

The End of Poverty is Close at Hand – If We Act

Section: Economy

written by Jeffrey Sachs | October 17, 2024



[International Day for the Eradication of Poverty](#)

The end of extreme poverty is close at hand – if the world follows through with one key step. [According to the World Bank](#), the world's extreme poverty rate fell from 37.9 percent in 1990 to 8.5 percent in 2024. This poverty rate is the World Bank's estimate of the share of the world population living below \$2.15 per day (measured in 2017 international prices)

East Asia, led by China, eliminated extreme poverty between 1990 and 2024, with the poverty rate falling from 65.2 percent in 1990 to just 0.8 percent in 2024! South Asia, led by India, is now on track to do so as well, with the poverty rate falling from 50 percent in 1990 to just 7.6 percent in 2024. Only Sub-Saharan Africa still has a high rate of extreme poverty, but even there, progress is significant, with the rate of poverty falling from 54.6 percent in 1990 to 36.5 percent in 2024.

The key step to ending extreme poverty is to ensure that every child receives a quality education. Sustainable Development Goal 4 calls for completion of upper-secondary school by every child as of 2030. This can be achieved if today's poorer countries receive long-term loans (ideally, 40-year loans) at

low interest rates to finance a massive expansion of education.

The economic returns to education are so high that it makes sense for the governments of poorer countries to borrow long-term to fund high-quality education. By the time such loans come due in forty years, the national economy will have doubled perhaps four times or more, and so be 16X larger (2x2x2x2) or more. China achieved such high sustained growth after 1980.

Next June 30 – July 3, Spain will host the UN's Financing for Development Summit. By then, the UN and its member states should design a global financing plan to fund SDG 4. Adopting such a plan at the Summit in Spain would enable hundreds of millions of kids who are currently out of school or in sub-standard schools, to receive a quality education and thereby to escape from extreme poverty in the future.

The end of extreme poverty is at hand – if we are guided by a true commitment to the wellbeing of the world's children.

[Image from [Doug Linstedt](#) in [Unsplash](#)]