

Chapter 3

Policy lessons

To address the intersecting drivers of poverty, many countries across the Asia-Pacific region have placed human well-being at the centre of their development trajectory. The proven and promising country experiences, presented in this chapter, demonstrate that progress is highly dependent on governance mechanisms that turn commitments to scalable, tangible and impactful actions, integrated and cost-effective solutions, and participatory and demand-driven policy design processes.

The examples also suggest that there is no single solution for poverty reduction that can be applied uniformly across the heterogenous region. Yet, as countries revisit well-being in the context of planetary boundaries and rapid transformational changes, a set of common priorities is emerging. In particular, strengthening human capital, expanding the role of social protection, developing good job strategies, and fostering and strengthening the Social and Solidarity Economy (SSE) are increasingly recognized as key anchors of integrated and sustainable strategies for poverty reduction across the Asia-Pacific region. Some policy practices have evolved over years, if not decades, suggesting that agility and adaptability are key to meeting current and future needs, alongside fiscal capacity. The diverse policy practices across the region offer an enriching basis for fit-for-purpose solutions for countries at all stages of development.



Key messages

01 **Governance mechanisms** are at the heart of coherent policy approaches that accelerate poverty reduction, aligning economic, social and environmental objectives. The Asia-Pacific region has demonstrated proven and promising policy practices placing well-being at the centre of its development trajectory.

02 **Investing in human capital development** breaks intergenerational cycles of poverty. Equitable access to quality and affordable education, healthcare and nutrition, supported by climate action strengthens resilience, enhances productivity and promotes social mobility while remaining fiscally and environmentally sustainable.

03 **Universal and inclusive social protection systems** are a key lever for poverty reduction and for managing covariate risks across the lifecycle. Climate-responsive schemes reduce multidimensional poverty while optimizing productivity and resilience.

04 **A good job strategy** is central to poverty reduction. Expanding decent work through job-rich green transition policies and active labour market programmes, transforming agrifood systems, improving physical and digital accessibility, increasing access to assistive technologies and investing in the care economy are key to lifting workers out of poverty, supporting vulnerable groups and preparing the workforce for new opportunities, especially women, young people, persons with disabilities and older persons.



05

- **Cooperatives in the Asia-Pacific region** have proven to offer viable community-driven solutions to address the intersecting drivers of poverty, optimizing the principles of solidarity, mutual aid, equality and fairness. The Social and Solidarity Economy (SSE) offers an enabling ecosystem for cooperatives to optimize participatory and collective action towards economic, social and environmental resilience.

06

- **Gender responsive, disability-inclusive and age-sensitive policies across all domains** are essential to equitable poverty reduction. Targeted measures, including strengthening the care economy, supporting the growth of MSMEs through access to markets and finance, among others, closing digital and skills gaps, and ensuring equal access to social protection will help address the structural drivers of poverty among women.

07

- **Neither prevalence nor drivers of poverty** are fixed across time and space. Anti-poverty policy packages must be tailored to country context and remain agile in addressing changing drivers of poverty over time following evidence from regular monitoring and evaluation processes.

3.1. Strengthening human capital to break the cycles of poverty

For decades, countries in the Asia-Pacific region have demonstrated that human capital development and economic growth are mutually reinforcing rather than competitive objectives. This underpins how political commitment has been key to maximizing available resources and solutions to achieve mutually reinforcing socioeconomic outcomes at all stages of development. Yet, persistent inequality and exclusion signal that the basic criteria of well-being have remained unfulfilled, thereby slowing progress. Optimizing poverty reduction in the region requires designing and fine-tuning inclusive policies, while redoubling investments in human capital development as a driver of sustained growth. Access to quality, affordable and accessible services is fundamental to social justice and to strengthening resilience, productivity and social mobility as people navigate modest economic growth alongside rapid socioeconomic, ecological and technological transformations. The concentration of deprivations also matters: people living in multidimensional poverty rarely experience a single deprivation. Instead, overlapping deprivations in education, nutrition, health and living conditions reinforce each other. This underscores the need for integrated policy responses that address multiple deprivations simultaneously rather than in isolation.

3.1.1. Beyond access: Delivering quality education and addressing the last mile

Cross-country analysis suggests that there is a more robust relationship between quality of education and economic growth than between years of schooling and economic growth, highlighting the importance of building relevant skills (Afkar and others, 2023). Adults who complete primary schooling without acquiring foundational literacy earn only 6% more than those with no schooling, while those who complete primary education and learn to read earn 38% more than those with no schooling (Saavedra, 2019). Despite steady progress in advancing universal access to basic education, through strengthened legal frameworks that offer free and compulsory education and targeted financial support, improving the quality of education and addressing inequalities remain major challenges across the region (UNESCO, 2024).

Reforming the education sector to address learning poverty and meet the demands of the labour market involves scaling and re-prioritizing investments in foundational interventions, including measuring student learning outcomes and strengthening teacher training, recruitment, incentives and mentoring. While upgrading the entire system is ultimately important, improving the quality of learning and teaching is critical to addressing persistent learning inequalities within countries that often leave behind the poorest and most marginalized children. In the state of Andhra Pradesh, India, assessing children's foundational skills enabled teaching that is tailored to students' learning levels rather than their grade level, thereby improving the quality of teaching (Raudonyte, 2019). Deploying qualified teachers in disadvantaged and remote areas, despite the potentially higher unit cost, and prioritizing investment in students' learning is key for developing human capital that is essential for economic growth. In Viet Nam, merit-based recruitment, regular performance reviews, targeted spending and providing teachers with incentives to work in remote areas contributed to high and relatively equitable education performance (Kataoka and others, 2020; Afkar and others, 2023). Evaluation studies in China (Li and others, 2023), India (Naik and others, 2020) and Pakistan (Beg and others, 2022) demonstrated that the technology-enabled dual teacher model, which combines remote instruction from expert teachers with in-person support from local classroom teachers, presents a promising model to improve learning in rural and under-resourced areas.

Improving learning outcomes requires strengthening foundational skills that provide the basis for building more advanced competencies, including green and digital skills that are increasingly in demand across the region's labour market. Expanding access to quality early childhood care and education is vital for improving foundational learning. For example, the compulsory kindergarten policy in the Philippines has yielded long-term benefits in early teenage literacy (Asadullah and others, 2025). Evidence from several South-East Asian countries proves the positive learning outcomes of mother tongue-based multilingual education programmes in the early years of children from ethno-linguistic minority communities (UNICEF EAPRO, 2022). Such interventions are critical to equalizing opportunities from early years by helping all children develop the foundational skills necessary for lifelong learning and future employability.

Digital skills and competencies have now become necessary for employability as automation of routine manual jobs are resulting in numerous job losses. The rapid spread and evolution of digital technologies, including artificial intelligence (AI), across economic and social life, has widened inequalities where access to technology and digital skills remain uneven, underscoring the urgency to build digital and AI literacy across all age groups and strengthen lifelong learning. This will enable people to benefit from technologies while also managing risks. Although online learning gathered pace during the COVID-19 pandemic, adequate infrastructure, increased connectivity and teacher capacity are essential elements of the ecosystem that bridge the digital divide and build digital literacy and skills (UNESCO, 2022a). Furthermore, digital literacy can be enhanced through its integration into national curricula in formal education systems, complemented by extra-curricular and community-based learning programmes that expand access through flexible modes and targeted outreach to disadvantaged groups. The Girls2Code extra-curricular workshop in Malaysia uses female role models and creative teaching to challenge gender stereotypes in ICT fields and cultivate interest among girls (UNESCO, 2020). In Thailand, the Accelerating Thailand initiative utilizes community learning centres to equip over 100,000 non-formal learners with essential digital and job-related skills (ESCAP and UN Women, 2024). Intergenerational Self-Help Clubs in Viet Nam address digital literacy gaps for older persons by facilitating reciprocal knowledge exchange with younger generations (Satchanawakul, 2025).

3.1.2. Achieving universal health coverage and transforming integrated solutions to tackle the multiple burden of malnutrition

Universal health coverage (UHC) supports a healthy and productive workforce and shields families from pressures of out-of-pocket healthcare costs that can push them into poverty. Achieving UHC requires health systems to ensure that all people can access essential health services that meet their diverse health needs throughout the life course without experiencing financial hardship. Empirical evidence from health reforms in Thailand confirms the power of the UHC strategy: extending social health insurance schemes to nearly the entire population with comprehensive health benefit packages, together with supply-side reforms, increased healthcare utilization, decreased out-of-pocket health spending and reduced infant mortalities, with notable benefits for poor households (Limwattananon and others, 2015; Gruber, Hendren and Townsend, 2014).

Universal health coverage involves robust social health protection that removes financial barriers to access healthcare and strengthens financial protection against catastrophic health expenditures. Countries must prioritize expanding social health schemes to informal workers and people outside the labour force, while enhancing comprehensiveness and adequacy of health benefit packages (ILO, 2021a). In addition to closing legal gaps that exclude informal workers from social health schemes and lowering their contribution

burdens, improving coverage requires raising awareness of rights and entitlements, and simplifying administrative processes. For example, the Philippines mandated automatic enrolment in the national social health insurance for all citizens under its Universal Health Coverage Act, while Kazakhstan implemented information campaigns to encourage enrolment in its mandatory health insurance scheme (ILO, 2025c; 2024).

Despite progress, health systems still require greater investment to strengthen the primary healthcare approach and social health protection schemes to reach underserved populations and address unmet needs. Primary healthcare (PHC) provides the foundation for reorienting health systems from disease- and hospital-centric models to people-centred, integrated care that is close to communities. It emphasizes disease prevention and health promotion, and strengthens coordination with social services and multisectoral actions (WHO, 2024). The PHC approach is essential for addressing broader determinants of health and managing the region's double burden of infectious diseases and rising non-communicable diseases (NCDs). These foundational and integrated approaches are critical for closing persistent gaps in availability, accessibility, affordability and quality of essential health services that still leave many people behind in the region, particularly women and older persons, and those residing in rural areas (ESCAP, 2024a). Furthermore, infrastructure and human resource constraints remain major barriers to access equitable healthcare in rural and remote areas. Several countries have invested in strengthening the rural health workforce and are implementing team- and community-based primary healthcare models, resulting in improved access to maternal and child health services, and NCD screenings, as evidenced in India (Garg and others, 2024), Indonesia (TNP2K, 2019) and Samoa (World Bank, 2025b).

