The true extent of global poverty and hunger: Questioning the good news narrative of the Millennium Development Goals

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The true extent of global poverty and hunger: Questioning the good news narrative of the Millennium Development Goals

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ABSTRACT

The final report on the Millennium Development Goals (MDGs) concludes that the project has been ‘the most successful anti-poverty movement in history’. Two key claims underpin this narrative: that global poverty has been cut in half, and global hunger nearly in half, since 1990. This good-news narrative has been touted by the United Nations and has been widely repeated by the media. But closer inspection reveals that the UN’s claims about poverty and hunger are misleading, and even intentionally inaccurate. The MDGs have used targeted statistical manipulation to make it seem as though the poverty and hunger trends have been improving when in fact they have worsened. In addition, the MDGs use definitions of poverty and hunger that dramatically underestimate the scale likely of these problems. In reality, around four billion people remain in poverty today, and around two billion remain hungry – more than ever before in history, and between two and four times what the UN would have us believe. The implications of this reality are profound. Worsening poverty and hunger trends indicate that our present model of development is not working and needs to be fundamentally rethought.

Introduction

The United Nations released the final report on the Millennium Development Goals (MDGs) in July 2015. The report concludes that the project has been ‘the most successful anti-poverty movement in history’ – a claim that has been widely repeated by the media. MDG-1, the headline goal, set out to cut poverty and hunger in half. The UN claims that it reached the poverty side of that goal in 2010, and has since exceeded it: ‘The poverty rate in the developing regions has plummeted, from 47% in 1990 to 14% in 2015’. On hunger the UN claims that it has come very close to the goal: ‘Projections indicate a drop of almost half in the proportion of undernourished people in the developing regions, from 23.3% in 1990–1992 to 12.9% in 2014–2016. This is very close to the MDG hunger target.’
These claims have received very little critical scrutiny in mainstream outlets. The official story that poverty and hunger have decreased dramatically has dominated media discourse on the issue, and has gone almost entirely unchallenged. In 2012 The Economist ran a widely shared article with the headline: ‘A fall to cheer: for the first time ever, the number of poor people is declining everywhere’. Bill and Melinda Gates’ recent public annual letters have also been powerful conduits of the UN’s narrative of success. Their 2014 letter opened with the words: ‘By almost any measure, the world is better than it has ever been’. This story has a tremendous amount of institutional backing. For those who have an interest in defending the status quo of the global economic system, the good-news narrative about poverty and hunger comprises a potent political tool. It lends a kind of moral justification to the present order and its logic of growth, liberalisation, privatisation and corporate power.

Sometimes this argument is explicit. A few months before the final MDG report, The Spectator published a blog post entitled ‘What Oxfam doesn’t want you to know: global capitalism means less poverty than ever’. It led with the MDG statistics on the reduction of extreme poverty and hunger. The author argued that the increasing attention focused on social inequality and wealth accumulation among the richest 1% is misplaced. The 1% may now have more wealth than the rest of the world’s population combined, but this skewed distribution is justified because the very system that has made them so rich has also reduced poverty in developing countries:

We are, right now, living through the golden age of poverty reduction. Anyone serious about tackling global poverty has to accept that whatever we’re doing now, it’s working – so we should keep doing it. We are on the road to an incredible goal: the abolition of poverty as we know it, within our lifetime. Those who care more about helping the poor than hurting the rich will celebrate the fact – and urge leaders to make sure that free trade and global capitalism keep spreading. It’s the only true way to make poverty history.

But the UN’s claims about poverty and hunger are not what they seem. They are misleading at best and intentionally inaccurate at worst. Unfortunately, poverty and hunger are not disappearing as quickly as the UN would have us believe; indeed, according to some measures they have actually worsened. I examine the two issues in turn below, focusing first on poverty, then on hunger. By way of conclusion I explore the implications of accepting that poverty and hunger have worsened. Because progress against poverty and hunger is considered to be the primary basis on which the legitimacy of the global economic order rests – at least according to the rhetoric of international institutions – worsening trends would require that we rethink the prevailing order altogether, or at least rethink our strategies for reducing poverty and hunger.

**Poverty**

**Shifting goalposts**

As Thomas Pogge (2004, 2009, 2010) has argued, the UN’s narrative about poverty reduction rests on a history of shifting goalposts. To understand what has happened with the poverty goal we have to go back to 1996, when the world’s governments first pledged to tackle hunger during the World Food Summit in Rome. The commitment was a bold one: ‘to reduce the number of undernourished people to half their present level no later than 2015’. While the Rome Declaration was focused on hunger rather than the broader issue of poverty, it was the first global commitment to address a key aspect of impoverishment with a robust
goal, and thus set an important precedent for the type of target – in terms of parameters and ambition – that the world would pursue. It was four years later, when the Millennium Declaration was signed at the UN headquarters in New York, that an explicit target on poverty was adopted by the world’s governments for the first time. But the goalposts were subtly shifted from the parameters of the Rome Declaration. The new commitment, in Article 19, was to halve ‘the proportion of the world’s people whose income is less than one dollar a day and the proportion of people who suffer from hunger’ (emphasis mine). By switching from absolute numbers to proportions, the Millennium Declaration’s poverty goal was easier to achieve than an equivalent goal based on the parameters of the Rome Declaration would have been, simply because it could take advantage of population growth.

