WHERE DO THE POOR LIVE? AN UPDATE

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Abstract

This paper argues that the distribution of global poverty has changed and that most of the world's poor no longer live in countries officially classified as low-income countries (LICs). It is estimated that the majority of the world's poor, live in middle-income countries (MICs). This pattern is largely as a result of the recent graduation into the MIC category of a number of populous countries. The paper discusses the trends in the distribution of global poverty, and opens a wider discussion on the potential implications for aid and development cooperation.

Keywords: Poverty, Inequality, Low-Income Countries, Middle-Income Countries

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1. INTRODUCTION

If development is about poverty reduction, where the poor live is an important question. This paper argues that the distribution of global poverty has changed and that most of the world's poor no longer live in countries classified as low-income countries (LICs). It is estimated that that there is up to a billion poor people who live in middle-income countries (MICs) (and most in stable, non-fragile MICs). This pattern is largely as a result of the recent graduation into the MIC category of a number of populous countries, notably India, Indonesia, Nigeria and Pakistan. This paper discusses the trends in the distribution of global poverty, and opens a wider discussion on the potential implications for aid and development cooperation. Section 2 discusses the trends in global poverty and section 3 discusses the LIC/MIC thresholds. Section 4 is concerned with potential implications for aid. Section 5 concludes.

2. TRENDS IN THE DISTRIBUTION OF GLOBAL POVERTY

(a) Trends in global poverty distribution by region

The World Bank's most recent systematic estimate of global poverty is that by Chen and Ravallion (2008) who updated the international poverty line with a new US$1.25 per capita per day international poverty line based on the average of national poverty lines for the poorest 15 countries (p.4). Their estimates used the latest International Comparison Program (ICP) Purchasing Power Parity (PPP) data. The use of these new PPP data has been a source of contention. Critics have taken issue with, amongst other things: the methodology used to calculate PPPs; the use of PPPs in cross-country comparisons of prices; and the tendency of PPPs to overstate poverty estimates, particularly in India and China (Deaton, 2010; Deaton & Heston, 2010; Klasen, 2010). Yet in spite of these criticisms, the World Bank poverty estimates remain the primary estimates for global poverty, at least in terms of income/consumption poverty. [1]

This paper does not set out to offer a precise estimate of the distribution of global poverty. Rather, given the recent graduation of a number of populous countries to middle-income status, the purpose of this paper is to assess whether the global poverty "problem" has substantially changed in its nature, and to assess whether most of the world's poor are now living in countries classified as MICs.

Chen and Ravallion (2008, p. 44) estimated that in 2005, 1.38 billion people lived below the (new) international poverty line of US$1.25 per day, and that this number had fallen by approximately 400 million from 1.8 billion in 1990.[2] Consequently, the regional distribution of the global poor shifted. In 1990, China accounted for almost 40% of the global poor, whereas in 2005 it only accounted for 15%. In contrast, the proportion of the world's poor in sub-Saharan Africa grew from 16% to 28% and the proportion of the world's poor in India from 24% to 33% (see Table 1). And while the *percentage* of people living in poverty had fallen, poverty had risen in *absolute* numbers in India and sub-Saharan Africa since 1990 (Chen and Ravallion, 2008, p. 44). Data from the World Bank's (2011b) *Povcal Net* (an on-line tool for poverty measurement developed by the Development Research Group at the World Bank), adds available poverty data to 2007, and provides a not dis-similar

picture (see comparison in Table 1) in its non-adjusted base years form but if adjusted based years are used (linear trajectory) the resulting fall in poverty in China shifts the global distribution of poverty more so towards sub-Saharan Africa.

Table 1.

(b) Trends in global poverty distribution by country classifications

Using the World Bank (2011b) dataset, an estimate can be made of the shift in global poverty, not only by geography/region, but also by classification or type of country – i.e., by low- and middle-income countries and by fragile and non-fragile states – in order to assess if:

- Most of the world's poor live in countries classified as Low-Income Countries (LICs).
- Most of the world's poor live in countries classified as fragile and conflict affected states (FCAS).

LIC-MIC classifications are available from the most recent list of country classifications (World Bank FY2011, based on data for 2009). Given the contentious nature of FCAS classifications (see Harttgen and Klasen, 2010 for discussion), the OECD (2010), combines three FCAS lists: the World Bank's Country Policy and Institutional Assessment (CPIA) list, the Brookings Index of State Weakness in the Developing World list, and the Carleton University Country Indicators for Foreign Policy (CIFP), to produce a combined list of 43 countries. The data for poverty in LICs, MICs and FCAS combinations generated by the PovCal dataset are presented in Table 2. [3]

The data shows that most of the world's poor no longer live in countries classified as low-income countries by the World Bank. The estimates generated for MICs as a proportion of world poverty are 75.9% (non-adjusted base years) and 70.9% (adjusted base years) and the estimates are that 960.4m (non-adjusted base years) and 836.0m (adjusted base years) poor people living in middle-income countries (and most of them in stable, non-fragile middle-income countries). The estimates for the world's poor living in the remaining 40 low-income countries are 24.1% (non-adjusted base years) and 29.1% (adjusted base years). This is a large change from just two decades ago when almost all poor people lived in countries classified as low-income countries (by either of the generated estimates).

Table 2 also shows that over the last 20 years the proportion of the world's poor accounted for by China and India has fallen from two-thirds to a half by either estimate, and that the percentage of global poverty in the MICs (minus China and India) has risen from about 6-7% (actual estimates: 5.5% and 6.9%) to about 23% (actual estimates: 22.7% and 23.3% (much of this is focused in Indonesia, Nigeria and Pakistan).

Furthermore, and contrary to earlier estimates that a third of the world's poor live in FCAS, based on data from the early 2000s (Branchflower *et al.*, 2004), a "ball-park" estimate, taking the broad FCAS definition of 43 countries from combining the aforementioned lists, is that about 23% (actual estimates: 22.6% and 23.1%) of the poor in 2007 live in FCAS; these are split fairly evenly between fragile

LICs and fragile MICs. This is consistent with the new estimate of Chandy and Gertz (2011, p. 10) that 20% of the world's poor live in FCAS.

In sum, most of the world's poor do not live in countries classified by the World Bank as Low-Income Countries (LICs) and most of the world's poor do not live in fragile and conflict affected states (FCAS).

Table 2.

(c) How robust are these estimates?