Ensuring access to sexual and reproductive health (SRH) information and services supports women and girls' education, and facilitates their economic participation by increasing autonomy, preventing adolescent and unwanted pregnancies, and improving maternal and child health outcomes. However, inadequate service coverage and provision along with social barriers limit service uptake, particularly for adolescent girls (Ravindran and Govender, 2020). Evidence from Indonesia (Maharani, Sujarwoto and Ekoriano, 2023) and Thailand (Panichkriangkrai and others, 2020) shows that extending SRH coverage under social health protection schemes lowers financial barriers and increases the use of modern contraception methods. Good practices in service delivery highlight the importance of integrating SRH into routine contacts across various healthcare providers (WHO, 2021), and reaching young people beyond healthcare settings, including through schools and youth centres (UNFPA, 2019), to improve access to and acceptance of SRH services.

As population ageing accelerates across the region, it is imperative to respond to increasingly complex health and functional needs while creating age- and disability-friendly environments that support healthy ageing in place and enable older persons to remain active in economic and social life. This requires building integrated health and long-term care systems, including financial protection, that provide a continuum of health and social care with a stronger focus on home- and community- based services (ESCAP, 2025d), while integrating universal design into housing, transport and community infrastructure (ESCAP, 2026). Investing in the care economy is therefore critical to enhancing the supply of care services to meet growing demand across the region.

The health sector alone cannot address the full scope of the socioeconomic costs associated with the concurrent burden of undernutrition, micronutrient deficiency and overweight. Foundational interventions, such as addressing the poor nutrition status of women, inadequate infant and young child feeding practices, unsafe drinking water, poor sanitation facilities and unhealthy food consumption behaviours, remain a set of low-cost interventions that can improve poor nutritional outcomes in the early childhood and yield high future returns on productivity.

As children enter school, nutrition and health interventions support their health and readiness to learn, giving disadvantaged children an opportunity to catch up. Widely implemented school feeding programmes across the region can improve nutrition, school participation and learning outcomes (Wang and other, 2021; WFP, 2025). These programmes also provide a strong incentive for parents to send children to school, particularly girls (Bundy and others, 2024). When designed to source from local food systems, these programmes can additionally support smallholder farmers, improve diet diversity and nutrient intake, and can further promote healthy diets when complemented with nutrition and health education, thereby helping to address the region's double burden of malnutrition.

Tackling the rising threat of obesity requires multisectoral actions that address individual-level determinants, the wider food environment and agrifood systems that shape dietary behaviours. Key strategies to promote healthy diets include improving nutrition literacy, expanding access to affordable nutrient-rich diets, strengthening diversity and resilience of food production systems, and regulating pricing and marketing of unhealthy food (ESCAP and others 2020). Evidence from the region illustrates various effective policy actions. For example, implementing taxation on sugar-sweetened beverages has demonstrated supply- and demand-side effects, including product reformulation, price increases and reduction in purchases or imports of sugary drinks (Phulkerd and others, 2020; Malaysia, Ministry of Health, 2024; Teng and others, 2020). The mandatory colour-coded nutrition labelling on beverages in Singapore has shown success in nudging consumers to choose beverages with less sugar (Shin, Puri and Finkelstein, 2023; Liu, 2025). The dietary guidelines in China, intended for both health professionals and the general public, and promoted through public education campaigns, have improved dietary practices by increasing nutritional knowledge of the population (Yin and others, 2025). The recent *Food and Nutrition Development Guideline (2025–2030)* further provides a multisectoral and holistic nutrition strategy by integrating health needs into food production, processing, distribution, consumption and research (Zhao, 2025).

Box 3.1. Reducing child stunting through multisectoral policies in Nepal[a]

Nepal has achieved a remarkable and sustained reduction in child stunting, which decreased from 66% in 1996 to 36% in 2016, despite limited economic growth, prolonged political instability and civil conflict during that period. Such progress can be attributed to multifaceted drivers. Increased parental education, improved maternal nutrition, reduced open defecation and improved living standards, alongside enhancements in maternal and newborn healthcare and breastfeeding practices, together explain 85% of the reduction in stunting. Lessons from Nepal point to the importance of multisectoral interventions in both nutrition-specific and nutrition-sensitive sectors, including health, poverty reduction, education, and water, sanitation and hygiene (WASH). Strengthening health systems, especially by mobilizing female community health volunteers (FCHVs), played a vital role in improving access to basic health services. Investment in education and literacy through the Education for All Initiative, particularly for women and girls, contributed to reducing the incidence of child stunting by lowering adolescent fertility and improving maternal health behaviour and child feeding practices. Notably, greater female empowerment, driven by increased education and the labour migration of men, has enhanced women's decision-making within their families and communities, and acted as a critical contextual factor for improved child nutrition. Complementing these human capital gains, community-led WASH initiatives significantly reduced infection risks for children.

[a] K. Conway and others, "Drivers of stunting reduction in Nepal: A country case study", *The American Journal of Clinical Nutrition,* vol. 112 (2020). Available at https://doi.org/10.1093/ajcn/nqaa218.

3.1.3. Strengthening the poverty-reducing co-benefits of climate and environmental actions

Climate and environmental degradation present alarming challenges to poverty reduction, jeopardizing livelihoods, health, nutrition and food security among the most vulnerable people and communities. In the Asia-Pacific region, urbanization, natural resource exploitation and overuse, and contamination of land drive deforestation, land degradation, and air and water pollution. Rising temperatures and related hazards induce environment and food crisis, causing economic and human capital deficits that deepen existing poverty and widen inequality. Sustained poverty reduction in the context of climate change therefore requires climate-sensitive and climate-resilient health, education and food systems. These systems must ensure continuity of essential services and food security during acute disruptions while adapting to evolving and chronic climate stressors. Countries in the region must address existing bottlenecks, including in infrastructure, service delivery and workforce capacity, to strengthen these core systems, integrate climate risk assessment, preparedness and response, and coordinate with broader climate policies and actions.

Operationalizing climate-sensitive services and mechanisms maximizes the co-benefits of mitigation and adaptation policies on poverty reduction. Surveillance and early-warning systems have long been known to help pre-empt disease outbreaks and emergencies related to nutrition and food insecurity. Redoubling investments in early warning systems could enhance staffing, interoperability of data and system upgrade for timely response. Energy-efficient technologies for cooking, lighting and transportation can help provide cheap energy services at low environmental and economic costs, including in remote communities, while solar power solutions can provide consistent electricity and ensure uninterrupted services during emergencies. Climate mitigation efforts can lower the levels of air pollution, leading to health benefits, reducing morbidity and mortality, and in some cases offsetting the cost of emissions. Building human and institutional capacity, through climate education and training across the health, education and agricultural workforce and among communities, supports sectoral responses to climate change and promotes sustainable practices, reducing vulnerabilities to climate shocks, protecting livelihoods and preventing harmful coping strategies that increase poverty risks.

Countries in the region have taken various initiatives to build climate resilience across health, education and agriculture systems. The Lao People's Democratic Republic launched a pilot Climate Integrated Early Warning and Response System (CI-EWARS), that combines meteorological data with health monitoring to predict outbreaks of climate-sensitive diseases (UNDP, 2025a). In India, an innovative spatial analytics application supports climate-smart agriculture by sending daily weather forecasts, natural hazard alerts, and real-time crop assessments and recommendations to farmers' smartphones, supporting their decisions and practices (ESCAP, ADB and UNDP, 2024). Fiji conducted vulnerability assessments of over 200 health facilities to inform infrastructure upgrades, such as integrating solar power systems and improving WASH facilities, enhancing resilience to extreme weather events (WHO, 2023). Tonga is constructing and strengthening disaster-resilient school buildings with more gender-sensitive and inclusive WASH facilities (GFDRR, 2026). Nepal has developed training programmes and materials on climate change and health to enhance the knowledge and skills of health workers and policymakers, supporting the implementation of the Health National Adaptation Plan (ATACH, 2026). In Cambodia, a multi-stakeholder collaboration was established to recruit female extension agents and provide them with training, housing and transport support, expanding reach to female farmers to improve their farming practices while enhancing economic empowerment of women (ESCAP, 2022b).

Strengthening synergies across national policy frameworks can further enhance the co-benefits of climate, environment and poverty-reduction policies. For example, the updated Nationally Determined Contributions (NDCs) submitted by most least developed countries (LDCs) make minimal provisions for addressing poverty and its underlying, multidimensional forms, such as food insecurity, health, education and social protection. Current policy gaps suggest that there are opportunities to scale up co-benefits of climate, environment and poverty reduction efforts, and optimize resources to improve the livelihoods of the poor and marginalized. Addressing poverty and vulnerability in NDCs is a critical step toward building more comprehensive approaches and mobilizing the necessary finance. In its NDC, Cambodia prioritizes SDG target 1.4 to some extent (equal access for the vulnerable to all types of resources), and target 1.5 (strengthening the resilience of vulnerable groups to climate and other shocks). Meanwhile, Health National Adaptation Plans (HNAPs) serve as national frameworks to foster coordination and prioritize climate adaptation planning in the health sector, including through surveillance and early warning systems. Nepal, Bangladesh and Timor-Leste have made significant progress in integrating their HNAP with their overall National Adaptation Plans (NAPs) (UNDP, 2025a). Under its HNAP, Cambodia has developed standard operating procedures for dengue surveillance and rapid diagnostic testing.

3.1.4. Investing in social development priorities

The cost of inaction and underinvestment in the social development sectors leaves irreversible impacts on poor populations and vulnerable communities who largely bear the brunt of rising living costs, while half of the population in Asia and the Pacific lacks access to any form of social protection. Domestic resources are at the core of spending on health, education and social protection but have remained low or below the global average in the Asia-Pacific region over the years. Meanwhile, fiscal pressures are intensifying as demands continue to grow and revenues struggle to keep pace, compounded by new threats and emerging crises that continue to undermine long-term development goals. Although the share of out-of-pocket spending reduced significantly across low- and lower-middle-income countries in the Asia-Pacific region, it still accounts for more than half of what is spent on health in some countries, driving many into poverty.