Shortly after the Millennium Declaration was adopted, the UN rendered Article 19 into the Millennium Development Goals. During this process the poverty goal (MDG-1) was explicitly diluted. First, it was changed from halving the proportion of impoverished people in the whole world to halving the proportion in developing countries only. Because the population of the developing world is growing at a faster rate than that of the world as a whole, this subtle shift in methodology allowed the MDGs to take advantage of a faster-growing denominator. On top of this there was a second significant change: the starting point of analysis was moved from 2000 back to 1990. This gave the UN much more time to accomplish the goal, extended the period of denominator growth, and allowed it to retroactively claim gains in poverty reduction that were achieved long before the MDGs actually began. This backdating took particular advantage of gains made by China during the 1990s, when hundreds of millions of people were lifted out of extreme poverty, and tallied this as a victory for the MDGs, even though they had nothing to do with it.

The goal of the Millennium Declaration was to cut the number of poor people by 669 million people. But MDG-1 sought to cut the number of poor people by only 490 million. We can state this in another way. The world’s governments initially decreed that there should be no more than 1004 million people living in poverty in 2015; that was to be the absolute cap, and anything more than that was deemed to be morally unacceptable. But they later decided to adjust the cap upwards to 1327 million, effectively declaring it would be acceptable for 323 million additional people to suffer from extreme poverty in 2015. This also meant that they permitted themselves to be much less aggressive in the fight against poverty: while the initial goal required an annual rate of poverty reduction of 3.35%, the final goal allowed for a much more leisurely rate of only 1.25%. In comparison, the new goal would need hardly any effort to achieve (Table 1).

There is something questionable about the ethics behind MDG-1, given that it rests on such a flexible understanding of moral acceptability. But for those who are committed to promoting a good-news narrative about poverty, the changes have been useful. By redefining the goal the UN is now able to claim that poverty has been halved when in fact it has not.

### Table 1. Diluting the poverty goal.

<table>
<thead>
<tr>
<th></th>
<th>Baseline poverty count (millions)</th>
<th>Promised reduction by 2015 (millions)</th>
<th>Proportion reduction by 2015 (%)</th>
<th>Annual rate of reduction (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Millennium Declaration</td>
<td>2000</td>
<td>1673</td>
<td>669</td>
<td>40</td>
</tr>
<tr>
<td>MDG-1</td>
<td>1990</td>
<td>1817.5</td>
<td>490</td>
<td>27</td>
</tr>
</tbody>
</table>

Source: Adapted from Pogge, “How World Poverty is Measured.”
The good-news narrative about poverty reduction begins to appear tenuous in light of the statistical sleight-of-hand that lies behind it. But there is an additional element to consider. Not only have the goalposts been shifted, the definition of poverty itself has been massaged in a way that serves the story of poverty reduction, as Reddy and Pogge (2005) have shown. What counts as poverty – the ‘poverty line’ – is normally calculated by each nation, and is supposed to reflect the total cost of all of the essential resources that an average human adult needs to subsist. For most of the twentieth century it was understood that poverty lines are not comparable across contexts: what counts as poverty in Somalia cannot be considered equivalent to what counts as poverty in Chile. But there was a push to try to find some kind of common denominator that would make it possible to measure the poverty rate globally with a single methodology. Martin Ravallion, an Australian economist at the World Bank, was the first to make this a reality. In 1990 he noticed that the poverty lines of some of the world’s poorest countries clustered around $1 per day. He argued that this would be a good low-end threshold for measuring absolute poverty. On Ravallion’s recommendation, the World Bank adopted the dollar-a-day line as the first-ever International Poverty Line (IPL).

Using the IPL, the World Bank announced in its 2000 annual report that global poverty was getting worse: ‘the absolute number of those living on $1 per day or less continues to increase. The worldwide total rose from 1.2 billion in 1987 to 1.5 billion today and, if recent trends persist, will reach 1.9 billion by 2015 (emphasis mine). This was alarming news and it projected a troubling future trend. It also implied that the structural adjustment programmes imposed by the World Bank and the IMF on global South countries during the 1980s and 1990s were making poverty significantly worse. This turned out to be a public relations disaster for the World Bank and the IMF. If poverty reduction was going to be the method by which they measured progress, then it was clear that structural adjustment would have to be scrapped. This would mean halting the forced liberalisation of markets around the world, and perhaps even accepting liability for causing mass impoverishment.

But not long after the report was released the World Bank’s story changed dramatically, and it began announcing the exact opposite news. In 2001 the president of the Bank, James Wolfensohn, delivered a speech in which he stated that structural adjustment had actually reduced poverty in the developing world:

Over the past few years, better policies have contributed to more rapid growth in developing countries’ per capita incomes than at any point since the mid-1970s. And faster growth has meant poverty reduction: the proportion of people worldwide living in absolute poverty has dropped steadily in recent decades, from 29% in 1990 to a record low of 23% in 1998. After increasing steadily over the past two centuries, since 1980 the total number of people living in poverty worldwide has fallen by an estimated 200 million.

What was interesting about Wolfensohn’s speech was that he acknowledged that per capita incomes were growing faster before 1980, technically admitting that the Bank’s structural adjustment programmes had slowed progress. But he masked this fact by claiming – in what seemed a contradiction – that poverty had nonetheless been reduced. Three years later, in 2004, the World Bank published its new official estimates, which stated that poverty reduction was actually twice as successful as Wolfensohn had suggested: a grand total of 400 million people were rescued from extreme poverty between 1981 and 2001. As the statistical story continued to improve, the World Bank’s PR crisis was averted.
This new story was possible because the Bank had shifted the IPL from the original $1.02 (at 1985 PPP) to a new IPL of $1.08 (at 1993 PPP), which was introduced in 2000. Suddenly it appeared that fewer people were poor, even though nothing had changed in the real world. This new IPL was introduced in the very same year that the MDGs went live, and it became the official instrument for measuring absolute poverty. The IPL was changed a second time in 2008, to $1.25 (at 2005 PPP). The World Bank’s economists claimed that this new line was roughly equivalent to the earlier one but Reddy and Pogge have pointed out that the data are not comparable.19 Overnight the number of absolute poor rose by 430 million people. This seems like bad news, in absolute terms; but it made the poverty reduction trend look significantly better, at least since the baseline year of 1990. While the $1.08 IPL made it seem as though the poverty headcount had been reduced by 316 million people between 1990 and 2005, the $1.25 IPL inflated the number to 437 million, creating the illusion that an additional 121 million people had been lifted from poverty. The Millennium campaign adopted the new IPL, which allowed it to claim yet further gains.