There are, of course, several important caveats to the generated estimates. First, no account is taken of countries with missing poverty data for the same reason Chandy and Gertz (2011) do not - because countries with missing data are a relatively small proportion of the global population (see below discussion and Table 3). Further, the linear trajectory based estimates, although useful in adjusting the base years, assumes poverty reduction is linear over time between two data points. This is an assumption which may not hold. Further, some countries have a linear trajectory that estimates a poverty headcount figures at 1990 or 2007 of 0% or 100%. Since this is highly unlikely we list those countries under Table 1 with the nearest Povcal poverty headcount survey figures by year of poverty survey data, poverty headcount as a percent of population, and number of poor people. None of these countries have large enough poor populations to impact on the global estimate significantly as judged by the latest available poverty data for each of those countries.

Second, and more importantly, there are a number of issues relating to the PPP data, already eluded to, and discussed systematically by Chen and Ravallion (2008) themselves and by Deaton (2010), Deaton and Heston (2010) and Klasen (2010). Deaton and Heston (2010) note four issues relating to the construction of PPPs: how to handle international differences in quality; the treatment of urban and rural areas of large countries; how to estimate prices for "comparison resistant items" (e.g., government services, health and education); and the effects of the regional structure of the latest International Comparison Program. They argue that some international comparisons are close to impossible, even in theory, and that practical difficulties arising from the above four issues make comparisons "hazardous". Deaton (2010) contributes some further points. He notes that the absence of weights within basic headings may result in basic headings being priced using high-priced, unrepresentative goods that are rarely consumed in some countries; that the use of national accounts statistics data does not reflect consumption patterns of people who are poor by global standards; that conceptual or measurement errors in indexes play an important role in determining global inequality; and that urban bias in price collection in some countries, especially China, risks skewing the data.

However, despite the conceptual issues and the fact that any revision to the ICP has significant impacts on global poverty numbers, Deaton (2010, p. 13) concludes that the reweighting of the PPPs matters less than might be thought. Instead, the quality of underlying household surveys and national accounts is a more urgent area for improvement:

> PPPs for the poorer countries in Africa or in Asia may be *good enough* [emphasis added] to support global poverty counts, at least *provided the uncertainties are recognized* [emphasis added]. Probably the most urgent area for the poverty counts is not the ICP, but the improvement in the consistency and timeliness of household surveys, and the upgrading of national accounts (Deaton, 2010, p. 31).

In addition, and of particular importance to the discussion here, Deaton (2010, p. 32) notes that because nearly 200 million Indians live between $1 and $1.25 per day, the changes to PPPs likely add many more Indians than Africans. It is for this reason that we make estimates both with and without India (and with and without China) in Table 2 so comparisons can be made.

The question of the LIC/MIC thresholds and their sensitivity to the global poverty estimates above is an important one. India is only US$183 per capita over the threshold, but it is reasonable to assume that growth in India will continue. Of the new MICs, several are close to the LIC/MIC threshold, notably Lesotho, Nicaragua, Pakistan, Senegal, Vietnam, and Yemen. These account for 64.7m of the world's poor (see table 6 for headcount poverty data in 'new' MICs). This would mean 4.8% of the world's poor live in countries near the LIC/MIC threshold - not significant enough to change to overall trend – but important to recognize nonetheless.

In terms of the robustness of the estimates, two assessments of credibility are: (i) the population coverage of the dataset; and (ii) whether others have corroborated the results. On both these tests the estimates do well. The estimates generated cover 89.5%/91.1% and 91.2/93.8% of the population of developing countries, respectively for 1990 and 2007 (see Table 3). Most of the countries without data are countries with relatively small populations and whose absence will not make a substantial difference to estimates of the global distribution. There is some slight bias in the estimates towards MICs but the population coverage of LICs is still respectable. The weaknesses in the LIC FCAS data coverage would suggest some caution with the FCAS estimates. In sum, one should place most emphasis on the LIC/MIC 2007 estimate, not only because the coverage is better but because these estimates have been corroborated independently (see below) and further, because much of the debate that flows from LIC-MIC poverty distributions is less so about how it has changed or whether the 1990 and 2007 US$1.25 PPP poverty data are perfectly comparable, and more about how it is now the case regardless of the situation in 1990.

Chandy and Gertz (2011, p. 9) have recently corroborated the LIC-MIC poverty distribution outlined above, and argue that the high concentration of the global poor in MICs is likely to continue to be an issue at least until 2015, if not considerably longer. Further, the estimates of Moss and Leo (2011) based on IMF WEO projections suggest the number of countries classified as LICs will continue to drastically fall. Chandy and Gertz's assumptions concerning static inequality in MICs (and LICs), may even overstate the extent of poverty reduction in MICs (relative to poverty reduction in LICs) by 2015 and thus raise the proportion of the world's poor in MICs.[4]

Table 3.

3. GRADUATIONS AND THRESHOLDS

(a) Graduations

The explanation of the previously outlined LIC-MIC patterns in global poverty distribution lies in the fact that many of the world's poor live in countries that have got richer in average per capita terms and have been subsequently been reclassified as MICs. After rising considerably in the 1990s, the total number of LICs has fallen considerably since FY2000. According to the most recent Atlas GNI per capita data and country classifications (for World Bank FY2011), over the last decade the number of LICs has fallen from 63 to just 40 countries (see Table 4).

Table 4.

However, if one takes a historical sweep of graduations and slip-backs (see Table 5), of all the countries moving from LIC to MIC status in the last decade (FY2002-FY2011; calendar years 2000-2009), most had actually achieved MIC status previously (in the 1990s) but slipped back to LIC status at least once. Indeed, throughout the 1990s several countries moved back and forth between LIC and MIC status in different directions. For example, while Indonesia, Lesotho and the Solomon Islands graduated from LIC to MIC before slipping back down to LIC status, Bosnia and Herzegovina did the opposite, moving from MIC to LIC to MIC before the end of the decade.

Table 5.

Of the "new" 23 MICs in the last decade (that is, countries which have graduated to MIC status between World Bank FY2002 and FY2011; calendar year 2000-2009, and not slipped back), several were transition countries and several were small islands. However, the most notable change in terms of the global distribution of poverty has been the reclassification of some very populous countries such as India, Nigeria and Pakistan (China had already graduated in FY2001; calendar year 1999). This, of course, has immediate consequences for global poverty distributions. Since calendar year 2000, over 700 million poor people have "moved" to MICs as a result of their countries' graduations (see Table 6). Just four countries (India, Indonesia, Nigeria and Pakistan) account for much of the total number of poor that have "moved" to MICs. Indeed, there is a particularly high concentration of the poor – 850 million, or two-thirds of world poverty – in just five populous MICs: China, India, Indonesia, Nigeria and Pakistan.

