Can we eradicate extreme poverty?
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We have long relied on several certainties.

The first certainty is that poverty in developing countries is not like poverty in developed countries. To start with, the definition is different.
In developing countries, poverty means being deprived of basic resources to survive; poverty is defined in absolute terms, below a threshold agreed on nationally or internationally. According to international organisations, poverty means living on less than $1.90 per day (in constant 2011 dollars) – the cost of a can of Coca-cola. This is the case for one in ten people in the world: 767 million people, half of whom live in Sub-Saharan Africa.
In developed countries, poverty means falling behind other people: poverty is defined in relative terms, in comparison to the rest of the population. In Europe, someone earning less than 60% of the average income is poor.[1] Thus, in France, there were 8.9 million poor people in 2015 according to the INSEE (the French national institute of economic and statistical information), i.e. 14.2% of the population.

The second certainty: poverty has been decreasing worldwide over the last twenty years with the rise of China, India and Indonesia. More than one billion people have thus emerged from poverty since 1990.

The third certainty: the international community is pulling together to destroy the remaining bastions of poverty. It is the first of the targets for sustainable development adopted by the Member States of the UN at the end of 2015: to eradicate extreme poverty by 2030. In order to attain this objective, public opinion no longer stigmatises the poor as it did in the 19th century but considers them victims of circumstances (being born in the wrong place at the wrong time), independently of their efforts to rise above this predicament.

In parallel to this political will, technological advances and a better understanding of the economy offer hope for significant progress. For example, digital identity cards can improve the targeting of anti-poverty programmes, enhance transparency and provide fewer opportunities for corruption. Mobile money can improve the availability of cash transfers, making them faster and totally confidential. We know that a multi-faceted programme combining access to productive capital, temporary cash transfers, training and regular follow-ups has been tested in several developing countries, and has proved effective in raising people from ultra-poverty.[2]

All reasons enough, presumably, to be optimistic and view poverty as a relic of the past soon to disappear.

But the recent situation has pushed us out of the comfort zone of our certainties.

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[1] Average income is income after social transfers, so that half the population earns less while the other half earns more. This was €1015 per month in France in 2015.

[2] Banerjee, Abhijit, Esther Duflo, Nathanael Goldberg, Dean Karlan, Robert Osei, William Parienté, Jeremy Shapiro, Bram Thuysbaert, and Christopher Udry. "A Multi-faceted Program Causes Lasting Progress for the Very Poor: Evidence from Six Countries." *Science* 348, no. 6236 (2015): 1260799.

Refugees are arriving, bereft of all but their determination to build a new life. The financial crisis has created "absolutely" poor people in a few developed countries. It is true, less than 2% of the population in Greece, the US or Italy live on less than $1.90 per day – a far cry from the 20% of India and South Africa, or the 53% of Nigeria.[3] Nonetheless, extreme poverty can be seen on our streets as well, and the risk of becoming poor in the midst of an economic and financial crisis is real. Poverty will not decrease with more growth. It is dependent on our decisions as regards redistribution and investment in social development (putting schools and hospitals where they are really needed).

Aside from the income-poor, a large portion of the population faces financial insecurity, unable to cope with unforeseen payments or heat their homes: this was the case with one in ten people in Europe in 2009.[4] A little under half were not considered poor in terms of income. Responding to this vulnerability in the face of risk requires more effective measures and quicker action than social transfers or investments in education, and from other agents than the authorities.

Take financial vulnerability, for instance. Jonathan Morduch, from New York University, studied microfinance in developing countries for a long time before turning to American households. In the US as well, financially insecure households struggle daily to balance incomings and outgoings (even if their aggregates balance out over the year). Innovative financial services for the poor would be useful, like applications for assistance in planning savings based on their financial profile, the option to cash in or pay out in real time at no extra fee, or a way to control borrowing capacity.

Outside our zone of certainty, are we capable of inventing?

[3] Based on PovalNet . The figures are for the latest available household surveys: in 2009 for Nigeria, 2011 for India, 2014 for South Africa and Italy, 2015 for Greece, 2016 for the US. 1.5% of the population in Greece lived on less than $1.90 per day in 2015, 1.3% in the US, 1.2% in Italy.

[4] A.Atkinson, A.C. Guio, E.Marlier (ed.), *Monitoring social inclusion in Europe*, Eurostat 2017