A more honest view of poverty

I mentioned above that the MDGs moved the baseline year back in a manner that claimed China’s gains against poverty during the 1990s, which had nothing at all to do with the MDGs. If we take China out of the equation, we see that the global poverty headcount at $1.25 actually increased during the 1980s and 1990s, while the World Bank was imposing structural adjustment across most of the global South (Figure 1). In 2010 (the final year of the MDGs’ real data), the total poverty headcount excluding China was exactly the same as it was in 1981, at just over one billion people. In other words, while the MDGs lead us to believe that poverty has been decreasing around the world, in reality the only place this holds true is in China and East Asia. This is an important point, because China and East Asia are some of the only places in the developing world that were not forcibly liberalised by the World Bank and the IMF. Everywhere else, poverty has been stagnant or getting worse, in aggregate.

One billion impoverished people is a staggering number, and a trenchant indictment of the failure of the world’s governments to make any meaningful progress on this problem. But there is reason to believe that the picture is actually even worse than this. We must ask whether the $1.25/day IPL is the right poverty line to be using in the first place. The IPL is based on the national poverty lines of the 15 poorest countries. But it is not clear that these national lines are necessarily accurate. In some cases the data on which the poverty lines are based are very poor.20 In other cases the lines are set by bureaucrats in corrupt governments, and we have no guarantee that they are not being manipulated for the sake of political image. Even if we choose to accept the accuracy of these national lines, using them to calculate the IPL means setting it at rock bottom. This level tells us little about what poverty is like in better-off countries. For example, a 1990 survey in Sri Lanka found that 40% of the population fell under the national poverty line. But the World Bank, using the IPL, reported only 4% in the same year.21 In other words, in many cases the IPL makes poverty seem much less serious than it probably is in reality. India offers another example. In 2011 the World Bank estimated that India had 300 million people living below $1.25/day and claimed that the proportion of impoverished people had been decreasing steadily. But that same year nearly 900 million Indians, or nearly 75% of the population, were subsisting on less than 2100 calories per day. And this was a significant increase from 1984, when only 58% of the population suffered this
level of calorie deprivation. So the World Bank has been celebrating a ‘reduction’ of poverty in India while hunger has been rising decisively. Moreover, in 2014 new research in India showed that 680 million people ‘lack the means to meet their essential needs’, which is more than double what the World Bank’s numbers suggest.

In many countries living just above the IPl means living in destitution. Economist Adam Wagstaff has shown that in India a child living just above the IPl has a 60% risk of being underweight. In Niger babies born to families just above the IPl face an infant mortality risk of 160/1000, more than three times the world average. In such cases $1.25 per day is insufficient to achieve the ‘adequate’ standard of living that is guaranteed by the Universal Declaration of Human Rights, which states in Article 25: ‘Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care’. Even establishment institutions are beginning to recognise this. In 2014 the Asian Development Bank (ADB) conceded that the $1.25 line was too low to be meaningful, and discussed nudging the line up to $1.50 to more accurately account for basic food needs. Even this minor shift would see the number of people in extreme poverty rise by more than one billion. If the ADB does this, it will inflict severe damage on the global poverty reduction narrative, which relies heavily on gains from Asia.

If $1.25 is not sufficient to guarantee basic nutrition, or to provide children with a fair chance of surviving, then it is not clear that we can legitimately claim that lifting people above this line means bringing them out of poverty. One option would be to revert to measuring poverty at national poverty lines. According to this standard, the poverty headcount is 1.5 billion people, which is 50% higher than what the UN claims using the $1.25 IPl (about one billion). Of course, some national poverty lines are actually below the IPl; this is the case in about 25 countries. If for these countries we measure poverty at the IPl instead, we get an additional 188.7 million poor people, and a global poverty headcount of about 1.7 billion people – 70% higher than the UN’s official figures.
But even this approach has been criticised as being too conservative. Peter Edward argues that, if we are to be serious about eliminating poverty in meaningful terms, we need to set a line that at the very least allows people to achieve a normal human life expectancy, which is about 74 years. He calculates that this ‘ethical poverty line’ would have to be between 2.7 and 3.9 times higher than the present line. That means between $3.38 and $4.88 per day (2005 PPP). This line is not a perfect solution, because it still compares contexts that are not necessarily comparable, but it is the best global line currently available. As it turns out, this line is not too far away from the average of all national poverty lines in the developing world, which even out at a median of $2 per day and a mean of about $5 per day. It also accords with the World Bank’s own repeated statements that the $1.25 line is ‘deliberately conservative’, appropriate for only the poorest countries: ‘In more developed regions, higher international poverty lines are more appropriate. When comparing poverty rates across countries within the Latin American and the Caribbean region, the $4 a day poverty line provides a more meaningful standard. For the Eastern European and Central Asia region, the $5 a day poverty line is often used.’