Although poverty remains pervasive in some MICs in terms of numbers of poor people, it has fallen in incidence in others (see Table 6). Of the new MICs with two available data points, poverty incidence (non-adjusted base years) fell in more than half (9 of 15 countries) and, surprisingly, was static or rose in the remaining countries despite higher average GNI per capita. Inequality rose in almost half of all new MICs with two available data points (7 of 13 countries, although 2 are marginal changes), and was static or fell in the remaining countries (see Table 6). However,

rising inequality *and* rising poverty incidence was evident in only two countries (Cote d'Ivoire and Uzbekistan).

Overall, it is evident that MICs (Lower and Upper MICs) have higher standards of living than LICs (see table 7). The average, population weighted, GNI per capita – by Atlas or PPP - in LMICs is quadruple that of LICs; the average human development score is significantly better in LMICs compared to LICs (including and excluding non-income components) and the average poverty headcount (% population) in LMICs is half that of LICs.

Measures of inequality – the Gini and proportion of GNI to the poorest - are somewhat similar in LICs and LMICs (and more unequal in UMICs).

Finally, if one considers indicators that might say more about overall levels of development - such as forex and ODA - LMICs have far greater import forex coverage and much lower ODA dependency data than LICs (see also later discussion) and urbanisation rates are also much higher in LMICs (and UMICs) compared to LICs.

The correlation between GNI per capita and HDI is similar across LICs, LMICs and UMICs. However, the correlation between GNI per capita and non-income HDI weakens in LMICs and UMICs as does the correlation between GNI per capita and the poverty headcount (% population).

Table 6.

Table 7

(b) Thresholds

The World Bank's classifications of countries have several layers of complexity. The classifications of low-income country (LIC), lower middle-income country (LMIC) and upper middle-income country (UMIC) by GNI per capita (see Table 4) are based on these Bank's operational lending categories ("civil works preferences" and "International Development Association – or IDA eligibility"), that seek to give better conditions to poorer countries based on economic capacity as measured by (Atlas) GNI per capita. [5]

The current FY2011 LIC, MIC and IDA thresholds are outlined in Table 4. Low-income countries are those with an Atlas GNI per capita of less than $995; this tallies with the Bank's operational "civil works preference" lending category (civil works can be awarded to eligible domestic contractors for bids procured under a competitive, international bidding process). Lower middle-income status is currently $996–3,945 per capita. The thresholds for "IDA eligibility" and "IDA allocation" represent an additional layer of complexity due to the fact that the World Bank faces resource constraints.

In addition to the LIC/MIC thresholds there are two different thresholds for countries to access to the World Bank's International Development Association (IDA) concessionary lending: There is the "IDA eligibility" threshold (the ceiling for eligibility) which is currently up to $1,905 GNI per capita based on the "historical ceiling" of $250 GNI per capita set in 1964, which is no longer applied due to insufficient resources. Instead there is the "IDA allocation" threshold which is an operational cut-off (the actual or effective operational cut-off for IDA eligibility), which is $1,165 GNI per capita. This "IDA allocation" threshold is thus approximately 15% higher than the US$ LIC/MIC threshold (see table 4).

Nine of the twenty three new MICs (FY2002-2011) have Atlas GNI per capita levels that are still under the "IDA allocation" threshold and are thus still eligible to receive concessionary IDA resources (identified with * in Table 6). Countries that are both MIC and still have access to IDA are 'blend' countries but the available financing terms from IDA become less favourable compared to other IDA-only countries. Countries continue to access IDA resources on regular terms until Atlas GNI per capita exceeds the cut-off for three consecutive years. Exceptions are made for small and vulnerable economies.

The World Bank uses the thresholds for operational and lending purposes. The estimates help determine, amongst other things: a measure on which to base IDA credit allocations; which more advanced countries should receive International Bank for Reconstruction and Development (IBRD) loans; and the countries where preference is granted to domestic civil works contractors. The thresholds are recalibrated annually. They are constant in real terms based on Atlas method's use of "international inflation" (see footnote 5).

According to the short history of the Bank's classifications available on their website (World Bank, 2011a), the actual basis for the original thresholds was established by:

> finding a stable relationship between a summary measure of well-being such as poverty incidence and infant mortality on the one hand and economic variables including per capita GNI estimated based on the Bank's Atlas method on the other. Based on such a relationship and the annual availability of Bank's resources, the original per capita income thresholds were established.

The World Bank's Public Information Centre notes in personal correspondence that:

> there is no official document that we can find that ever specified an exact formula for setting the original income thresholds… When IDA was established in 1960, member countries were classified as Part 1 or Part 2 countries, based more on a general understanding and agreement by the executive directors of each country rather than strict income guidelines – though, for the most part, the classifications were in line with per capita income levels. Part 1 countries were more developed countries that were expected to contribute financially to IDA; and Part 2 countries were less developed countries of which only a subset could be expected to draw on IDA's concessional resources. When the operational guidelines were established in the 1970s, the thresholds were based on cross-country analysis that looked at various other indicators besides per capita income, such as the manufacturing sector's contribution to GDP, export growth, infant mortality, nutrition, and the education standard reached [6.]

The actual documentation containing the original formulae are identifiable by their World Bank document numbers (contained in the Excel sheet on the World Bank's classification history noted above), but are board documents and as such require high security clearance to access (which to date has not been obtainable).

Interestingly, the current thresholds for LIC, LMIC, UMIC and HIC are similar to the quartile boundaries if one splits the world's countries into four groups equally (41 countries per quartile). For example, the threshold for LICs (<$995 GNI per capita) is close to the threshold for the bottom quartile (<$1,092), the threshold for LMICs ($996 – $3,945) corresponds with quartile three ($1,093 – $3,974), the threshold for UMICs ($3,946 – $12,195) corresponds with quartile two ($3,975 – $13,805), and the threshold for HICs (> $12,196) with quartile one (> $13,805).