Policy interventions play an important role in promoting targeted and pro-poor taxes and subsidies to operationalize equitable use of resources for a healthy society. Health taxes – applied to tobacco, alcohol, sugar-sweetened beverages – can reduce the consumption of harmful products, while simultaneously generating revenues for underfunded sectors. In the Philippines, for example, the Sin Tax Law was passed in 2012, raising health tax collection from 0.5% of GDP before the reform to 1.4% of GDP by 2019. Under the current tax structure, the universal health coverage of the Philippines is funded in part by 50% of the excise tax revenue collected from tobacco products and sugar-sweetened beverages, and 80% of the tax imposed on alcohol products. Furthermore, 5% of the total tobacco excise tax revenue is earmarked to support tobacco farmers, including in shifting towards non-tobacco crop cultivation (Uribe and others, 2022; UNDP, 2022). Similarly, Bangladesh generates an annual revenue of $71 million through a 1% Health Development Surcharge levied on all tobacco products to support tobacco control and non-communicable disease prevention.

Multidimensional poverty measurements can serve as a strategic tool to support evidence-based and inclusive policymaking, and direct social development investments by identifying population and sectoral needs. For example, Bhutan uses a national MPI to formulate annual budget allocation across districts and to identify infrastructure and social service needs in remote areas. Similarly, Pakistan uses its MPI to inform national

and subnational development planning, prioritizing the most deprived districts (UNDP and OPHI, 2024). In 2016, Viet Nam adopted multidimensional poverty lines, which integrate both income poverty thresholds and deprivations in access to basic social services. This supports the National Target Programme for Poverty Reduction that prioritizes resource investments and poverty reduction efforts in poor and disadvantaged areas (Viet Nam, MOLISA and others, 2018).

3.2. Expanding the role of social protection systems in scaling poverty-reducing outcomes

Universal and rights-based social protection is a key driver for poverty reduction, ensuring individuals achieve income security and meet basic needs to live a dignified life across the life course. Despite its transformative potential, social protection is frequently treated as a residual policy instrument, with programmes that are narrowly targeted, short in duration and insufficiently financed. Yet, comprehensive and inclusive social protection systems can provide a foundation for individuals and households to invest in their well-being, strengthen their resilience and pursue improved development outcomes. As such, social protection complements universal basic services, labour market policies, international trade and macroeconomic frameworks, forming part of a coherent governance mechanism to optimize productivity and facilitate social mobility.

3.2.1. The role of social protection in addressing income and multidimensional poverty

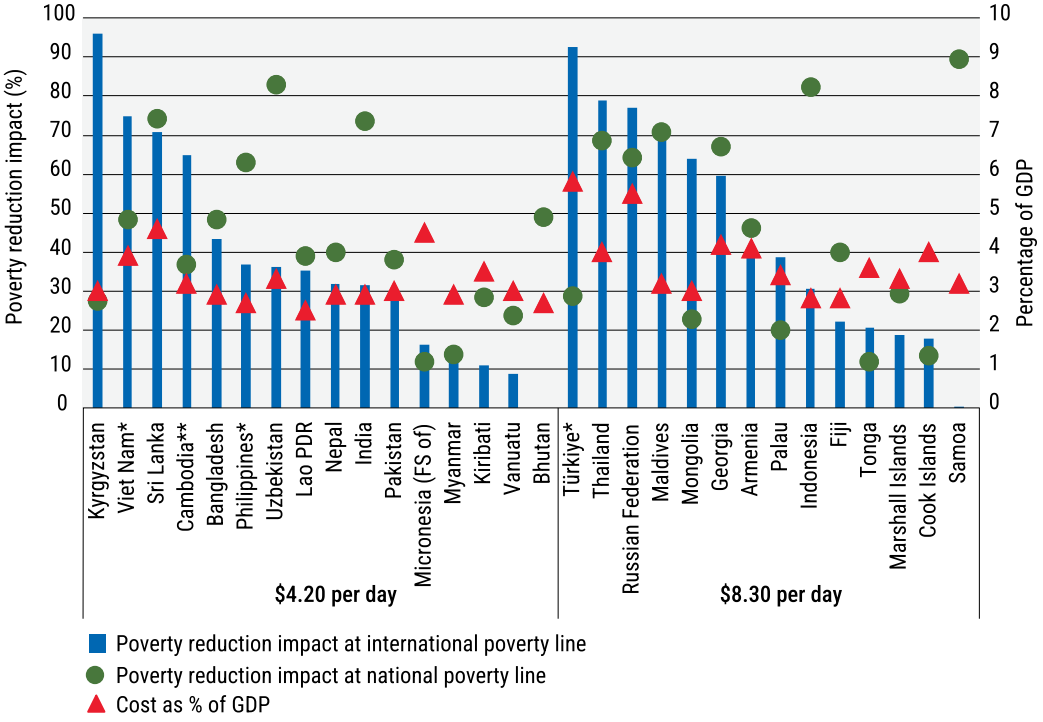
Social protection is a proven tool to reduce poverty and inequality, ensure income security and generate socioeconomic impacts across multiple dimensions of poverty such as consumption, education, health, nutrition, labour, women's empowerment and reductions in intimate partner violence – although the extent of impact varies across programmes and countries. A meta-analysis of 115 studies of 72 unconditional cash transfer programmes across low- and middle-income countries found strong, positive impacts on monthly household total and food consumption, monthly income, labour supply, school enrolment, food security, psychological well-being, total assets, financial assets, and children's height-for-age measurements (Crosta and others, 2025), as well as monetary poverty, education, health and nutrition, savings, investment and production, work and empowerment (Bastagli and others, 2018). The ESCAP Social Protection to Leave No One Behind (SP2LNOB) App[20] also suggests that the introduction of universal non-contributory child, old-age and disability benefits in Cambodia and the Maldives has the potential to increase access to secondary and tertiary education, as well as reduce the share of children with no schooling in Cambodia, and the share of young people not in employment, education or training (NEET) in the Maldives.

The ESCAP SPOT Simulator[21] demonstrates how investing in universal child, disability, maternity and old-age benefits, even when set at global average benefit levels, could substantially reduce poverty and inequality while also boosting household consumption. Figure 3.1 presents poverty outcomes across 30 countries and territories under these simulated universal schemes. The introduction of universal non-contributory social protection schemes at these benefit levels is estimated to reduce poverty by more than two-fifths on average under both poverty lines, with poverty declining by over half in 10 countries across the Asia-Pacific region at a fiscal cost of less than 6% of GDP.

[20] The ESCAP Social Protection to Leave No One Behind (SP2LNOB) App can be accessed at https://spot.unescap.org/sp2lnob.

[21] The ESCAP SPOT Simulator can be accessed at https://spot.unescap.org/simulator.

Figure 3.1. Simulated impact of various levels of social protection benefits on poverty rates using international poverty lines



Source: ESCAP SPOT Simulator (2026). Available at https://spot.unescap.org/simulator (accessed on 8 July 2026).

***** Data on household income was used as the welfare measure. Particular care should be taken when comparing results for the Philippines, Türkiye and Viet Nam with those of other countries.

****** No updated national poverty rates are currently available for Cambodia. Therefore, we have used the most recently reported rate, which is from 2019.

Note: The impact of introducing universal child, maternity, disability and old-age benefits is presented for 30 countries with available household income and expenditure survey data from 2011–2024.

By providing a predictable source of income security, social protection can ease short-term economic stress, enabling households to invest in health, education, livelihoods and productive activities. These social protection multipliers strengthen human capital, improve financial stability and enhance the capacity of households to manage risks, save, invest in productive assets such as livestock or agricultural inputs, as well as diversify livelihood strategies, thereby strengthening their resilience and reducing the likelihood of falling back into poverty (Li and others 2021). Cash transfers have addressed rural poverty, especially in areas where choices were constrained by uncertainty, such as by improving resource allocation, enabling access to labour markets or diversifying income (Kangasniemi and others, 2025; Vikhil and Kumar, 2025). The Family Hope Programme (PKH), a conditional cash transfer programme in Indonesia, found that a treatment group of agricultural households had a 23% to 26% higher likelihood of being in non-farm sectors six years after the implementation of the programme, as compared with the control group (Yuliani and Nasrudin, 2024). Extending cash transfers to informal workers also helps reduce poverty, ease financial pressures and improve their living conditions and work trajectories.

Box 3.2. Innovative social protection schemes for informal workers and women at provincial levels in India

In addition to extending social protection to informal workers through sectoral welfare boards, several innovative social protection schemes have been piloted at the provincial level in India. In Hyderabad's informal settlements, a work-free monthly, unconditional and individual cash transfer was piloted for 18 months, serving as universal basic income for all residents in participating communities. The cash transfer helped relieve the stress of meeting economic needs and included a cash-plus component that invited recipients to engage in community discussions around needs and resources, which helped give recipients the voice and confidence to participate in community-held spaces.[a]

Another innovative scheme, the Kalaignar Magalir Urimai Thogai, introduced a monthly unconditional cash transfer of INR 1000 per month in the state of Tamil Nadu in 2023 in recognition of women's unpaid domestic and care work. Qualitative studies of the scheme found that it enhanced recipients' sense of recognition by the state, improved their financial well-being and strengthened their dignity and peace of mind, particularly in contexts where women had previously depended on men for small sums of money. Moreover, the transfer did not discourage women from pursuing an education or paid employment: 89% of beneficiaries felt enabled to enter the labour market and spending on medicines rose by 20 percentage points.[b]

[a] Bashur, D., and V. Mathur, "Basic income and social cohesion: exploring the effects of a BI pilot in informal settlements in Hyderabad", *World Development Perspectives,* vol. 41 (2026).

[b] P. Kotiswaran, "Women's work, never done, now paid: Assessing Tamil Nadu's Urimai Thogai scheme", *World Development,* vol. 190 (2025).