If we were to measure global poverty in the middle of the ethical poverty line range, we would find the total poverty headcount to be about 3.5 billion people. This is three and a half times what the World Bank and the UN would have us believe, and about half the world’s population. We would also see that poverty has been getting worse, not better, even without excluding China. Around 500 million more people have been added to the ranks of the poor since 1981. That is eight times the population of Britain. If we take China out of the equation, the number of additional poor people would be closer to one billion. At the top end of the ethical poverty line, at the $5/day measurement provided by the World Bank, the global poverty headcount is 4.3 billion (Figure 1). And the number has risen considerably over time (even without excluding China), with one billion additional poor people since 1981, and about 500 million additional poor since the MDG baseline of 1990. At $10/day, which is the upper boundary suggested by the World Bank (and the standard measure used by ActionAid), the poverty headcount is 5.1 billion people, or nearly 80% of the world’s population, and it has risen by two billion since 1981.

These poverty lines suggest that global poverty is much worse than the official narrative would have us believe. Most analysts recognise that the $1.25 line is too low, but it remains in favour at the World Bank and the UN because it is the only line that shows any progress against poverty – at least when you include China. Every other line tells the opposite story.

Hunger

Shifting goalposts

To understand what has happened with the hunger goal we must go back once again to the Rome Declaration of 1996 and to its commitment to ‘reduce the number of undernourished people to half their present level no later than 2015’. At the time this meant cutting the hunger headcount by 420 million people. This sounds ambitious according to today’s standards, but at the time it was criticised for being too soft. After all, the world was wealthier than at any time in history; a number of delegates suggested there was no legitimate reason for the goal to be anything less than the total eradication of hunger, and within a much shorter timeframe. With the right redistributive policies, they argued, this could be accomplished with relatively little effort.
But instead of making the goal more robust, global leaders diluted it. When the Millennium Declaration was signed four years later, the original 1996 goal was rewritten to focus on proportions rather than absolute numbers. The Millennium Declaration did not officially replace the Rome Declaration but it did become the new primary focus, and it redirected the world’s attention. While the original goal aimed to cut the hunger headcount by 420 million people, the new goal aimed to cut it by only 296 million people. Later, when the MDG-1 hunger target was designed, it was subject to the same two changes as the poverty target described above: it was shifted from halving the proportion of hungry people in the world to halving the proportion of hungry people only in developing countries, and the base year was pushed back to 1990. The new goal aimed to cut hunger by only 225 million, nearly half the original goal. Stated otherwise, while the world’s governments initially decreed that there should be no more than 420 million hungry people in 2015, they later decided to adjust the cap upwards to 591 million. And, once again, the rate of reduction was slowed considerably, from 3.58% per year to 1.25% per year – down to almost one-third of the original rate (Table 2).

Another key issue is that the figures for the 1990 baseline have been altered on a number of occasions to improve the story. In 1992 the Food and Agriculture Organization (FAO) reported that the number of hungry people in the developing world in 1990 was 786 million. Nearly a decade later, in 2001, the FAO reported that 777 million people were hungry. This was only a slight reduction from the 1990 baseline, which suggested no significant progress against hunger. But in that report the 1990 figure was revised up to 816 million (which became the baseline for the MDGs), and this higher figure allowed the FAO to report a decrease of 30 million more than would otherwise have been the case. In 2004 the FAO reported that hunger had reached 815 million people. This was a substantial increase from 786 million (the original figure for 1990), and no improvement from 816 million (the revised figure for 1990). But in that report the 1990 figure was revised a second time, to 824 million, so that hunger appeared to have decreased after all (Table 3).

### Table 2. Diluting the hunger goal.

<table>
<thead>
<tr>
<th></th>
<th>Baseline year</th>
<th>Baseline hunger count (millions)</th>
<th>Promised reduction by 2015 (millions)</th>
<th>Proportion reduction by 2015 (%)</th>
<th>Annual rate of reduction (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rome Declaration</td>
<td>1996</td>
<td>839</td>
<td>420</td>
<td>50</td>
<td>3.58</td>
</tr>
<tr>
<td>Millennium Declaration</td>
<td>2000</td>
<td>798</td>
<td>296</td>
<td>37</td>
<td>3.18</td>
</tr>
<tr>
<td>MDG-1&lt;sup&gt;a&lt;/sup&gt;</td>
<td>1990</td>
<td>816</td>
<td>225</td>
<td>28</td>
<td>1.25</td>
</tr>
</tbody>
</table>

<sup>a</sup>The 798 million figure is the 1999–2001 estimate, first reflected in FAO, State of Food Insecurity 2003. That is 17% of the developing world population at the time; 8.5% of the 2015 population (5909 million) is 502 million. The difference is 296 million.

<sup>b</sup>The 816 million figure is the 1990–92 estimate in FAO, State of Food Insecurity in the World 2003. That is 20% of the developing world population at the time; 10% of the 2015 population (5909 million) is 591 million. The difference is 225 million.