The LIC-MIC (and IDA) thresholds matter not only because they play a role in determining the distribution of World Bank resources but because they are also used in the allocation and graduation frameworks of a number of bilateral and multilateral donors. For example, the UNDP board mandates that 85-91% of total regular resources are allocated to LICs. (Although UNDP uses the World Bank Atlas GNI data, it in fact sets its own LIC and MIC thresholds). In contrast, UNICEF graduates countries at the MIC-HIC threshold, and uses a weighted formula for allocations based on: i) the Atlas GNI per capita data (but not the LIC-MIC threshold); and ii) the under-five child population and child mortality rates for each country. The UN category of "Least Developed Country", which has particular importance for trade preferences and other special treatment, is also based, in part, on the GNI per capita data and thresholds. Further, the Global Fund to Fight AIDS, TB and Malaria uses eligibility criteria based on LIC and LMIC thresholds, and for the decade prior to its 2010/11 Bilateral Aid Review, DFID allocated 90% of its resources to LICs based on a "90/10 rule". This was in turn based on the Collier and Dollar (2001; 2002) model of "poverty-efficient" Official Development Assistance (ODA) allocation.

4. POTENTIAL POLICY IMPLICATIONS AND RESEARCH AVENUES

(a) Potential implications for thresholds

The shift in global poverty towards the MICs – referred to by Evans (2010) as the "new geography of global poverty" – raises various questions. One could argue that thresholds set in the 1970s are worthy of a substantial review, particularly in light of the availability of some 40 years of new data. It would make sense, for example, to assess whether there are GNI per capita thresholds for improvements in life expectancy, infant mortality and so forth, and whether these have changed since the original calculations of the 1970s. One could also note a mismatch between the Atlas method to construct LIC/MIC thresholds and the PPP methodology of US$1.25 poverty data. Although all MICs have average incomes in excess of the international poverty line of $1.25 per capita per day (see Table 6 for new MICs), a more explicit linking of LIC/MIC thresholds and poverty lines would nonetheless be worthy of further exploration. For example, would thresholds set at $456.25 or $912.50 per capita PPP make sense at which levels, respectively, average income would be above the two international poverty lines of $1.25/day and $2.50/day.

Given that there are some countries close to the LIC/MIC threshold, one could also ask how would much larger threshold variations would impact upon the global distribution of the poor, and what are the implications for the operational use of allocation and graduation mechanisms as employed by the World Bank and other aid agencies? And what if higher income poverty lines were used (e.g., $2.50) or if one were to devise a new method for threshold setting, what would it look like? As

eluded to above, identifiable thresholds at different levels of GNI per capita (such as under-five mortality, life expectancy and other measures as used in the original threshold setting in the 1970s but updated with the latest data), might be useful and in light of any new method, what would be the optimal aid allocation to minimize global poverty?

Further, a deeper investigation of the LIC/MIC thresholds and Atlas method is needed in terms of asking: (i) whether the use of "international inflation" ought now to include China and other "emerging economies" in its calculation; (ii) whether the use of "international inflation" rates for the world's richest countries is an appropriate way to assess the LIC/MIC thresholds over time for the world's poorer countries; and (iii) more fundamentally, as noted, whether the original formulae developed in the 1970s are still relevant to assessing the differences between countries today and, if not, what formulae would make (more) sense in terms of alternative methods such as PPP.

(b) Potential implications for aid

Aid, and "aid effectiveness" in particular, are already going through a major rethink (see detailed discussion in Evans, 2010). There is the transparency and accountability revolution (see Barder, 2009), a deeper questioning of whether aid effectiveness debates have missed the point by focusing narrowly on the quantity or quality of aid (Fischer, 2010), and even suggestions that traditional ODA is dead – Severino and Ray (2009) discuss a "triple revolution" in development assistance and cooperation in terms of goals, players and instruments (all mushrooming), calling into question the validity of the conventional definition of ODA (that is, loans and grants from governments). Key drivers of the rethink include the new non-DAC donors and other actors such as private foundations, new aid modalities (innovative finance mechanisms), the likely dwarfing of traditional ODA by climate financing, and new institutions such as cash-on-delivery and output-based aid (see Birdsall & Savedoff, 2010). These factors and developments amount to what might be considered a changing landscape for, and nature of, foreign aid.

Within the context of this shifting landscape, what does the "new geography of poverty" mean for aid? Until now, poverty has been viewed predominantly as an LIC issue, but if most of the world's poor live in MICs, donors will need to rethink their approaches and strategies. Their partnerships and aid relationships are likely to be (even more) differentiated in low-income, middle-income, and fragile countries in terms of aid objectives, allocations and instruments.

Use of current LIC/MIC thresholds imply that aid is to be allocated to poor *countries* rather than poor *people* wherever they live. If one accepts that the objective of ODA is poverty reduction, as Barder (2009: 3-4) argues reviewing aid agencies' mandates, then a means of assessing poverty reduction "need" would be the cost of ending poverty (the poverty gap in US$ million) for each country as a percentage of GDP or other variables (see Kanbur & Mukherjee, 2007 for a relevant discussion of the quantification of the "relative ability" to eradicate poverty). A new aid allocation model might thus usefully be based on a formula that accounts for "needs to end poverty" as well as "potentially available domestic and global resources".[7] For example, "needs to end poverty" could be assessed by multiplying

the number of poor people by their average distance from the poverty line (see Table 7 for new MICs, although note that this is intended as illustrative; noting caveats). This gives the total resources needed to end poverty, which can then be estimated as a percentage of GDP. "Potentially available domestic and global resources" can then be assessed using proxies such as foreign exchange reserves, access to capital markets, and capacity for domestic taxation of the "rich" (see Tables 8 and 9).

Ravallion (2009) has estimated the marginal tax rates (MTRs) on the "rich" (those earning more than $13 per day) required in order to end poverty in each country. He argues that MTRs over 60% would be prohibitive. While the MTRs needed to end poverty are less than 10% in many of the "old" MICs, in many new MICs they would have to be much higher. This is particularly due to large populations of poor relative to the number of "rich" people in many new MICs. In India, for example, the poverty gap would require an MTR on the "rich" of 100%. If domestic taxes are insufficient, access to global resources will still be important. In short, poverty alleviation in middle-income countries may remain a shared endeavour between (traditional) donors and new MICs for the near future at least.

Further, in order to meet their objective of reducing global poverty, traditional donors will need to continue work in the new MICs, where most of the poor live. Development assistance will increasingly need tailoring because MICs are a highly diverse group, and more detailed subcategories will be required to assist decision making (these subcategories may overlap somewhat). "Emerging" powers, such as India and Indonesia, have little need for ODA but still have substantial poor populations. Large fragile MICs, such as Nigeria and Pakistan, also have large numbers of poor people and may have limited need for ODA, but state capacity for poverty reduction may be a significant constraint. Stagnant, non-fragile MICs may need ODA to support productive capacities, and there are also fast growing LICs, such as Ghana, which will graduate to MIC status soon.

Table 8.
Table 9.