Universal non-contributory schemes are a powerful redistributive tool that ensures everyone has access to a minimum income guarantee at different stages of the life course, when people are likely to face income disruptions or additional costs. Although benefit levels are often modest, universal schemes contribute meaningfully to poverty reduction. In Nepal, a quasi-universal old-age allowance provides a tax-financed pension to older persons based on simple categorical eligibility (age and citizenship), achieving high coverage with low administrative complexity. Quasi-experimental evidence finds that when a household member becomes eligible, children in the household experience significantly improved survival outcomes, with a 7 to 8 percentage-point increase in the probability of surviving the first year of life. Broader evidence indicates positive effects of this old-age allowance on children's poverty, nutrition and health, suggesting meaningful reductions in household-level poverty and vulnerability (IDS, 2016; Li and Mora, 2016).

3.2.2. Optimizing the transformative potential of social protection on poverty reduction through integrated policy packages

The transformative potential and poverty-reducing impact of social protection can be amplified when implemented as part of a comprehensive and integrated package of programme interventions. Over the past two decades, multifaceted livelihoods and economic inclusion programmes, including graduation and cash-plus programmes, have proliferated with longer-term impacts on breaking cycles of poverty. Building on their

documented success in improving household consumption, asset holdings, savings, food security and, in some cases, psychosocial well-being or women's empowerment, such programmes support pathways out of extreme poverty. In the Philippines, a graduation pilot layered on top of the 4Ps programme enabled 70% of the participants to meet multidimensional graduation criteria, including food security and savings gains, despite disruptions during the COVID-19 pandemic (Schelzig and Rawal, 2020; IPA, 2022). In Nepal, anti-poverty programmes with cash component interventions led to a 27% reduction in household debt and a 31% increase in livestock revenue by the fourth year of the programme. The programme also increased the proportion of women empowered to control livestock sales by 35% to 40% (Janzen and others, 2024). Other innovations exist. For example, the Women's Notebook (*Ayollar Daftari*) in Uzbekistan is an innovative social registry for low-income and unemployed women, which also functions as a coordination mechanism within broader employment objectives. Following an individual assessment, beneficiaries can be referred to a range of social services, including employment support, vocational training, entrepreneurship programmes, concessional loans, social assistance, healthcare services and housing support (KABAR, 2021; UNDP Uzbekistan, 2022; Ta'lim Telekanali, 2025). The Women's Notebook represents a shift from traditional social assistance towards a more integrated approach that addresses multiple barriers simultaneously. By linking income support with skills development, employment opportunities and entrepreneurship support, the programme seeks not only to reduce poverty but also strengthen women's economic participation and long-term resilience. These comprehensive approaches emphasize the multiple, interconnected drivers of poverty and the necessity of coordinated, integrated interventions to disrupt and overcome persistent poverty cycles.

Enhanced synergies across policies enable social protection to leverage multiple financing channels and maximize its redistributive effect. Despite their volatile nature, extractive industries and natural resources have provided valuable revenue streams for universal and poverty-targeted cash transfers. Mongolia provides one of the clearest examples of how resource rents can be converted into progressive redistribution through social protection. The Child Money Programme (CMP), a near-universal child benefit, has been a central pillar of the country's non-contributory system, functioning both as a redistributive instrument and as an automatic stabilizer. Empirical evidence from the World Bank Commitment to Equity (CEQ) analysis demonstrated the redistributive nature of the fiscal system of Mongolia, with social transfers more than offsetting the regressive effects of indirect taxes. Among all transfer programmes, the CMP delivers the largest poverty impact, reducing the poverty headcount rate among beneficiary households by around 7.4 percentage points. Kiribati represents an instructive case of redistribution in a highly constrained and climate-vulnerable context. As a small island developing State with limited labour markets, Kiribati has relied on implicit redistribution through the copra subsidy, which ensures a guaranteed price for its staple dried coconut, financed largely by fishing-licence revenues, which typically account for 40% to 60% of total government revenue. Although formally classified as an agricultural price support, empirical analysis shows that the copra subsidy functions as quasi-social protection, providing predictable cash income to poor and remote outer-island households. Household-level simulations using income and expenditure survey data indicate that copra income plays an important role in stabilizing consumption and reducing spatial poverty disparities between urban centres and outer islands (World Bank, 2025).

3.2.3. Building the resilience of people to disruptive impacts such as climate change

While climate change policies can generate benefits such as green jobs and improved resilience, they can also lead to structural economic adjustments, including job displacement in some sectors and changes in the cost of living. Social protection supports just transitions by supporting workforce transitions through skilling and reskilling, income security and smoothing the social acceptability of climate policies. Faced with volatile, complex and increasingly climate-driven forms of risk, social protection systems – comprising contributory and non-contributory schemes – will need to not only adapt to these changing needs, but also harness their potential to support transformative and lasting resilience across the life course.

Evidence from multifaceted interventions has demonstrated that the impacts of social protection schemes are magnified when coordinated with broader livelihood and economic inclusion strategies. These multilayered approaches provide an important foundation for coordinated action that can be further strengthened to foster stronger multisectoral alignment and integrated administrative systems, with the flexibility to respond to multiple forms of poverty and crises (Schüring and Loewe, 2021). The Action Plan to Strengthen Regional Cooperation on Social Protection in Asia and the Pacific,[22] adopted by ESCAP member States in 2020, serves as a common vision and platform on strategies to foster more inclusive and comprehensive social protection systems in the region. Through the Action Plan, Governments can exchange good practices, share lessons learned and foster collaborative approaches that contribute to more durable and effective social protection solutions.

The resilience-building potential of multifaceted programmes extends to climate adaptation, as these interventions can strengthen household capacity prior to shocks by promoting income diversification, increasing savings and developing skills, thereby reducing the need to deplete assets in times of crisis. The provision of stable and routine contributory and non-contributory benefits is critical to strengthening coping capacities and preventing households from falling into deeper vulnerability when their incomes and livelihoods are disrupted. Greater impact can be achieved by enhancing alignment with other socioeconomic and climate change sectors, and designing interventions with coordinated and integrated components that address the multiple drivers of vulnerability. Growing evidence points to the positive impacts of anticipatory action initiatives, where assistance is triggered and delivered in advance of climate-related events based on predefined thresholds and early warning forecasts, and which include improvements in food security and psychosocial well-being (Christian and others, 2025). In Mongolia, multiple pilots demonstrate how early support can reduce livestock losses and strengthen recovery, and in Viet Nam, pre-typhoon assistance helped households avoid cutting essential spending and disrupting children's schooling (FAO, 2023; 2024). However, despite a significant number of climate-related social protection programmes, there remains little policy coordination to address climate considerations in social protection programming and design.

[22] More information on The Action Plan to Strengthen Regional Cooperation on Social Protection in Asia and the Pacific is available at https://spot.unescap.org/action-plan.

Box 3.3. Co-benefits of adaptation and social protection policies

Social protection also facilitates adaptation policies that support and incentivize community-level practices that build ecological resilience. Recent innovations in public works programmes are moving beyond physically demanding infrastructure development to focus on new types of work and skills development in areas such as digitalization, climate change, human capital development and women's empowerment.[a] The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), a public works programme, demonstrates that long-term engagement of participants enabled them to build climate resilience by developing climate-resilient infrastructure and strengthening household resilience through savings and investment in productive activities. Beyond individual beneficiaries, the assets developed also spilled over into building community-wide resilience to climate change.[b] The Jobs for Nature 2.0 programme in Fiji empowered rural communities through community-proposed activities such as mangrove and seagrass planting, and riverbank protection using vetiver grass. The initiative enhanced income generation for underemployed groups and improved community preparedness for climate emergencies.[c] In Pakistan, the Ten Billion Trees Tsunami Programme demonstrates the potential for large-scale "green economic stimulus" that generated approximately 65,000 jobs between 2019 and 2020, and an additional 85,000 jobs between 2021 and 2022 through afforestation and ecosystem restoration, while contributing to carbon sequestration.[d] The Environmental Cash for Work programme of the Philippines provides a model for bridging income gaps during policy-driven disruptions, such as closed fishing seasons, by compensating fishers for coastal clean-ups and waste sorting. Social protection can further play an important role in protecting fishery-dependent households, particularly small-scale fisheries, while promoting a healthier ocean ecosystem and more sustainable use of marine resources for rural development and fishery management.[e]

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[a] World Bank, *Innovations in public works: rethinking public works for jobs and skills in a changing world*, (Washington, D.C.: World Bank, 2025). Available at https://hdl.handle.net/10986/44042.

[b] F. Burchi and others, "Do public works programmes foster climate resilience? Conceptual framework and review of empirical evidence", *International Social Security Review*, vol. 78, No. 2-3 (2025).

[c] S. Karacsony, "A triple win: Environmental protection, climate resilience and jobs for Fijians", World Bank Blogs, 29 August 2022. Available at https://blogs.worldbank.org/en/eastasiapacific/triple-win-environmental-protection-climate-resilience-and-jobs-fijians.

[d] A. Usman, "Participation and exclusion in mega tree-planting projects: a case study of the Ten Billion Tree Tsunami Programme, Pakistan", International Institute for Environment and Development (IIED), 2022. Available at https://www.iied.org/20996iied.

[e] M. P. J. Tabe-Ojong and others, "Social protection and aquatic food systems", *Environmental Science and Policy*, vol. 168 (2025). Available at https://doi.org/10.1016/j.envsci.2025.104043.

To achieve and sustain poverty reduction, social protection systems and programmes should strengthen integrated and multisectoral strategies that address a holistic range of socioeconomic issues such as health, nutrition or employment, as well as structural transitions such as climate action. Harnessing such synergies will be pivotal to ensuring that social protection not only reduces poverty and vulnerability but also addresses their underlying, multidimensional drivers. This requires developing comprehensive social protection systems that combine contributory and non-contributory schemes across the life course, ensuring adequate protection for all, while promoting resilience, human capital development and inclusive, sustainable development.