### Table 3. Shifting baselines (number of hungry people in developing world, in millions).

<table>
<thead>
<tr>
<th></th>
<th>Number of hungry in 1990</th>
<th>Number of hungry at time of report</th>
</tr>
</thead>
<tbody>
<tr>
<td>1992 FAO report</td>
<td>786</td>
<td>786</td>
</tr>
<tr>
<td>2001 FAO report</td>
<td>816</td>
<td>777</td>
</tr>
<tr>
<td>2004 FAO report</td>
<td>824</td>
<td>815</td>
</tr>
</tbody>
</table>
Changing methodology

This method of shifting goalposts and baselines worked relatively well for a period. But in 2008 the FAO was forced to report for the first time that hunger in the developing world was getting worse, not better, having increased by 10 million against the revised baseline. Then the food price crisis hit, which was spurred by reckless financial speculation and sparked riots across much of the developing world. In 2009 the FAO reported that the food crisis – building on the global financial crisis – had pushed 150 million additional people into hunger. It was a catastrophic rise: the number of the hungry was up to 1023 million, a 21% increase from 1990 (Figure 2). And proportions too had begun to rise, reversing a downward trend that had lasted until 2005. The report indicated that the UN’s hunger reduction goal was going to be impossible to achieve, and led with the frank headline: ‘Hunger has been on the rise for the past decade’. What is more, the FAO even suggested that its estimate of the impact of rising food prices on hunger ‘may well be an underestimate’.

It seemed a disaster. But then in 2012 the FAO suddenly began telling the exact opposite story. With only three years to go before the expiry of the MDGs, it announced an ‘improved’ methodology for counting hunger, and the revised numbers delivered a rosy tale at last: while 23% of the developing world was undernourished in 1990, the FAO was pleased to announce a reduction down to 15%. The figure for 2012 was announced as 852 million hungry people in the developing world. This seems higher than before, but because the baseline figure was adjusted up to 980 million, the trend appeared to slope downwards, especially when expressed in proportions. The UN adopted these as the new official numbers. The 2013 report on the MDGs proclaimed ‘Progress in reducing hunger has been more pronounced than previously believed, and the target of halving the percentage of people suffering from hunger by 2015 is within reach’.

By deploying a new methodology, the FAO managed to transform a steadily rising trend into a steadily falling one, and just in time for the MDGs to save face. Moore-Lappé et al. (2013) have developed a strong critique of this move. It remains unclear why the FAO felt it was acceptable to radically change the methodology of a 25-year longitudinal study just three years before its conclusion, which is bad practice by any scientific standard. The main reason the FAO gives for the switch is telling. Apparently the rapid rise in hunger during

Figure 2. The hunger crisis as reflected in the FAO’s 2009 report. Source: FAO, State of Food Insecurity in the World 2009.
the food price crisis raised the ire of certain interests at the UN. The FAO’s narrative of what happened is worth quoting at length:

The debate surrounding [the hunger indicators] gained intensity after FAO’s publication of the 2009 and 2010 editions of SOFI, in which projections estimated a dramatic increase in the estimated number of hungry, associated with what was believed to be a widespread food price crisis following events of 2007–2009. The jump in the number of undernourished, posited to have occurred in 2009, led commentators to voice concerns about the reliability of the FAO method to estimate the number of hungry. These concerns culminated in the request to FAO by the Committee of World Food Security, in its 27th session [sic – actually it was the 37th session], to organize a Technical Round Table to discuss the FAO measures of undernourishment. The outcomes of the Round Table, which took place on 12 and 13 September 2011 at FAO headquarters in Rome, gave impetus to the set of revisions and innovations implemented since.39

For some reason the fact that the hunger numbers were rising during a period of historically high food prices was considered cause for questioning the legitimacy of the measurement (although apparently not cause for questioning food prices). It is not clear who raised these concerns, but evidently the parties involved had enough power to precipitate a wholesale change of methodology.

The change came in two phases. First, the FAO abandoned its forecasting model so that it would not reflect the impact of the economic crisis, thus erasing the spike in hunger after 2008.40 Second, the new methodology used revised estimates of country food supplies and food waste, new population estimates and new assumptions about food inequality and access to calories (the formula was ‘relaxed’ from a log-normal distribution to a skew-normal distribution).41 The FAO also used revised data on average population heights, which are used in turn to calculate the minimum dietary energy requirements (MDER) for each country (ie the calorie threshold at which hunger is measured).42 The new calorie thresholds were adjusted downwards significantly across the board, but with greater reductions (over the previous thresholds) at the end of the period than at the beginning, with the result that – all other things being equal – the number of hungry people would appear to slope downwards more rapidly than under the previous measurements.43

The changes worked: the numbers released in 2012 indicated that hunger was constant during the period of the food price crisis (Table 4). The FAO states matter-of-factly that its ‘methodology does not capture the impact of short-term price and other economic shocks’ and does not ‘fully reflect the effects on hunger of the 2007–08 price spikes or the economic slowdown experienced by some countries since 2009, let alone the recent price increases’.44 Observers outside the FAO continue to wonder why a methodology for counting hunger that does not account for food prices is better than one that does.45

For the sake of perspective it is worth pointing out that the FAO’s habit of changing the hunger numbers to suit a good-news narrative long predates the MDGs. At the first World Food Conference in 1974, the one before the 1996 Summit, the FAO estimated that there were about 460 million hungry people in developing countries. Henry Kissinger famously proclaimed that ‘within a decade, no child will go to bed hungry’.46 This optimism was turned on its head when the FAO’s 1992 report was released, showing that there were 786 million hungry people in 1988–90. This meant that the structural adjustment programmes that were imposed across the global South during the 1980s had clearly made hunger significantly worse. But the FAO managed to turn this upward trend into a downward trend, saying that the number of hungry in 1970 was not 460 million but rather 941 million. With this new baseline, the FAO made it seem as though global hunger was decreasing; this retrospectively...
The other noteworthy aspect of this history is that it offers perspective on the nature of the hunger goals. In 1974 the goal was to eradicate hunger by 1984. But this proved to be impossible under the current global economic model. So impossible, in fact, that the dream of eradicating hunger—under any timeframe—had to be abandoned entirely.

