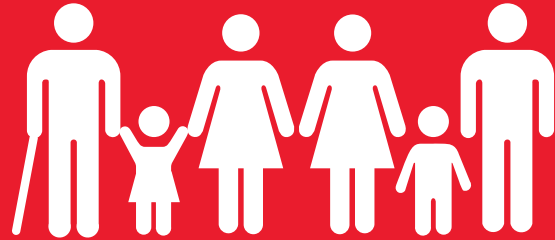




# 1 NO POVERTY



EDAI  
EDUCATION Ai



End Poverty in all its forms everywhere

# Artificial Intelligence for Poverty Eradication

AI solutions and technologies can have various impacts on SDG 1. First the technology may indirectly contribute to SDG 1's advancement by strengthening other SDGs such as SDG 9 or SDG 8.

By enabling research and innovation, the benefits generated could trickle down to SDG 1 via the creation of new products or services that are more affordable or better suited to the needs of the most vulnerable communities. For instance, using AI to reduce the costs associated with agricultural practices (e.g., minimizing the use of fertilizers) could enable communities to enhance their quality of life.

This indirect influence represents the most significant positive impact of AI on SDG 1. Moreover, government support for AI in *innovation and economic growth could indirectly lead to improvements in SDG 1.*

Specific use cases linked to each target of SDG 1 can yield additional impact. For example, AI can enhance the efficiency of the financial sector, thereby increasing accessibility for the 1.7 billion adults lacking access to financial services. However, the number of AI use cases for SDG 1 is less than other SDGs, reducing the collaborative efforts between the technology and the Goal. For instance, based on two UN reports, there are only 2 use cases out of 40 currently mapped by the United Nations.

While AI can generate positive impacts for SDG 1, the potential risks associated with the technology for this Goal must be considered. AI could widen inequality between countries and individuals.

Ownership of AI solutions could further create monopolies, leading to a further concentration of wealth and power without equitable compensation for the content providers. Additionally, investments in AI and its infrastructures, such as robots in agriculture, can be costly and may hinder access to technology for the poorest communities, further widening the wealth divide. To assure fairness and value for all, governments should account for new value-sharing models in their legislation

## Key Considerations for Stakeholders

- **Technology access:** A significant constraint in AI adoption is the cost of associated access to market, in terms of AI hardware and software. For instance, not everyone can afford robots to assist in their operations in agriculture. Implementing a sharing model or subsidizing hardware costs could mitigate this risk.

- **Ownership sharing:** To mitigate the risk of technology monopolies, it is important to explore new business models that distribute value differently,<sup>163</sup> aiming to minimize inequality growth and fairly reward all contributors.

## Impact

According to a study on the impact of AI on SDG 1 could act as an (positive) enabler for 100% of the targets and act as an inhibitor (negative) for 86% of the targets.

## Use case 1

Using AI to make the process faster for micro-finance loans and to provide access to financial services to communities that traditionally have been underserved.



## Use case 2

Improving climate forecasting to better prepare communities for extreme weather events and reduce exposure to climate risks as aimed in target 5 of SDG 1.



## Use case 3

Providing access to overlooked communities to market solutions to provide them with a new revenue stream and higher financial resilience.





## SDG 1:

## NO POVERTY

*End poverty in all its forms everywhere*



## FACTS AND FIGURES

- The COVID-19 pandemic caused **extreme poverty to rise in 2020** for the first time in decades, reversing global progress **by three years**.
- The share of the world's population living in extreme poverty **rose from 8.9% in 2019 to 9.7% in 2020**, driven by increases in low- and lower-middle-income countries.
- In 2022, **712 million people (or 9% of the world's population)** lived in extreme poverty, an increase of **23 million people** from 2019.
- In the **75 most vulnerable countries**, which qualify for concessional lending from the World Bank's International Development Association, **one in four people** lives on less than \$2.15 a day – **more than eight times** the average extreme poverty rate in the rest of the world.
- The global working poverty rate **slightly increased from 6.9% in 2019 to 7.7% in 2020** before **declining back to 6.9% in 2023**. Despite progress, nearly **241 million** workers globally still lived in extreme poverty in 2023. Little positive change is expected in 2024.
- Globally, young workers are **twice as likely** as adults to be in working poverty and **women** typically experience higher working poverty rates than men.
- To guarantee at least basic social security for all children, **upper- and lower-middle-income countries** would need to invest an **additional \$98.1 billion and \$88.8 billion**, respectively. **Low-income countries** would require an **additional \$59.6 billion**.
- From 2015 to 2022, average annual direct economic losses attributed to disasters **exceeded \$115 billion** worldwide, an amount equivalent to **0.3% of the gross domestic product (GDP)** of reporting countries.
- **LDCs and LLDCs** suffer disproportionately from disasters with disaster-related economic losses of **over six times and four times the global average**, respectively.
- Government spending on essential services **averages 60%** of total government expenditure **among advanced economies**, while in **emerging and developing economies**, it stands at **40%**. Over the past two decades, both groups have seen a slight uptick in these shares, but a **persistent 20-percentage-point gap between them** remains.

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## WHERE WE STAND

- By 2030, **590 million** people may still live in extreme poverty if current trends persist.
- Without a substantial acceleration in poverty reduction, **fewer than 3 in 10 countries** are expected to halve national poverty by 2030.
- Despite increasing efforts to expand social protection programmes, significant coverage gaps left **1.4 billion children** uncovered in 2023.
- Ending poverty requires **comprehensive social protection systems, inclusive economic policies, investments in human capital, measures to address inequality and climate resilience, and international cooperation and partnership**.

# Global Youth AI Advisory Body



Delhi School of Artificial Intelligence