3.3. Making transition work: Towards decent work for all

Boosting the size and productivity of the workforce, strengthening its resilience and building inclusive labour markets with decent work opportunities are all urgent priorities for eradicating poverty. As indicated in **Chapter 3**, labour force participation in Asia and the Pacific is declining steadily along with slowing growth in labour productivity. Discrimination on the basis of gender, age or disability excludes large segments of the population from actively contributing to and benefiting from labour markets. Decent work deficits, including limited access to rights and poor access to contributory social protection schemes, are widespread due to informality. At the same time, workers often lack the skills needed to meet the demands of the current and future labour market, especially as digital transformation reshapes jobs, limiting their ability to compete for employment in the formal sector and access decent, sustainable livelihoods. Policy implementation towards decent work for all ensures building inclusive labour markets where the working-age population outside the labour force faces no barriers to entry regardless of gender, age or disability, while those already employed are supported through job transitions and also protected from being pushed out of work involuntarily or permanently. Such policy implementation also aims to ensure an accessible and enabling work environment for all, with hiring processes that are protected against discriminatory practices. As climate change, green transition, population ageing and digital transformation, among others, reshape entire sectors and economies, upskilling low-skilled workers, women, young people, older persons and persons with disabilities, and improving their employability, will be key policy prerogatives to prevent widening gaps and increasing poverty and exclusion.

3.3.1. Reducing rural poverty for sustainable livelihoods

Rural transformation in the Asia-Pacific region is an imperative to poverty reduction and sustainable livelihoods amid concurrent crises. As presented in **Chapter 2**, poverty across the Asia-Pacific region is consistently higher in rural, impoverished and remote regions as compared with urban areas, leaving behind many households. The vulnerabilities of the rural poor may intensify with market volatility, rising food insecurity, and climate and environmental degradation.

By transforming agricultural systems, and modernizing and diversifying rural supply chains, policies can create higher-quality and more diverse rural employment, accelerating poverty reduction in rural communities. Expanding access to modern agrotechnology (Mozumdar, Lindgren and Nishat, 2025), credit and insurance, and scaling up sustainable farming techniques can improve agricultural productivity, strengthen food and income security, diversify employment and reduce exposure to market volatility, while limiting the negative externalities on the environment by avoiding the intensive use of energy, water, chemical fertilizers and pesticide. It is crucial to recognize and reward the

efforts of smallholder and family farmers who contribute to agrobiodiversity and landscape management even though their tenure rights are not duly recognized everywhere and whose farm sizes have been shrinking with negative implications for their productivity and commercial viability (Lowder, Bhalla and Davis, 2025).

The non-farm sector, such as agroprocessing, value chain upgrades and e-commerce, is also contributing to diversification of employment opportunities and could potentially drive productivity growth in rural areas. Off-farm employment in selected countries across the Asia-Pacific region has been positively associated with poverty alleviation, household dietary diversity, reduction of malnutrition and consumption particularly among poor households, thereby increasing household income (Bai and others, 2024). Development of local value chains – through sourcing, processing, packaging, transporting and selling food to consumers – facilitates small-scale farmers to access the market and diversify economic activities, enhancing their resilience to commodity price shocks. Opportunities exist in the blue economy as well, but upfront investments are needed to ensure that economic activities in fishing, transportation and marine tourism sectors have inclusive dividends for local communities who take a lead role in ecological stewardship.

Digital technologies also generate jobs and income, and enhance resilience against economic downturns, particularly among agri-SMEs that contribute significantly to the rural economy in the Asia-Pacific region (ESCAP, ADB and UNDP, 2023; Gálvez Nogales and Casari, 2023). For example, the Digital Villages Initiative, supported by the Food and Agricultural Organization of the United Nations (FAO) is working with governments and farmers' groups across the world to facilitate access to digital platforms with a view to improve market access, better crop prices and increase income. In Bangladesh, with improved digital literacy, access to latest farming techniques, e-commerce and the export market have become possible, tripling the incomes of some farmers (FAO, 2022). Experiences from several countries in the region suggest that policies and investments that support institutional innovations, provide access to and adoption of technologies, expand infrastructure (for example, road networks and irrigation systems), reform land and rental markets, (Bolhuis, Rachapalli and Restuccia, 2025) integrate markets as well as provide education and upskilling can accelerate rural transformation and reduce poverty in rural areas (Chen and others, 2025; FAO and others, 2024).

Box 3.4. Boosting employment to reduce poverty through targeted policy in China

Since 2012, China has established a targeted employment assistance policy framework, taking integrated measures adapted to local conditions with a key focus on three areas.

First, the mechanism conducts accurate baseline surveys to establish supply-demand databases for employment information, especially for workers from poor households. These surveys identify the circumstances of workers in terms of their aspirations, intentions, skills and employability, and compare the results with labour requirements by enterprises and farmers' cooperatives, among others. Dynamic database management ensures a reliable basis for matching jobs with suitable labourers.

Second, the mechanism promotes the orderly transfer and employment of workers from poor households focusing on effective job matching by improving regional labour cooperation mechanisms (East-West collaboration), introducing and cultivating labour intermediaries, strengthening the development of labour broker teams and setting up a tripartite platform involving the government, enterprises and labourers to organize poor

Box 3.4. continued.

workers who are able to work outside their home regions. As of 2020, two-thirds of poor households had members working away from home and about two-thirds of these families received income from their migrant household members.

Third, it implements targeted policies to prevent employment instability risks. Tiered and categorized employment assistance creates opportunities for poor people lacking access to participate in effective economic activities. Targeted skills training, along with job introduction services, is offered to poor people who are outside the labour force. These efforts particularly target groups in vulnerable situations, such as people affected by disasters, older persons, persons with disabilities, persons who are chronically ill and persons who are primary caregivers to family members and cannot leave their hometowns. For these groups, public welfare placement models for basic support are developed. By 2020, more than 20 million workers from poor households received practical training. As a result, 70% of poor households received production guidance and technical trainings, and were subsequently lifted out of poverty.

Source: This case study was developed by the International Poverty Reduction Centre in China and shared with ESCAP on 7 July 2026.

3.3.2. Making green transition work for all

Transformative policies are urgently needed to address the risks and potential impact of carbon neutral transitions on workers in the carbon-intensive sectors and on those communities where industrial and production activities take place (UNFCCC and KCI, 2025). Pathways to a carbon-neutral future will generate net benefits for society in the long run but could potentially deprive low-skilled workers, women and youth of decent work and sustainable livelihoods. The shift away from fossil-fuel based production is already generating jobs in sectors such as renewable energy and green manufacturing, advancing inclusive and sustainable growth pathways. For example, the global renewable energy workforce is expected to expand from the current 16.6 million jobs to 30 million jobs by 2030, and to nearly 40 million by 2050 if appropriate policies are implemented (IRENA and ILO, 2026). Every $1 million shifted to the green sector can lead to a net increase of five full-time-equivalent jobs in the short to medium term, driven by both the manufacturing and installation of renewable and energy-efficient technologies (Garett-Peltier, 2017). Workers transitioning to emerging sectors need support, including skills development, mobility incentives and portable social protection. Both the fossil fuel and renewable energy sectors have been largely male-dominated: estimates suggest that women account for only around 8% of the energy workforce in ASEAN (Merdekawati and others, 2022). Women are likely to face barriers associated with cultural and social norms, gaps in skills and professional development opportunities, as well as discriminatory hiring practices and exclusionary working environments (Garett-Peltier, 2017).

Several countries in the Asia-Pacific region have demonstrated how socioeconomic and poverty-oriented objectives can be better integrated into the carbon-neutral agenda as mutually reinforcing goals that generate opportunities for decent work. For example, green transition strategies in the Republic of Korea and the Philippines embed institutional mechanisms to assess and absorb the social impact of the transition on the labour market and workers. In the Republic of Korea, the Green New Deal (2020) and the National Plan for Carbon Neutrality and Green Growth (2023) require the implementation of employment

surveys and maintain job security. The Philippine Green Jobs Act anticipates the impact of energy transition and natural resource extraction on employment, and seeks to generate green jobs, establish social protection programmes, invest in skills development and encourage social dialogue for workers' collective bargaining. Such policies and strategies should leverage the strong role that the private sector – particularly large corporations, which can generate many jobs – plays through their supply chains.

Box 3.5. Green transition and employment

The Marshall Islands: The Island Eco Initiative in the Marshall Islands trains young women technicians to assemble, install, operate and maintain solar-powered lights, refrigerators and freezers on different islands, thereby securing decent work conditions. The project ensures a contextual approach by replacing polluting diesel generators on remote atolls where access to fossil fuels is expensive and scarce with sustainable solar equipment.[a]

India: Solar Mamas is another promising initiative which exemplifies South-South collaboration driven by collaboration between the Government of India and Barefoot College International. Solar Mamas trains older women, who are often illiterate or semi-literate and live in remote and non-electrified villages, to build, install and repair solar circuit boards and lanterns (FCCC/SBI/2019/INF.8).

Development cooperation initiatives: The Skills for Green Jobs project in the Pacific, implemented by the International Labour Organization (ILO), aims to enhance the employability and skills of workers in a gender-responsive manner, in sectors such as renewable energy, sustainable tourism and waste management. The Asian Development Bank (ADB) provides support for skills development and training programmes related to green jobs, particularly in sectors such as renewable energy and energy efficiency through its Just Transition Support Platform. The technical platform aims to build the capacity of countries to strategically plan, implement and finance just transition, in order to manage any negative impacts and increase benefits from the transition to net zero.[b]

[a] United Nations Climate Change, *Implementation of just transition and economic diversification strategies: A compilation of best practices from different countries* (Bonn, 2022). Available at https://unfccc.int/sites/default/files/resource/A%20compilation%20of%20best%20practices%20on%20JT%20and%20EDT.pdf.

[b] Ibid.

