

# Poverty Reduction



Of the 17 Sustainable Development Goals (SDGs), relevant goals are shown in color.

The proportion of the poor in developing countries as a whole has declined from 47% in 1990 to 20.6% in 2010 due in part to economic development in Asia. Nonetheless, nearly half of the population in Sub-Saharan Africa still suffers from poverty. Moreover, escalating food prices and financial crises have led to fears that an increasing

number of people will fall into poverty.

By reducing poverty through equitable growth, JICA is aiming to realize a world where no one will be left out of the benefits of development. To this end, JICA is promoting assistance under the concepts of “Inclusive and Dynamic Development” and human security.

## ● Overview of the Issue

Large-scale natural disasters and environmental destruction as well as terrorism and financial crises seriously affect the lives of the poor, and increase and expand poverty. To cope with these risk factors and promote poverty reduction, versatile and flexible approaches are required.

At present, more than 1 billion people live on or below \$1.90 a day. Another 2 billion vulnerable people can easily fall into poverty if they experience negative events such as natural disasters and conflicts.

The definition of poverty is the state in which the following five capabilities are severely lacking: the ability to ensure a stable and sustainable livelihood, or (1) economic capability; the ability to be healthy, receive basic education, and live in a sanitary environment, or (2) human capability; the ability to cope with various threats to peoples’ lives, or (3) protective capability; and the ability to participate in a society in which people’s dignity as human beings and their culture and customs are respected, or (4) political capability; and (5) socio-cultural capability.

## ● JICA Activities

In order to advance equitable growth and sustainable poverty reduction, JICA will strive to enable each and every person living

in poverty to escape it by reinforcing these five capabilities and supporting the development of an environment in which these capabilities can be manifested. JICA formulates and implements its projects in the areas of human resources development and capacity building, improvement of policies and institutions, and development of social and economic infrastructure, centering on the following two concepts: (1) “poverty measures” that aim to directly assist the poor, and (2) “poverty considerations” that do not directly assist the poor but incorporate creative approaches that will increase the projects’ benefits to the poor.

Meanwhile, JICA’s activities also cover collecting information on the poor as well as accumulation of know-how and development of methods and tools that are effective for poverty reduction. In addition, to carry out more effective projects, JICA conducts research and training on approaches to reduce poverty to enhance understanding among the people concerned. A few examples are: microfinance, which provides financial services that include savings, loans, and insurance to enable poor and vulnerable people to make smooth expenditures every month for items such as health care, education, and food; social investigation methods to correctly understand the actual conditions of the poor, including targeting the poor by location; and assistance to base-of-the-pyramid (BOP) groups through developing markets.



An ODA Loan project in Bangladesh provides the opportunity for local poor people to be employed and earn money doing daily rural road maintenance. The project saves part of their wages in bank accounts that they can use to buy livestock, start small stores, etc. when their employment is over.