It is unlikely that tax payers in the North will be comfortable with resource transfers to countries which have substantial domestic resources. At the same time, "traditional" donors are likely to be increasingly concerned with equity and governance issues in MICs given the "pockets of poverty". Although many middle-income countries may in principle be able to support their own poor people to a certain extent, inequality remains an important issue; the poor often lack a voice in governance structures while their governments may lack political will, even when domestic resources are on the rise. In such cases, traditional donors might seek to direct their activities towards supporting inclusive policy processes and towards support for civil society organizations, media, social movements, and other drivers of change. This may not be well received by MIC governments or perceived as interference in domestic politics. Further, many of the MICs will be donors themselves, and may be more interested in pursuing their own foreign and economic policy interests than in the kind of "progressive change" as defined by traditional donors.

The main area of convergence might be global public goods (e.g., in relation to the climate, to security) where there are shared interests in, and a logistical requirement for, collective action. This could perhaps go as far as defining global poverty as a global public "bad" which requires collective action. However, specific political and economic interests differ between countries, and there are contentions over precisely who contributes and benefits.

5. CONCLUSIONS

To date, global poverty has tended to be viewed predominantly as a low-income country issue. However, recent trends place a question mark over this. A number of populous countries have graduated into the middle income country category, so the majority of the world's poor now live in MICs. One read of the data is that world poverty is turning from an international to a national distribution problem, and that governance and domestic taxation and redistribution policies are becoming more important than ODA. Another is that a new kind of multilateralism is needed, not only because the responsibilities to reduce poverty are shared, but also because new MICs may not want development assistance of the traditional bilateral sort (meaning ODA).

It is likely that aid to an increasingly smaller number of low income countries will still be about resource transfers, and perhaps more so focused on fragility and conflict/post-conflict countries, but this will the minority of developing countries.

For the majority of developing countries – middle-income countries – it appears less and less likely that they will need or want resource transfers over time. Instead, they will likely be more concerned with "policy coherence" (i.e., designing favourable and coherent development policies on remittances and migration, trade preferences, and climate negotiations and financing, as well as tax havens). This might sit uneasily with traditional donors interests in equity and governance issues. In sum, if most of the world's poor live in MICs, then further discussions of the policy implications for poverty reduction strategies and development assistance would be of significant value as would research in this area.

NOTES

1. The new UNDP Multi-dimensional Poverty Index (MPI) may come to be an alternative international poverty measure (see UNDP, 2010) given critiques of income poverty measurement (for review see Fischer, 2010).
2. In these estimates Chen and Ravallion dealt with poverty data gaps by assuming that countries without data have the same poverty headcount ratio as the weighted-average for the region. This ratio is then applied to the region's population to produce total poor for that region. The approach of Chandy & Gertz (2011, p. 23) differs in that they excluded countries with no data, recognizing that those countries constitute a small proportion of the population of the developing world. The author's estimates here follow Chandy and Gertz (2011) for the same reasons.
3. These figure update the earlier estimates of Sumner (2010) by using LIC-MIC estimates for the most recent, FY2011 (GNI per capita data for 2009) and for FY1992 (and thus GNI per capita data 1990) rather than FY2010 (and FY1988) in order to update the estimates; by using the *Povcal* dataset (World Bank, 2011b) rather than World Development Indicators (World Bank, 2010) dataset to ensure as best as is possible the comparability of the $1.25 data over time; and by using consistent population data across countries, for 1990 and 2007. A linear trajectory was chosen as per Leo and Barmeier (2010) because a linear trajectory assumes that the size of change will be constant and policy will adjust over time (become more effective or scale up over time). This does not mean this approach ignores the fact that poverty reduction gets harder over time, rather that to sustain improvements at a constant pace, policy inputs need to increase/improve. The combined FCAS lists generates a list of 43 countries (Afghanistan, Angola, Burundi, Cameroon, Central African Republic, Chad, Comoros, Congo, Dem. Rep., Congo, Rep., Côte d'Ivoire, Djibouti, Equatorial Guinea, Eritrea, Ethiopia, Gambia, The, Guinea Guinea-Bissau, Haiti, Iraq, Kenya, Kiribati, Liberia, Myanmar, Nepal, Niger, Nigeria, North Korea, Pakistan, Papua New Guinea, Rwanda, Sao Tome And Principe, Sierra Leone, Solomon Islands, Somalia, Sudan, Tajikistan, Timor-Leste, Togo, Tonga, Uganda, West Bank and Gaza, Yemen, Rep., and Zimbabwe). The term 'Bottom Billion' is used to refer to poor people, rather than its the one billion people living in the 58 poorest countries (see Collier, 2007).
4. The answer to the question of whether such trends will continue depends upon a whole range of variables (see for discussion, Kanbur and Sumner, 2011).
5. The Atlas method takes GNI in national currency and converts it to US dollars using the three-year average of exchange rates (taking the average of a country's exchange rate for that year and its exchange rates for the two preceding years) adjusted for the difference between national inflation and that of "international inflation" (the weighted average of inflation in the Euro Zone, Japan, the UK, and the US as measured by the change in the IMF's Special Drawing Rights deflator).
6. Personal email communication, 18 August 2010.
7. Of course, there is already a wealth of literature on aid allocation models (see, for example, Alesina & Dollar, 2000; Anderson & Waddington, 2007; Baulch, 2006; Clist, 2009; Dollar & Levin, 2006; Kenny, 2008; Wood, 2008).

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Table 1. *Global distribution of world poverty (% of world poor, US$1.25) by region, 1990 vs. 2005 and 1990 vs. 2007*

	Chen and Ravallion (2008)		Author's estimates based on PovCal (World Bank, 2011b)		Author's estimates based on PovCal (World Bank, 2011b)	
			Non-adjusted base years		Adjusted base years	
	1990	2005	1990 or nearest available year	2007 or nearest available year	1990	2007
East Asia and Pacific	49.2	24.1	50.4	23.8	49.0	16.6
of which China as % world poverty	37.6	14.8	40.4	16.2	38.9	9.6
Eastern Europe and Central Asia	0.4	1.7	0.2	1.5	1.3	1.7
Latin American and the Caribbean	2.6	3.2	2.7	2.3	2.4	2.3
Middle East and North Africa	0.7	1.0	0.5	0.6	0.5	0.9
South Asia	31.5	42.5	34.8	47.6	33.6	47.5
of which India as % world poverty	24.0	32.6	26.9	36.9	25.1	38.0
Sub-Saharan Africa	15.6	27.5	11.4	24.2	13.3	31.1
Totals	100.0	100.0	100.0	100.0	100.1	100.1