3.3.3. Boosting the creation of decent work in the services sector: The potential of the care economy

As the service sector employs the largest share of the regional workforce, labour policies must capitalize on its job creation potential while ensuring that jobs created are decent in nature. Approximately 44% of the regional workforce is employed in the services sector, reaching two-thirds in several subregions (ESCAP, 2026). In terms of gender, women in Asia and the Pacific are more likely than men to be employed in the services sector. While the services sector stands out as the primary sector for absorbing labour in the near future, its poverty reduction potential is hindered by severe dualism. On one hand, a small yet productive and globally competitive modern services sector (for example, information and communication technologies (ICT), and professional and financial services) offers

opportunities to a small group of highly educated and skilled workforce. On the other, a large, informal, local and traditional services sector (for example, retail and wholesale trade, hotels and accommodation), where the majority of MSMEs are active, offers local opportunities to a large group of low educated and low-skilled workforce (Rodrik, 2025). Given the rapid pace of digital transformation, there is an urgent need to encourage investment in labour-complementing technologies in the services sector broadly, to empower undereducated and inexperienced workers and expand the range of tasks they can perform, thereby closing the productivity differential (Korinek and Stiglitz, 2019). Special consideration can be given to sub-sectors that have high multiplier effects such as health services, tourism and transportation services. Large corporations active in these segments should be incentivized for generating decent jobs through their supply chains. Entrepreneurs and MSMEs also need support through various mechanisms, including active labour market policies (ALMPs), access to credit, markets and technology, to help them generate jobs in the formal economy. At the same time, larger firms can be incentivized to expand formal jobs targeting lower skilled occupations.

Within the services sector, the care economy and silver economy are poised to generate new and potentially decent jobs in the Asia-Pacific region. Investment in universal childcare and long-term care services could generate more than 180 million jobs across 24 countries and territories in the region by 2035 (De Henau, 2022). These jobs are often local, less prone to automation and hold the promise of addressing time poverty among women who often carry a disproportionate share of unpaid care work, which is an underlying factor that keeps them out of paid work. In addition to addressing time poverty among women through investment in care infrastructure, such as expanding access to water, sanitation and cooking fuel, ensuring decent work principles in new jobs created in the care and silver economies would help build an ecosystem to address the gendered aspects of poverty reduction.

Box 3.6. Investing in the care economy

China: The 12th Five-Year Development Plan for the Social Services System for Old Persons (2011–2015) aimed to expand eldercare by developing the eldercare market, supporting non-profit organizations and mobilizing voluntary service providers. It established a health service network for older persons, including geriatric hospitals. This model is grounded in community-based services and institutional care, expanding care services and creating jobs while also incentivizing non-profit involvement through income tax exemptions. The 14th Five-Year Development Plan (2021–2025) continues to expand aged care services and improve health support for older persons. As China faces a shortage of care service providers for older persons, various efforts are underway to close this gap by offering wage subsidies to young workers.[a]

Malaysia: The Government has implemented a range of measures to expand access to childcare and eldercare services. Financial incentives are offered to companies that provide on-site childcare facilities. In 2020, the Government allocated more than MYR 12 million to support 2,623 childcare centres nationwide. The Community Development Department, under the Ministry of Rural Development, established 10,854 kindergarten classes and 543 nurseries across the country, with 71% in rural areas, helping to reduce care gaps in underserved communities. The Department of Social Welfare also supports older persons through three types of institutions: *rumah seri kenangan* (homes for older

Box 3.6. continued.

persons), *rumah ehsan* (homes for chronically ill persons) and *desa bina diri* (homes for destitute persons).[b]

Mongolia: The Care Allowance scheme, implemented by the Department of Labour and Welfare in Mongolia, is a financial scheme targeted at family members that care for older persons including those in need of permanent care. This scheme provides an allowance of MNT 84,500 per month, determined by the government as it aligns with the minimum living standard.[c]

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[a] United Nations Economic and Social Commission for Asia and the Pacific (ESCAP), "Female labour force participation and the care economy in Asia and the Pacific", Social Development Division Policy Paper, 2022b. Available at https://repository.unescap.org/bitstream/handle/20.500.12870/5164/ESCAP-2022-PB-Female-labour-force-participation-care-economy-Asia-Pacific.pdf?sequence=1&isAllowed=y.

[b] United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) (2026). *Leaving no one Behind: Advancing a Society for all Ages in Asia and the Pacific.* United Nations publication.

[c] Ibid.

3.3.4. Accelerating the implementation of active labour market policies

Active labour market policies contribute to poverty reduction by creating pathways to decent work for both businesses and workers. ALMPs are an important and promising instrument for poverty reduction, especially through fostering collaboration between the government, private sector and civil society organizations. ALMPs provide assistance and incentives for job seekers, supporting employability to pursue income generating opportunities that align with their skill sets. ALMPs have important implications for the poor, women and youth by encouraging the participation of otherwise excluded groups, improving the productivity of new entrants and strengthening the quality of labour supply at large (McKenzie and others, 2025; Heath and others, 2024; Rodrik and Stantcheva, 2021).

Recent reviews of ALMPs in Asia and the Pacific find promising impacts on the intensive and extensive margins through various mechanisms (ILO, 2019; Niño-Zarazúa and Torm, 2022). In the Republic of Korea, vocational and on-the-job training were closely correlated with earnings, employability and higher probabilities of employment for school dropouts who underwent training. In Nepal, vocational training led to a 10% increase in non-farm employment and increased monthly earnings, particularly for women starting self-employment. In Viet Nam, on-the-job training resulted in 12% higher wages for trained women compared with both untrained women and men, implying that training increases women's labour productivity and thus contributes to closing the gender wage gap. In the Philippines, private and within-enterprise training was found to have higher returns than trainings through public institutions, suggesting the importance of private sector collaboration.

The comprehensive nature of ALMPs maximizes impact, as they include more than one programme such as public works, training, job-matching and employment subsidies. This is particularly relevant for workers in the informal economy as trainings and employment services come with the opportunity cost of lost income or jobs. Social protection support could facilitate the access of informal sector workers to ALMPs (ILO, 2019). For example, India has leveraged digital technologies to connect millions of workers with prospective

national and international employers. The e-Shram portal is an initiative by the Government of India to create a comprehensive National Database of Unorganised Workers (NDUW), which is 'seeded' with their unique identification number (*Aadhaar*). This registration facilitates the delivery of social security and welfare benefits to informal workers across the country, with approximately 310 million informal workers registered on the portal. In addition, the National Career Service portal is the single largest platform linking job seekers with prospective employers within and beyond India. The platform can be accessed by 5.4 million companies globally, which can sort through the pool of job seekers by various factors, including skills.

Box 3.7. Redesigning labour markets for the economic empowerment of persons with disabilities in China, Indonesia, Thailand and Viet Nam

The Asia-Pacific region is pivoting from charity-based models to rights-based frameworks for the economic empowerment of persons with disabilities. This shift is guided by the Jakarta Declaration on the Asian and Pacific Decade of Persons with Disabilities, 2023–2032, which prioritizes equal participation and labour market reforms to position persons with disabilities as productive workers and entrepreneurs.[a]

The first Three-Year Action Plan for Promoting Employment of Persons with Disabilities (2022–2024) of **China** created 1.648 million new jobs for persons with disabilities, raising the disability employment rate by 4.8%. Success was driven by a combination of targeted policy measures, public-private partnerships to improve transition from skills to jobs and digital economy inclusion. The renewed Action Plan for 2025–2027 focuses efforts to sustain and enhance the quality of employment through institutionalized job matching and workplace inclusion support, strengthened accountability and provision of financial and logistical support to disability employment services.[b] ESCAP is collaborating with the China Disabled Persons' Federation, the private sector and civil society organizations to fine-tune collaboration mechanisms and build know-how capacity to strengthen disability leadership in co-creating solutions.

Thailand recently expanded its legal definition of disability to include mental, intellectual and learning disabilities,[c] which will require broadened accessibility and reasonable accommodation in education, technical and vocational training (TVET), and employment support programmes. Its disability employment landscape exhibits significant progress in implementing a combination of direct employment and occupational support such as subcontracts and procurement of goods from persons with disabilities. The private sector demonstrates a particularly high compliance rate – at 99.2% as of December 2025[d] – with the statutory disability job quota. The Organization of Persons with Disabilities (OPDs) played a critical role in facilitating effective implementation of policies and benefits, and providing employment support services such job matching and job coaching services on the ground.[e] ESCAP is supporting the Ministry of Social Development and Human Security and the Asia-Pacific Development Centre on Disability to strengthen policy design and fill in critical capacity gaps such as job coaching to better empower both persons with disabilities and employers.

Viet Nam implemented various programmes to support persons with disabilities through vocational skills trainings and job opportunities, which are jointly implemented by the Government, businesses and civil society organizations. Each year, these programmes

Box 3.7. continued.

provide persons with disabilities with vocational training for about 19,000 persons, job matching services for 20,000 persons and preferential loans for 40,000 persons to develop businesses. To further address the persistent gaps in disability employment, ESCAP is supporting the Ministry of Finance and the Foreign Trade University Innovation Incubation Space to standardize disability-inclusive business practices through strengthened policy incentives for businesses that employ or procure from persons with disabilities, and build a network of local Disability-Inclusive Business Support Organizations (DIBSOs) to provide sustainable advisory services on the ground.[f]

Indonesia has integrated disability rights into its National Medium-Term Development Plan (RPJMN) 2025–2029, including a specific goal to increase the employment rate of persons with disabilities in the formal sector.[g] The implementation of this national priority emphasizes critical instruments such as disability inclusion analysis, disability budget statements and participatory planning processes that ensure the meaningful involvement of persons with disabilities. ESCAP is supporting the Ministry of National Development Planning (Bappenas) and its designated civil society counterpart *Sasana Inklusi dan Gerakan Advokasi Difabel* (SIGAB) to develop a national strategy, with focus on job-matching and capacity-building of implementing agencies at national and subnational levels.

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[a] United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) (2023). *Jakarta Declaration on the Asian and Pacific Decade of Persons with Disabilities*, 2023–2032. United Nations publication.

[b] United Nations Economic and Social Commission for Asia and the Pacific (ESCAP), "Inclusion in action: Advancing disability-inclusive business in China", policy brief, Social Development Division, 2025b. Available at https://repository.unescap.org/server/api/core/bitstreams/ae13537d-f7fc-4a20-aa86-78ab8ebee70a/content.

[c] Asia-Pacific Development Center on Disability (APCD), Thailand Department of Empowerment of Persons with Disabilities (DEP) and United Nations Economic and Social Commission for Asia and the Pacific (ESCAP), "Practical guide for employers to promote disability-inclusive employment in Thailand, Manuals and Training Materials", 2026. Available at https://repository.unescap.org/items/ce2dca77-f2c7-4712-a99d-1b5b356fd086.