Questioning the definition of hunger

Even if we accept that the FAO’s new methodology is adequate, there are legitimate questions to be asked about the definition of hunger itself. The FAO counts people as hungry only when their caloric intake falls below the ‘energy requirements for minimum activity levels,’ or, stated otherwise, when caloric intake becomes ‘inadequate to cover even minimum needs for a sedentary lifestyle’ for ‘over a year.’ The caloric threshold (the MDeR) varies by country; the revised MDeRs range from 1651 calories/day for Timor Leste to 1900 calories/day for the Netherlands. Once again, the MDeRs are calculated based on the average height of a population; the threshold is lower for people in Timor Leste because they are shorter—and therefore presumably require fewer calories—than people in the Netherlands. But this is a questionable assumption; short stature in a population is quite often a sign of undernourishment, so it makes little sense to conclude—as the FAO does—that as populations get shorter they require fewer calories. Indeed, in many cases it is probable that the opposite is true: declining average stature indicates that people require more calories.

Furthermore, the FAO’s definition ignores the fact that most poor people do not live sedentary lifestyles; rather, they are usually engaged in demanding physical labour, so in reality they need much more than the FAO’s minimum caloric threshold. The average rickshaw driver in India, for example, requires around 3000–4000 calories per day. The FAO itself recognises this flaw. Its 2012 report admits that ‘many poor and hungry people are likely to have livelihoods involved in arduous manual labor.’ It calls its core definition ‘narrow,’ ‘very conservative,’ focused on only ‘extreme caloric deprivation,’ and thus ‘clearly insufficient’ to inform policy. It acknowledges that most poor people actually require calories sufficient for ‘normal’ or even ‘intense’ activity. If we measure hunger at the more accurate (and still conservative) level of calories required for normal activity, we see that 1.5 billion people are hungry, according to an annex in the FAO’s 2012 report, which is twice as many as the UN would have us believe. If we measure hunger at the level of calories required for intense activity, the number of hungry is 2.5 billion. And the numbers are rising, not falling, even according to the new methodology (Figure 3). Note that the hunger graph above reflects the existing FAO methodology, which does not capture the impact of the recent food crisis. In reality the trend lines should rise much more steeply towards the end of the period.

Table 4. Comparing old and new methodologies (hungry people in world, millions).

<table>
<thead>
<tr>
<th></th>
<th>2010 FAO report</th>
<th>2012 FAO report</th>
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<tbody>
<tr>
<td>1990</td>
<td>843</td>
<td>1000</td>
</tr>
<tr>
<td>2000</td>
<td>833</td>
<td>919</td>
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<tr>
<td>2005</td>
<td>848</td>
<td>898</td>
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<td>2008</td>
<td>920</td>
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<tr>
<td>2009</td>
<td>1023</td>
<td>867</td>
</tr>
<tr>
<td>2010</td>
<td>925</td>
<td>868</td>
</tr>
</tbody>
</table>
Another problem with the FAO’s definition is that it only counts calories. So people who have serious deficiencies of basic vitamins and nutrients (something which even the FAO admits affects 2.1 billion people worldwide\textsuperscript{53}) are not counted as undernourished. The FAO notes that this situation is not improving. For instance, ‘iron deficiency anemia prevalence has not changed substantially; it has even increased in some countries’.\textsuperscript{54} Yet for some reason the FAO continues to consider people to be sufficiently nourished as long as they consume enough calories to keep their hearts pumping. People who suffer from parasites, which inhibit food absorption rates, also fall through the cracks, since what counts is caloric intake, not actual nutrition. And people who are hungry for months at a time are for some reason not counted as hungry, since the definition of hunger only captures hunger that lasts for over a year. The FAO writes: ‘the reference period should be long enough for the consequences of low food intake to be detrimental to health. Although there is no doubt that temporary food shortage may be stressful, the FAO indicator is based on a full year.’\textsuperscript{55} Incredibly, the FAO appear to believe that 11 months of hunger is not detrimental to health.\textsuperscript{56} The FAO’s hunger indicator, which is concocted entirely from models, tells us nothing at all about the empirical reality of hunger as it is actually experienced. A much better approach would be to use surveys of the type pioneered by the US Department of Agriculture (USDA). For all the above reasons, it is highly probable that the UN’s hunger numbers dramatically underestimate the scale of global hunger.

Another issue has to do with the geographical distribution of hunger. The MDGs promote a tale of global progress against hunger, but in reality 73% of the gains that the UN claims against hunger come from China, most of which (about 70%) occurred during the 1990s, before the MDGs even began.\textsuperscript{57} Interestingly progress against hunger in China during that period was largely the result of land reform, which guaranteed small farmers secure access to land.\textsuperscript{58} But land reform is not a strategy promoted by the MDGs; in fact the policy direction advocated by the UN tends to be towards consolidation of land in corporate hands (such as through the New Alliance for Food Security and Nutrition, which the UN promotes). If we subtract China’s gains – and the gains of a few other high-achieving countries, including Vietnam, Brazil and Peru – the story of global progress is much more tenuous. Half of all developing countries have seen an increase in the number of hungry people since 1990, even according to the FAO’s most conservative definition. This is also true of the 45 Least Developed Countries as a group, which has experienced a net increase of 59 million hungry people. Sub-Saharan African countries have experienced a net increase of 64 million.\textsuperscript{59} Once again, these figures are based on the UN’s own narrowly conservative measures.
Implications

Scholars have already shown that the MDG project did not have a positive impact on human development. Even if we accept the UN’s claims about the reduction of poverty and hunger, Fukuda-Parr and Greenstein (2012) and Friedman (2013) show that the MDGs had nothing to do with it, as there was no acceleration of progress after they came online in 2000. In other words, the MDG project was a failure. But the point I wish to make here is different. Through the MDGs, the UN has misrepresented the true extent of poverty and hunger. In reality between 1.5 and 2.5 billion people do not have access to adequate food, and between 3.5 and 4.3 billion remain in poverty – that is, they do not have resources adequate to achieve normal human life expectancy and meet their basic needs as laid out in the Universal Declaration of Human Rights. These numbers are two to four times higher than the UN would have us believe. And they have been generally rising, not falling.