Sources: Chen and Ravallion (2008, p. 44); Author's estimates processed from PovCal Net (World Bank, 2011b). Notes: Poverty data for 'non-adjusted base years' is as follows: nearest years for 1990 and 2007 from 1985-1995 and 2002-2007; Poverty data for linear trajectory in adjusted base years is based on data available between 1985 and 2007 to estimate poverty headcount data in 1990 and 2007 and using population data for 1990 and 2007 from World Bank (2010); totals may not add up to 100.0% due to rounding; For a small number of countries with data for only one year, data is taken from between 1985-1995 as 1990 and 2002-2007 for 2007. Countries with data for only one year are: Namibia and St Lucia (1990); and Benin, Bhutan, Chad, Comoros, DRC, Congo, Gabon, Liberia and Togo (2007); Transition economies with 0% poverty in Povcal for in 1990 are discounted and their data taken from earliest available non-zero poverty headcount after the end of the Cold War (1992 an onwards). Some countries have linear trajectory estimated poverty headcount figures at 1990 or 2007 of 0%. Since this is highly unlikely as reference, the nearest PovCal poverty headcount survey figures are, by year of poverty survey data, poverty headcount as a percent of population, and number of poor people, as follows: Colombia (1995, 11.2%, 3.7m), Djibouti (1996, 4.8%, 0.03m) and Mongolia (1995, 18.8%, 0.4m); for 2007 Armenia (2003, 10.6%, 0.3m), Azerbaijan (2005, 0.03%, 0.002m), Chile (2006, 0.2%, 0.03m), Costa Rica (2005, 2.4%, 0.1m), Kazakhstan (2003, 3.1%, 0.5m), Mexico (2006, 0.7%, 0.7m), Moldova (2004, 8.1%, 0.3m), Romania (2005, 0.8%, 0.2m), Tajikistan (2004, 21.5%, 1.4m), Thailand (2004, 0.4%, 0.3m), Tunisia (2000, 2.6%, 0.3m), Turkmenistan (1998, 24.8%, 1.2m), Ukraine (2005, 0.1%, 0.05m) and Venezuela (2006, 3.5%, 1.0m). Similarly, the following countries have estimated poverty headcount figures at 1990 or 2007 of 100%. As reference, the nearest PovCal poverty headcount figures: for 1990 Gambia (1998, 66.7%, 0.6m) and Guinea (1991, 92.6%, 5.7m); for 2007 Tanzania (2000, 88.5%, 36m).

Table 2. *Global distribution of world poverty (% of world poor, $1.25) by country classifications, 1990 vs. 2007*

	Author's estimates based on PovCal (World Bank, 2011b) Non adjusted base years				Author's estimates based on PovCal (World Bank, 2011b) Adjusted base years			
	1990 or nearest available year		2007 or nearest available year		1990		2007	
	Millions	%	Millions	%	Millions	%	Millions	%
Low Income Countries (LICs)	1,596.1	94.5	305.3	24.1	1,632.5	93.1	342.7	29.1
Middle Income Countries (MICs)	93.2	5.5	960.4	75.9	121.4	6.9	836.0	70.9
Total	1689.3	100.0	1,265.7	100.0	1753.9	100.0	1178.7	100.0
Low-income, non-FCAS	-	-	162.3	12.8	-	-	194.2	16.5
Low-income, FCAS	-	-	143.1	11.3	-	-	148.5	12.6
Middle-income, non-FCAS	-	-	817.3	64.6	-	-	711.9	60.4
Middle-income FCAS	-	-	143.2	11.3	-	-	124.0	10.5
Total	-	-	1265.9	100.0	-	-	1178.6	100.0
FCAS Total (43 in 2008)	-	-	286.2	22.6	-	-	272.6	23.1
China and India	1137.9	67.4	673.0	53.2	1123.6	64.1	561.33	47.6
MIC minus China	-	-	754.9	59.6	-	-	723.11	61.3
MIC minus India	-	-	492.9	38.9	-	-	387.47	32.9
MIC minus China and India	-	-	287.4	22.7	-	-	274.62	23.3
LIC minus China	912.9	54.0	-	-	949.4	54.1	-	-
LIC minus India	1141.3	67.6	-	-	1192.1	68.0	-	-
LIC minus China and India	458.2	27.1	-	-	509.0	29.0	-	-
PICNIcs	1,352.0	80.0	852.7	67.4	1,339.5	76.4	709.20	60.2

Sources: Author's estimates processed from PovCal Net (World Bank, 2011b). Notes: See Table 1 for methodological notes; totals may not add up precisely due to rounding; FCAS (Fragile and Conflict-Affected States) definition = 43 countries of combined three lists as per OECD (2010); LIC/MIC status is based on World Bank country classifications for World Bank financial years 1992 and 2011 (which are based on GNI per capita atlas data for two years earlier to FY).

Table 3. *Population coverage of US$1.25 poverty data by country classifications, 1990 vs. 2007*

		Author's estimates based on PovCal (World Bank, 2011b)		Author's estimates based on PovCal (World Bank, 2011b)	
		Non adjusted base years		Adjusted base years	
		1990 or nearest available year	2007 or nearest available year	1990	2007
LIC		93.4	75.1	94.9	83.1
	LIC non-FCAS	(98.9)	87.4	(99.8)	100.0
	LIC FCAS	(65.8)	65.6	(69.8)	70.0
MIC		80.7	93.2	82.9	95.6
	MIC non-FCAS	(85.9)	95.2	(86.8)	97.5
	MIC FCAS	(22.3)	75.1	(38.4)	79.0
Total		89.5	91.2	91.1	93.8

Source: Author's estimates processed from PovCal Net (World Bank, 2011b) and World Bank (2010).