[d] Ibid.

[e] Asia-Pacific Development Center on Disability (APCD) and Department of Empowerment of Persons with Disabilities (DEP), "Disability-inclusive employment and business project: Catalyzing disability-inclusive employment and business towards effective implementation of the Asian and Pacific Decade of Persons with Disabilities, 2023-2032", Policy Paper, October, 2025. Available at https://dep.go.th/images/uploads/files/DIEBReportENFinal26122025.pdf.

[f] United Nations Economic and Social Commission for Asia and the Pacific (ESCAP), "Policy report: Advancing inclusive business for persons with disabilities in Viet Nam", (forthcoming 2026).

[g] Indonesia, President of the Republic of Indonesia, *Presidential Regulation No. 12/2025 on the National Medium-Term Development Plan (RPJMN) 2025–2029,* 2025.

Box 3.8. Making active labour markets effective for employees and employers

The Skills Future Mid-Career Enhanced Subsidy in Singapore provides up to 90% course fee support for citizens aged 40 or above.[a] The Skills Checkpoint Programme in Australia offers citizens aged 45 to 70 years with subsidies of up to AUD 2,200 for targeted training.[b] In Japan, the Human Resources Development Centres on Productivity Improvement, run by the Japan Organization for Employment of the Elderly, Persons with Disabilities and Job Seekers, combine skills training with intergenerational coaching.[c] The Senior Generation programme in the Russian Federation provides free vocational training for people aged 50 years or above as well as for those approaching retirement.[d] In Malaysia, the SEBA programme supports training for income generation and workforce re-entry.[e] Posyandu Lansia centres in Indonesia now integrate livelihood training and microenterprise support alongside health services.[f]

[a] United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) (2025f). *Urban Transformation in Asia and the Pacific: From Growth to Resilience.* United Nations publication.

[b] Ibid.

[c] Ibid.

[d] United Nations Economic and Social Commission for Asia and the Pacific (ESCAP), *SDG 8 Goal Profiles*, n.d.b. Available at https://www.unescap.org/knowledge-products-series/sdg-goal-profiles.

[e] Ibid.

[f] Ibid.

Several key lessons emerge from rigorous impact evaluations of ALMPs (McKenzie and others, 2025; Heath and others, 2024; Rodrik and Stantcheva, 2021). First, evidence on the effectiveness of ALMPs, such as skills trainings, job placement services, wage subsidies and public work programmes, is highly context-specific. This underscores the need for governments to monitor and regulate pilot programmes before scaling up or adjusting course. It also highlights the importance of investments in labour market intelligence, especially in the context of major transitions as discussed in **Chapter 2**. The recent initiative of integrating Jobs and Skills Survey modules into national labour force surveys in Bhutan, Georgia and the Philippines is crucial for widening labour market intelligence and supporting the design of inclusive labour market policies (ADB, 2025b). Before jobs are lost or replaced, ALMPs should be activated and equipped with design elements that support the compliance of all participants irrespective of their age, gender and disability status. Second, collaboration between the government, private sector and civil society organizations is crucial. Successful training programmes feature robust screening process coupled with training programmes that address the needs and constraints of employers and trainees.

3.3.5. Scaling the potential of entrepreneurship and MSMEs

MSMEs contribute to poverty reduction by providing employment opportunities, fostering local entrepreneurship and driving income growth, especially among persons in vulnerable situations. Harnessing and scaling their potential for positive impact requires conducive policies and institutional mechanisms that provide a supportive ecosystem that removes structural barriers in various policy domains such as finance, education, regulation,

technology, infrastructure and market access (GEM, 2026). In the absence of policy action, it is impossible to attain a diverse and inclusive ecosystem with entrepreneurs who vary by age, sex, nationality, among other characteristics. Across Asia and the Pacific, there are many initiatives moving in the right direction. For instance, India, Malaysia and Thailand have extended tax incentives and subsidies for digitalizing MSMEs, encouraging the adoption of cloud computing, the purchase of digital products and services, and provision of free web domain subscriptions (Gálvez Nogales and Casari, 2023).

Investment in low-carbon initiatives can stimulate enterprise growth and diversification, and create new employment and income-generating opportunities, while addressing the root causes of poverty including food security and contributing to better health and nutrition outcomes (ESCAP, 2026). Policy initiatives to enhance the role of MSMEs in the green and sustainable economy include promoting green jobs, supporting community development and linking labour market policies with social protection through inclusive social dialogue involving trade unions, employers and civil society. Furthermore, gender-responsive national MSME and entrepreneurship strategies that improve regulatory frameworks, education and skills development, and increase access to technology and innovation, finance and networks, create an enabling environment for women entrepreneurs (Gálvez Nogales and Casari, 2023).

Box 3.9. Promoting entrepreneurship

Samoa: In 2021, the Government of Samoa launched its first MSMEs Development Policy and Strategy, with a gender-responsive framework addressing barriers faced by women entrepreneurs. Focusing on micro-enterprises and access to finance, the policy extended advisory services, credit access initiatives and partnerships with financial institutions to ease collateral requirements. To complement these measures, the Government, with ESCAP's support, reviewed the business licensing process from the perspective of women entrepreneurs. By March 2024, women owned 45.9% of the 25,843 MSMEs in the formal sector, with 4,000–6,000 SMEs also using financial services, indicating progress toward a more inclusive entrepreneurial ecosystem.[a]

Asia and the Pacific: To address the persistent gender gap in access to finance, ESCAP's Catalyzing Women's Entrepreneurship (CWE) Programme included an 'Innovative Financing' workstream as one of its three core pillars. The programme combined policy advocacy with on-the-ground implementation in Bangladesh, Cambodia, Fiji, Nepal, Samoa and Viet Nam, while also extending regional support across South Asia, South-East Asia and the Pacific.[b] The programme pioneered and piloted innovative financing solutions including gender-lens investment funds, gender bonds and elevated FinTech start-ups that provide financial solutions to women-led MSMEs. Through its innovative financing workstream, the programme enabled a total of 226,383 women entrepreneurs in the target countries to access financial services. An additional 1,015,879 women and men benefited indirectly, including employees, family members and women outside the target countries. The programme unlocked over $111 million of additional capital for women entrepreneurs and built momentum for the movement to close the gap in their access to finance for women entrepreneurs. Alongside financing, the CWE Programme strengthened the entrepreneurial ecosystem through two other pillars: promoting women entrepreneurs' access to ICT and digital solutions, and advancing policy and governance reforms. The private sector has a fundamental role to play in reducing poverty, especially through inclusive business models which provide goods, services and livelihoods to people living at the base of the economic

Box 3.9. continued.

pyramid and engaging them at scale as suppliers, distributors, retailers or customers.[c] Across the region, governments are institutionalizing inclusive business through concrete policy measures. At the ASEAN level, the Capacity Building and Talent Development Framework for Inclusive Business was endorsed by ASEAN Economic Ministers, supporting its uptake across member States.[d] The Framework promotes the designation of national focal points and structured training programmes for government agencies and business support organizations. It also establishes regional mentoring and peer learning networks to support the growth of inclusive businesses. At the national level, the Philippines stands out in the South-East Asia subregion as the first country to accredit inclusive businesses (IB) and provide tax incentives. In South and South-West Asia, the Strategy to Promote Inclusive and Sustainable Businesses in Sri Lanka is notable for embedding inclusive business models within mainstream economic policy through awareness and recognition measures, targeted technical assistance for firms, accreditation and certification mechanisms, strengthened impact measurement and reporting, and improved access to finance.[e] These measures illustrate how governments are embedding inclusive business within formal policies, institutions and financing systems to enable scale.

[a] United Nations, Economic and Social Commission for Asia and the Pacific (ESCAP) and United Nations Entity for Gender Equality and the Empowerment of Women (UN Women) (2024). *Charting new paths for gender equality and empowerment: Asia-Pacific regional report on Beijing+30 review*. United Nations publication. Available at https://hdl.handle.net/20.500.12870/7486.

[b] United Nations Economic and Social Commission for Asia and the Pacific (ESCAP), "Catalyzing women's entrepreneurship", Asia-Pacific Gender Portal, n.d.a. Available at https://www.asiapacificgender.org/our-work/catalyzing-womens-entrepreneurship.

[c] United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) (2025e). *The Inclusive Business Case for Governments.* United Nations publication.

[d] More information on the Capacity Building and Talent Development Framework for Inclusive Business is available at https://asean.org/wp-content/uploads/2025/08/Capacity-Building-and-Talent-Development-Framework-for-IB-in-ASEAN_final.pdf.

[e] Sri Lanka, *Strategy to Promote Inclusive and Sustainable Businesses to Achieve the Sustainable Development Goals in Sri Lanka*, n.d. Available at https://www.sdc.gov.lk/sites/default/files/2024-02/ISB%20Strategy.pdf.

Box 3.10. Leveraging inclusive business to support poverty reduction

ESCAP, with the support of the Gates Foundation, implemented the Regional Inclusive Business Models in Agriculture and Food Systems initiative in India, Thailand and Viet Nam to accelerate the adoption of Inclusive Business models and promote more inclusive agricultural transformations.[a] The programme combined capacity-building for firms, policy support to governments, partnership facilitation, evidence generation and knowledge transfer. In India and Viet Nam, participating companies designed inclusive business models to generate income, enhance access to value chains and expand market access among smallholder farmers and low-income producers. Furthermore, in India, an agri-tech company based in Hyderabad, provided affordable baled silage solutions to support maize farmers and dairy farmers, helping improve milk yields and stabilize income. ESCAP also brokered partnership between agri-tech company and venture capital firm which subsequently invested US$ 2.2 million in seed funding to scaling the fodder ecosystem solutions as part of broadening effort to facilitate investment in agrifood businesses.

Box 3.10. continued.

In Sri Lanka, a women-led handloom enterprise, provided flexible employment and market access across rural communities, directly employing workers and artisans. By producing and exporting higher-value handwoven products through fair trade certified supply chains, the company contributed to more predictable incomes and sustained livelihoods for women artisans in rural and informal communities.