At the beginning of this paper I observed that the good-news narrative serves to justify the continuation of business as usual in terms of global economic policy. But if this narrative turns out to be untrue, and if in reality poverty and hunger have been getting worse, not better, then this has significant implications for our assessment of the current economic order. If the extent of poverty and hunger is to be the metric by which we judge economic models, as international institutions imply, then we must accept that the existing model is failing. If we are interested in reducing and eventually eradicating poverty and hunger, business as usual is not an acceptable trajectory.

At present the predominant strategy for eradicating poverty and hunger is to expand GDP growth, on the basis that the yields will trickle down to improve the lives of the poorest. The FAO, for instance, actively promotes GDP growth as the headline solution to global hunger, which is strange given that the FAO itself admits that ‘the link between growth and nutrition is weak’, and given that we already produce enough food each year to feed everyone in the world at 3000 calories per day. Growth is also the official approach to poverty reduction promoted by the World Bank. This approach is echoed in the UN’s new Sustainable Development Goals (SDGs), which came into effect in 2015: Goal 8 is entirely devoted to growth. But we know that GDP growth does not really benefit the poor – or the majority of humanity, for that matter. Of all the income generated by global GDP growth between 1999 and 2008, the poorest 60% of humanity received only 5% of it. According to David Woodward, at this rate it will take more than 100 years to eradicate poverty through growth.

GDP growth is not an adequate solution to poverty and hunger – at least not without strong redistributive measures. A much more promising approach to ending poverty is hidden in the poverty numbers themselves. Recall that Wolfensohn, whom I quoted above, admitted that developing countries experienced rapid poverty reduction in the 1960s and 1970s, which was slowed and then reversed through the 1980s and 1990s (even according to the Bank’s own $1.25 line). Hunger, too, was declining during the 1960s and 1970s, even according to the FAO’s own numbers (Figure 2). This is probably because of the developmentalist strategies that countries in the global South were using at the time, including trade tariffs, subsidies, public spending and regulation of foreign capital. But, beginning in the 1980s, the World Bank and IMF’s structural adjustment programmes reversed these policies, forcing developing countries to cut spending, privatise assets and liberalise their markets. Robert Pollin estimates that developing countries...
lost $480 billion per year in potential GDP during the 1980s and 1990s as a result of structural adjustment.\textsuperscript{64} Per capita income growth rates in the developing world fell to half their previous levels.\textsuperscript{65} In Sub-Saharan Africa per capita income began to decrease at a rate of 0.7% per year; the GNP of the average African country shrank by around 10% during this period.\textsuperscript{66}

In light of this history it is clear that abandoning structural adjustment (which is continued today through the World Bank’s and IMF’s Poverty Reduction Strategy Papers) is an essential first move towards granting developing countries the policy space they need to reduce poverty and hunger. Of course, this would not guarantee that developing countries would pursue this end – but at least they would have the option to do so.

Another key intervention would be to clamp down on illicit financial flows and abusive transfer pricing, which together drain developing countries of around $2 trillion per year, outstripping the annual aid budget by a factor of 15.\textsuperscript{67} Something must also be done about debt: developing countries presently pay around $700 billion each year in external debt service, much of it on illegitimate loans;\textsuperscript{68} in many cases debt payments outstrip spending on health and education. Then there is the WTO’s Trade-Related Aspects of Intellectual Property Rights (TRIPS) agreement, which costs developing countries $60 billion per year in extra patent licensing fees.\textsuperscript{69} Dealing with these issues is crucial to ensuring that developing countries have the resources they need to address poverty and hunger, although – again – it does not guarantee that they will do so. Ending hunger in particular will require a number of other key interventions. The 2014 report of the UN Special Rapporteur on the right to food argues that food security will require protecting small farmers from land grabs and other forms of eviction; ensuring that small farmers have rights to use, save and exchange seeds; regulating financial speculation on food commodities to prevent price spikes; and working towards food sovereignty, which means rolling back corporate control over food systems.

This kind of approach to reducing poverty and hunger will require much more than just a bit of aid here and there. It will require challenging particular political and economic interests. Indeed, this seems to be precisely why the world’s governments and international institutions are so concerned to promote the good-news narrative in the first place. If they were to use more accurate measures of poverty and hunger, it would become clear that, to eradicate these problems, we would need to change the rules of the global economy to make it fairer for the world’s majority.