Table 4. *Number of countries in each World Bank category and classifications thresholds (GNI US$ per capita, Atlas methodology)*

World Bank Fiscal Year	FY90	FY92	FY95	FY00	FY02	FY05	FY10	FY11
Calendar year of GNI pc data	1988	1990	1993	1998	2000	2003	2008	2009
LIC	48	51	59	63	63	61	43	40
MIC	78	89	106	93	92	93	101	104
Total LIC and MIC	*126*	*140*	*165*	*156*	*155*	*154*	*144*	*144*
World Bank Analytical Classifications (US$)								
Low-income	<=545	<=610	<=695	<=760	<=755	<=765	<=975	<=995
Lower middle-income	546–2,200	611-2,465	696–2,785	761–3,030	756-2,995	766–3,035	976–3,855	996–3,945
Upper middle-income	2,201–6,000	2,466-7,620	2,786–8,625	3,031–9,360	2,996-9,265	3,036–9,385	3,856–11,905	3,946–12,195
World Bank Operational Lending Categories								
Civil Works Preference	<=545	<= 610	<= 695	<=760	<=755	<=765	<=975	<=995
IDA Allocation	<=660	<=740	<=835	<=895	<=885	<=895	<=1,135	<=1,165
IDA Eligibility	<=1,070	<=1,195	<=1,345	<=1,460	<=1,445	<=1,465	<=1,855	<=1,905

Source: World Bank (2011a). Notes: Data includes countries which are no longer in existence (such as the former Yugoslavia) in the tallies of the earlier years listed; data also includes countries whose status is politically contested. Atlas method calculation is available at: http://data.worldbank.org/about/country-classifications/world-bank-atlas-method

Table 5. *Income status transitions, World Bank FYs 1992-2011 (calendar year 2000-2009)*

	FY1992 – 2001 No. of Countries	FY2002 – 2011 No. of Countries	FY1992 – 2011 No. of Countries
LIC to MIC without return	6	23	13
LIC to MIC to LIC	3	1	0
LIC to MIC to LIC to MIC	1	0	4
MIC to LIC without return	15	0	4
MIC to LIC to MIC	1	2	16
MIC to LIC to MIC to LIC	1	0	0
MIC to LIC to MIC to LIC to MIC	1	0	2
MIC to LIC to MIC to LIC to MIC to LIC	0	0	0

Source: World Bank (2011a).

Table 6. *New MICs, FY2002 – 2011 (calendar years 2000 – 2009): GNI per capita, poverty and inequality indicators*

Country (graduation year by FY of graduation)	GNI per capita/day (Atlas, current $)		GNI per capita/day (PPP, constant 2005 intern'l $)		US$1.25 poor (% popn, nearest year, non-adjusted base years)		Net change in % points	US$1.25 poor (millions, non-adjusted base years)		Net change (mills)	Gini		GNI to poorest 20%	
	1990	2009	1990	2009	1990	2007		1990	2007		1990	2007	1990	2007
Angola (2006)	1.97	10.27	8.74	14.46	....	54.3	....	....	9.5	....	....	58.6	....	2.0
Armenia (2004)	….	8.49	8.04	13.13	....	10.6	....	....	0.3	....	....	36.2	....	8.6
Azerbaijan (2005)	….	13.26	13.02	23.98	15.6	0.0	-15.5	1.1	0.0	-1.1	35.0	16.8	6.9	13.3
Bhutan (2008)	1.62	5.53	4.68	12.72	....	26.2	....	....	0.2	....	....	46.8	....	5.4
Cameroon (2007)	2.36	3.26	5.68	5.49	....	32.8	....	....	6.1	....	....	44.6	....	5.6
Congo, Rep. (2007)	2.44	5.70	9.51	10.54	....	54.1	....	....	1.9	....	....	47.3	....	5.0
Côte d'Ivoire (2010)*	2.00	2.93	5.20	4.23	13.8	23.3	9.6	1.7	4.7	3.0	36.9	48.4	6.7	5.0
Georgia (2005)	….	6.93	15.57	11.88	....	13.4	....	....	0.6	....	....	40.8	....	5.4
India (2009)	1.07	3.34	3.41	8.20	53.5	41.6	-12.0	454.8	467.5	12.7	30.1/35.6	30.5/37.6	…	8.1
Indonesia (2005)	1.73	5.62	5.72	10.45	54.3	21.3	-33.0	96.3	47.8	-48.5	26.5/34.7	29.5/39.9		7.8
Lesotho (2007)*	1.51	2.68	2.44	3.65	44.4	43.4	-0.9	0.7	0.9	0.2	56.0	52.5	2.9	3.0
Moldova (2007)	….	4.27	12.57	7.10	15.3	8.1	-7.1	0.7	0.3	-0.4	24.1	35.6	10.0	6.7
Mongolia (2009)	3.21	4.47	6.07	8.76	18.8	22.4	3.6	0.4	0.6	0.2	33.2	33.0	7.3	7.1
Nicaragua (2007)*	0.82	2.74	5.15	6.57	32.5	15.8	-16.7	1.3	0.9	-0.4	56.4	52.3	2.6	3.8
Nigeria (2010)	0.71	3.26	3.89	5.48	49.2	64.4	15.2	47.9	95.1	47.2	45.0	42.9	4.0	5.1
Pakistan (2010)*	1.15	2.74	4.60	6.49	64.7	22.6	-42.1	69.9	36.7	-33.2	33.2	31.2	8.1	9.1
Sao Tome and Principe (2010)*	….	3.10	….	4.53	....	…	....	....	....	....	....	....	....	5.2
Senegal (2011)*	1.84	2.85	3.89	4.52	65.8	33.5	-32.3	5.0	4.0	-1.0	54.1	39.2	3.5	6.2
Sudan (2009)	1.32	3.34	2.67	5.50	....	….	....	....	….	....	….	….	….	….
Ukraine (2004)	4.41	7.67	22.09	15.72	0.0	0.1	0.1	0.0	0.0	0.0	23.3	28.2	10.3	9.4
Uzbekistan (2011)*	….	3.01	5.49	7.15	0.0	46.3	46.3	0.0	12.4	12.4	25.0	36.7	10.9	7.1
Vietnam (2011)*	0.36	2.74	2.47	7.35	63.7	21.5	-42.3	42.2	18.3	-23.9	35.7	37.8	7.8	7.1
Yemen (2011)*	….	2.90	4.87	6.14	4.5	17.5	13.0	0.6	3.9	3.3	39.5	37.7	6.1	7.2
Total								722.6	717.7					

Sources: Data processed from World Bank (2010) and World Bank (2011b); Notes: Poverty data for India and Indonesia are weighted average of rural and urban poverty data (processed data of PovcalNet) and rural and urban gini are respectively listed; the World Bank has graduated a number of countries to MIC status which are below the threshold: Lesotho, Nicaragua, and Pakistan are below the FY2011 US$995 threshold by $10 per capita/year, and Vietnam is below the LIC/MIC threshold by $45 per capita/year. * indicates 'blend' country (MICs with Atlas GNI per capita below IDA allocation threshold in FY2011 of $1165).

