector

Untangling the reality of how smallholder households make ends meet



Myanmar: Discussion at work with a farmers’ group in a field survey
(Photo: Kaihatsu Management Consulting, Inc.)

Poor people struggle to make ends meet on a daily basis in order to meet various needs in their livelihoods and lives. In pro-poor development cooperation in agriculture, health, and other sectors, it is important to analyze how smallholder households eke out a living, among other aspects, from the perspective of end-beneficiaries and combine services provided by private-sector institutions as well as those by public-sector organizations.

Focusing on smallholder segments, this research project revealed how smallholder households struggle to support their livelihoods (farming) and lives (health, education, etc.) as well as what their financial needs are. It also identified major criteria for assessing the availability of various financial services

provided through commercial banks, micro-finance institutions, and fintech—a combination of financial services and information technology.

Based on all these findings, the research project compiled a set of guidelines and survey techniques that can be utilized for projects aimed at benefiting smallholder households and incorporate the perspective of financial inclusion.⁴ JICA will promote the good use of such guidelines for future project formulation.