Another major implication of the foregoing critique is that we need to adopt more credible measurements of poverty and hunger. The SDGs are set to continue measuring hunger at the ‘minimum activity’ threshold (and using the FAO’s questionable method), and are set to measure poverty at the revised level of $1.90/day, rebased to 2011 PPP. This new poverty line appears higher at first glance, but in reality it is significantly lower. When it came into effect in 2015, it cut the number of poor by 100 million overnight. Given the questions that have been raised about the accuracy of these lines, the SDGs need to commit to measuring poverty at closer to $7.40/day (the ethical poverty line, adjusted to 2011 PPP), and hunger at the ‘normal activity’ threshold (or, alternatively, using a survey-based methodology). Anything less than this will result in a misleading assessment of the problem and in inaccurate reports about progress. Furthermore, the SDGs need to include monitoring mechanisms to prevent the kind of statistical manipulation that has compromised the MDGs.
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Notes

2. Ibid., 15.
3. Ibid., 20.
4. “A Fall to Cheer.”
6. Oxfam, “ Richest 1% will own More.”
10. One hundred and sixty-five million people were lifted out of poverty at the $1.08 (1993 PPP) poverty line, and 400 million at the $1.25 (2005 PPP) poverty line.
12. This goal is significantly less ambitious than it would have been had it been framed in terms of absolute numbers. If it had followed the precedent set by the Rome Declaration, the goal would have been to lift 836 million out of poverty.
14. Ravallion et al., “Quantifying Absolute Poverty”.
18. Chen and Ravallion, How have the World’s Poorest Fared?
20. Morten Jerven illustrates how economic statistics on Africa are not very reliable. Jerven, Poor Numbers.
23. “Poverty in India.”
24. Wagstaff, “Child Health.”
How much is $1.25 (2005 PPP) actually worth? Theoretically it represents what $1.25 could buy in the USA in 2005. It is impossible to draw exact comparisons, given that consumption patterns vary across countries, but we do know that $1.25 is inadequate to purchase enough food to meet even minimal nutrition requirements in the USA. The US government calculated that in 2005 the average person needed at least $4.58 per day to achieve basic nutrition (according to the USDA’s Thrifty Food Plan). For another point of comparison, David Woodward has calculated that living at the IPL in Britain (adjusted for PPP) would be ‘equivalent to 35 people living on a single minimum wage, with no benefits of any kind, no gifts, borrowing, scavenging, begging or saving to draw on (since these are all included as “income” in poverty calculations), and no free health service or education (since these are not generally available to the poor)’; Woodward, ‘How Poor is too Poor?’

“Asians Poorer.”

edward, ‘The Ethical Poverty Line.”

The ‘minimum’ EPL that Edward calculates takes Sub-Saharan Africa out of the equation, since violence and war make those numbers somewhat unreliable.

Sumner, “Did Global Poverty just Fall?”

World Bank, “There are Multiple International Poverty Lines.”

At the IPL of $2.50, the World Bank calculations show that the poverty headcount increased by 852 million between 1981 and 2005, excluding China.

World Bank, World Bank Development Indicators 2008.

In the Report on the World Food Summit, the chairman noted: ‘Many have said that this goal is too modest, that it would leave behind too many millions. This is a fair criticism and one that I take to heart.’

Cited in Caparros, “Counting the Hungry.”

In FAO, State of Food Insecurity 2009, the number of hungry in the world was stated as 845 million.

FAO, State of Food Insecurity 2008, 8.


FAO Statistics Division, “Revision of the Methodology,” 2.

The FAO justifies this move on the grounds that the IMF estimated in 2010 that the global economic crisis did not affect developing countries as badly as predicted. This informed its State of Food Insecurity 2011 report. But even if we accept this claim about the economic crisis, it does not mean that the food price crisis (a separate but related phenomenon) did not have an impact on hunger. In personal correspondence Carlo Caferia, the FAO official in charge of the methodology changes, stated to me: ‘My opinion is that the price spike on international food commodity markets had a limited impact on the extent of hunger’. He assumed that people diverted expenditure from other consumption to compensate for rising prices. His reasoning for this was convoluted: ‘Elementary market economics explains that price spikes occur because levels of consumption do not drop to compensate for tightening supplies. It is because demand remains relatively stable that prices spike’ (emphasis in original). This is false. Prices spiked because of market speculation, which pumped up a bubble. Food prices tell us nothing about demand (or hunger) in this case.

FAO, “Food Security Methodology.” This second phase of changes was reflected in the 2012 report.

These changes are made periodically. FAO, State of Food Insecurity 2008 featured prominent changes to MDER and population estimates for the first time.


FAO, State of Food Insecurity 2012, 12, 8.

It is also important to point out that the food price shocks have not been ‘short-term’, but rather long-term and systemic, lasting years.

Cited in Caparros, “Counting the Hungry.”
47. FAO, State of Food Insecurity 2012, 12.
50. FAO, State of Food Insecurity 2012, 12.
51. In FAO, State of Food Insecurity 2012 and in Technical note 8 online.
52. See Moore-Lappé et al., “How We Count Hunger, 5.”
53. FAO, State of Food Insecurity 2012, 23.
55. State of Food Insecurity 2012, 50.
56. I am indebted to Thomas Pogge (personal correspondence) for drawing my attention to this issue.
59. Moore Lappé et al., “Framing Hunger.”
60. Fukuda Parr and Greenstein, “How should MDG Success?”; and Friedman, Causal Inference. There was no acceleration of progress against poverty at the $1.25/day line. At higher lines, it appears that there was an acceleration of progress after 2000, although it is not clear whether this had to do with the MDGs.
61. FAO, State of Food Insecurity 2012.
63. Woodward, “Incrementum ad Absurdum.”
64. Pollin, Contours of Descent, 166.
65. Chang, Bad Samaritans, 27.
67. Kar and Freitas, Illicit Financial Flows, show that $1.138 trillion was drained from developing countries in 2010, mostly through trade mis-invoicing. See also Shaxson, Treasure Islands. The extent of abusive transfer pricing is difficult to calculate, but Raymond Baker, Capitalism’s Achilles Heel, estimates that it roughly equals that of trade mis-invoicing, which in 2010 was 80% of up to $1.138 trillion, or $910 billion.
68. According to the World Bank’s International Debt Statistics database.
69. Raman, “WIPO Seminar.”

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