Table 7. *Human Development indicators and correlations, in LICs, LMICs and UMICs (population weighted)*

Indicator	Data periods	LICs	LMICs	LMICs minus China and India	LMICS minus China, India, Pakistan, Nigeria and Indonesia	UMICs
GNI per capita (Atlas, current US$)	2009	494.5	2276.3	1851.4	2112.7	7480.3
GNI per capita (PPP, current int'l $)	2009	1156.5	4703.6	3769.0	4370.0	12494.9
Human Development Index	2010	0.39	0.58	0.55	0.58	0.71
Non-Income HDI	2010	0.46	0.62	0.60	0.63	0.74
Poverty headcount (% population, US$1.25) (non-adjusted base years)	2000-2007	52.4	27.1	25.4	15.6	5.2
Gini	2000-2007	38.8	39.3	39.1	40.8	47.1
GNI to poorest 20% (%)	2000-2007	7.1	6.8	6.8	6.4	4.7
Total reserves in months of imports	2009	4.5	14.0	6.4	6.4	9.6
Net ODA received (% of GNI)	2008	12.3	0.6	1.5	2.2	0.2
Net ODA received (% of gross capital formation)	2008	51.3	2.0	5.8	7.8	0.9
Employment in agriculture (% of total employment) *	2007-2009	…	38.9	38.9	33.4	15.5
Urbanisation (% population)	2007-2009	28.7	40.9	47.6	48.2	74.9
Correlations						
Correlation GNI per capita (Atlas)-HDI		0.6	0.6	0.6	0.6	0.5
Correlation GNI per capita (Atlas)-Non-income HDI		0.4	0.5	0.5	0.4	0.2
Correlation GNI per capita (Atlas) and poverty headcount (% population)		-0.6	-0.4	-0.3	-0.3	-0.2

Source: Data processed from World Bank (2010; 2011b); Notes: * no LIC data for 2007-2009; Data refer to the most recent available data within that period and if there is no data between those periods, then that data point (for a particular country, for a particular indicator) is ignored; all table lines are population weighted as follows: (sum of (indicator x country population))/total population of countries with data on that indicator); correlations use the most recent data in the periods stated (Atlas GNI pc, 2009; HDI 2010; Non-HDI 2010; Poverty headcount 2000-2007).

Table 8. *New MICs, FY2002 – 2011 (calendar years 2000 – 2009): Total poverty gap estimates (headcount x gap), and implied marginal tax rates to cover poverty gap*

Country	Total Poverty Gap (million US$, 2009 or nearest year)	Total Poverty Gap (% GDP, 2009)	Implied marginal tax rates on those living over $13/day to cover poverty gap
Angola	1,059.4	1.4	…
Armenia	0.3	0.0	17.7
Azerbaijan	0.4	0.0	6.0
Bhutan	5.1	0.4	…
Cameroon	247.3	1.1	98.4
Congo, Rep.	192.4	2.0	…
Côte d'Ivoire	131.3	0.6	20.2
Georgia	11.9	0.1	33.7
India	22,524.4	1.7	100.0
Indonesia	2,133.7	0.4	7.8
Lesotho	80.5	5.1	100.0
Moldova	0.2	0.0	20.8
Mongolia	0.1	0.0	3.3
Nicaragua	20.6	0.3	7.4
Nigeria	11,952.2	6.9	100.0
Pakistan	698.4	0.4	100.0
Sao Tome and Principe	1.6	0.8	…
Senegal	186.2	1.5	100.0
Sudan	…	…	…
Ukraine	2.1	0.0	0.1
Uzbekistan	812.0	2.5	100.0
Vietnam	380.4	0.4	100.0
Yemen	70.3	0.3	38.3

Sources: Data processed from Ravallion (2009) and World Bank (2011b); Notes: Data for poverty gap based on year of last poverty survey data and non-adjusted base years thus the estimates should be viewed as illustrative.

Table 9. *New MICs, FY2002 – 2011 (calendar years 2000 – 2009): Macroeconomic Indicators, 1990 vs. most recently available data*

Country	Total reserves in months of imports		Net ODA received (% of GNI)		Net ODA received (% of gross capital formation)		Investment Ratings	
	1990	2009	1990	2008	1990	2008	Standard and Poor (most recent)	Moody's (Feb 2011)
Angola	0.6	3.4	3.2	0.5	22.1	3.5	...	B1
Armenia	0.6	5.7	0.1	2.4	0.3	6.2	...	Ba2
Azerbaijan	1.1	4.6	2.1	0.6	0.1	2.5	BB+ (Dec 2009)	Ba1
Bhutan	…	...	15.5	7.1	50.5	14.7	...	...
Cameroon	0.2	6.5	4.2	2.3	22.4	52.1 (2007)	B (Feb 2007)	...
Congo, Rep.	0.1	3.2 (2007)	9.3	6.1	48.8	20.9	...	...
Côte d'Ivoire	0.1	4.0	7.5	2.7	95.1	26.0	...	...
Georgia	…	4.4	0.0	7.0	0.0	22.9	B+ (Apr 2010)	Ba3
India	2.0	9.8	0.5	0.2	1.8	0.5	BBB- (Mar 2010)	Baa3
Indonesia	3.1	6.1	1.6	0.2	4.9	0.9	BB (Mar 2010)	Ba1
Lesotho	1.1	5.3 (2006)	14.8	7.0	42.9	31.3	...	...
Moldova	2.8	4.2	…	4.5	…	13.4	...	B3
Mongolia	0.6	5.6	0.7	4.8	1.8	12.1	BB- (Nov 2009)	B1
Nicaragua	2.2	4.0	33.4	11.9	169.4	46.2 (2007)	...	B3
Nigeria	5.0	9.3	1.0	0.7	…	...	B+ (Aug 2009)	...
Pakistan	1.1	4.2	2.7	0.9	14.9	4.2	B- (Aug 2009)	B3
Sao Tome and Principe	…	5.5 (2007)	…	26.5	…	...	...	...
Senegal	0.1	2.6 (2008)	14.7	8.0	155.4	26.4	B+ (May 2010)	...
Sudan	0.1	1.0	7.1	4.6	58.5	18.0	...	...
Ukraine	0.4	5.0	…	0.3	…	1.4	B+ (Jul 2010)	B2
Uzbekistan	…	...	0.5	0.7	2.4	2.9	...	...
Vietnam	…	2.5	3.0	2.9	22.2	6.8	BB- (Dec 2010)	B1
Yemen	2.1	7.4	8.3	1.2	56.9	8.7 (2003)	...	...

Sources: Data processed from Moody's (2011); Standard and Poor's (2011); World Bank (2010).