Overall, inclusive business offers governments a pragmatic way to mobilize private investment and innovation to reduce inequality and alleviate poverty. The model delivered both income and non-income benefits at scale, linking low-income populations to markets, expanding access to essential services and strengthening skills and opportunities. ESCAP's integrated approach combining enterprise coaching, evidence and tools, and policy support demonstrates how these models can be operationalized and scaled to contribute meaningfully towards inclusive development.

[a] More information on promoting inclusive business in Asia and the Pacific is available at https://www.unescap.org/projects/promoting-IB-in-AP.

Box 3.11. MSMEs in the creative economy in Indonesia

The creative economy in Indonesia is emerging as a powerful driver of inclusive growth and poverty reduction, creating livelihoods and expanding opportunities. By harnessing the country's rich cultural heritage and youth-driven innovation, and accelerating digital transformation, the sector is helping to build a more resilient and globally-connected economy. Already contributing around 8% of GDP and projected to reach 11% by 2045, the creative economy is playing an increasingly important role in economic diversification, while ensuring that the benefits of growth reach a broader cross-section of society.

Recognizing this potential, the Government has elevated the creative economy as a national development priority, positioning it as a vehicle for poverty reduction, employment generation, youth empowerment and inclusive local economic development through a Presidential Instruction and the forthcoming Creative Economy Master Plan.

At the heart of this capacity is the creative economy's ability to broaden participation. Employing an estimated 18% of the workforce, the sector provides pathways into employment for groups that often face structural barriers, including women and the 3.5 million young Indonesians entering the labour market each year. The sector stands out for its inclusivity: women account for the majority of its workforce, while more than half of all workers are under the age of 40. Much of this employment is generated by MSMEs operating in informal, community-based, or home-based settings. These businesses create jobs, diversify household income sources and provide accessible entry points into economic activity for poor and vulnerable populations. By expanding entrepreneurship and employment, the creative economy helps reduce poverty, strengthen livelihoods and enable young tech-savvy Indonesians to turn creativity into sustainable economic opportunities.

Within the creative economy, the culinary sector makes up the largest share, whilst the

Box 3.11. continued.

fashion industry is the top source of exports, and animation and digital content creation is rapidly growing. This illustrates how heritage and innovation intersect, preserving cultural identity while enabling entrepreneurship and cultural and digital innovation. Much of this growth is driven by interconnected ecosystems of MSMEs, artisans, designers, animators, manufacturers, retailers, digital platforms, creative events and tourism, transforming local talent into products, content and experiences that reach national and international markets. Across Indonesian cities, creative hubs and curated pop-up markets illustrate how sustainable fashion, artisanal food and creative services are leveraging digital platforms to reach consumers, test products and build brands, creating an ecosystem that is increasingly integrated across online and offline spaces.

As this ecosystem matures, the creative economy in Indonesia is increasingly gaining global traction. Creative platforms such as Jakarta Fashion Week connect designers, artisans, manufacturers, buyers, media and international partners, helping creative businesses across Indonesia access regional and global markets, while strengthening the country's cultural identity abroad. This growing international profile is reflected in rising demand for Indonesian creative products across ASEAN and beyond, with exports reaching $31.9 billion in 2025.

Source: This case study was prepared by the United Nations Resident Coordinator's Office in Indonesia and shared with ESCAP on 26 June 2026.

3.4. The role of the Social and Solidarity Economy (SSE) and cooperatives

Cooperatives play a key role in the economies and societies across the Asia-Pacific region, and contribute towards key objectives of the Social and Solidarity Economy (SSE), a concept that has gained prominence. SSE, encompassing entities such as cooperatives, associations, mutual societies, foundations, social enterprises and self-help groups collectively holds potential to contribute to poverty reduction by implementing a set of principles and values such as care for people and planet, equality and fairness, interdependence, self-governance, transparency and accountability, and the attainment of decent work and livelihoods (ILO, 2022b). By doing so, SSE contributes to more inclusive and sustainable economic growth that balances economic objectives and social and environmental resilience while prioritizing participation, empowerment and collective action. In the context of the Asia-Pacific region, SSE shares the core identities of cooperatives including social, economic and democratic principles, while also seeking to seeking to strengthen their contribution towards broader sustainable development agenda (Iyer and others, 2021). While the strong people-, community- and member-orientation of cooperative models support local economic development and livelihood security, the SSE concept could potentially strengthen enterprise development and cooperation across the cooperatives, creating a more equitable environment and maximizing the broader poverty-reducing impact across society. Alongside growing recognition of SSE, an increasing number of governments are engaging cooperatives in social dialogue, and developing more comprehensive legal frameworks and targeted action plans to extend public policy support (ILO, 2022a).

3.4.1. Economic empowerment for poverty reduction

Opportunities for generating income through employment are among the ways in which cooperatives directly contribute to poverty reduction. Cooperatives make particularly important contributions to reducing poverty in the rural context through local economic and enterprise development, including through locally-driven solutions, participatory governance mechanisms and distribution of resources, as in the example of Cheab Samtipheap Satrey Klahan Agricultural Cooperative in Cambodia (**box 3.12**). Cooperatives enable members – often small-scale producers – to gain access to markets and investments, and foster entrepreneurship (A/80/168). The Uralungal Labour Contract Cooperative Society in India is one of the oldest labour cooperatives that has provided employment opportunities to more than 13,000 workers in the construction sector (ICA, 2025d). Subsequently, its expanded operation in the IT sector evolved into a hub of technology and innovation. In Kiribati, cooperatives have become a dominant business model since being introduced in the 1950s, creating opportunities for low-income households.[23] Today, cooperatives in Kiribati are engaged in a range of sectors such as copra, agriculture, fisheries, tourism (hotel operations), garment production, stevedoring, transport, land and building rentals, consumer goods and handicrafts. By pooling resources and coordinating economic activities, cooperatives have helped communities to increase economic participation, become financially resilient and reduce vulnerabilities.

Box 3.12. Strengthening women's leadership in agricultural cooperatives in Cambodia[a]

Agriculture is the backbone of the economy of Cambodia, employing approximately 75% of the population. Women comprise approximately 80% of the agricultural workforce, especially in farm management and animal husbandry.

The women-led Cheab Samtipheap Satrey Klahan Agricultural Cooperative operates in the Chiep Commune of the Teuk Phos District, Kampong Chhnang Province, Central Cambodia and aims to ensure stable livelihoods, fair living standards and reliable market access for its members. Most female members are engaged in agricultural activities such as palm sugar production, the sale and purchase of agricultural fertilizers, livestock raising and vegetable cultivation.

The cooperative contributed to poverty reduction efforts by supporting farmers' transition from traditional farming practices to sustainable and market-oriented approaches. Through an annual sale of approximately 20 tons of organic rice, 2 tons of palm sugar, 1–1.5 tons of vegetables and over 1 ton of chicken, approximately half of its members now earn between KHR 300,000 and 400,000 ($75-100) per month, compared with little or no income previously. Some members have been able to purchase land and pay for their children's college tuition. The cooperative has created employment opportunities for its members by involving them directly in cooperative-led business activities. Access to organic fertilizers supported increased production and reduced environmental pollution, while enhancing soil fertility and strengthening food safety and security in both domestic and international markets. In the recent years, Cambodia has strengthened the enabling ecosystem to develop agricultural cooperatives. In 2013, Cambodia enacted the Law on Agricultural Cooperatives that outlines a comprehensive legal framework for the formation, registration, governance, operation and dissolution of cooperatives, and laid the institutional groundwork for a modern cooperative sector.[b] Subsequently, the Ministry of

[23] This example was submitted by the Ministry of Tourism, Commerce, Industry & Cooperatives, Government of Kiribati, 2026.

Box 3.12. continued.

Agriculture, Forestry and Fisheries (MAFF) launched the Agricultural Cooperative Strategic Promotion Plan 2023–2030, seeking to strengthen cooperative governance, promote integration into value chains, enhance service delivery and promote public-private-producer models. Currently approximately 2,425 cooperatives are active in Cambodia including in agriculture, forestry and fisheries sectors.

[a] R. Sokhom, Asian Partnership for the Development of Human Resources in Rural Areas (AsiaDHRRA) and Food and Agricultural Organization of the United Nations (FAO), "Case study: Empowering women through responsible investment in agriculture and food systems", 2022. Available at https://www.asiadhrra.org/wp-content/uploads/2024/07/cambo-RuralW.pdf.

[b] International Cooperatives Alliance (ICA), "Cooperatives in Cambodia", 2025b. Available at https://icaap.coop/wp-content/uploads/2025/08/2025-Cambodia-Snapshot.pdf.

Cooperatives can help address multiple drivers of poverty and foster a process of social transformation that enhances capabilities and creates opportunities by facilitating access to basic services such as food, health and care services, education and training, housing and finance (ILO, 2022a). In Viet Nam, the Rach Gam Cooperative operates a modern shipyard for vessel construction and repair, generating annual revenue between $833,000 and $1.25 million (ICA, 2024). The cooperative also contributes to community welfare through the provision of scholarships, housing for low-income families and various social programmes.

3.4.2. Strengthening resilience through just and equitable governance systems

Based on the principle of solidarity, cooperatives empower individual members through self-help, self-responsibility, participatory decision-making, and equity and social responsibility (UNDESA and UNU-WIDER, 2025). The governance mechanisms facilitate cooperation between individual groups and create social networks, thereby enhancing human and social capital. As a result, members of cooperatives often attain higher social and economic outcomes than the national average, given the opportunity for members to benefit equally from these opportunities (A/78/187). In Malaysia, the MRSM Kepala Batas Cooperative in Pulau Pinang was established in 2007 as a school-based cooperative, with a membership of approximately 900 students and staff (ICA, 2025f). In 2014, the cooperative achieved MYR 1 million in business income, showcasing strong student engagement across several business ventures, including a Coop Mart that supplies essentials such as stationery, self-care items food, and printing services. It also operates laundry service, a café with catering and event space rental, graduation robe rentals and event management for school functions.

Drawing on the core values of social and distributive justice as well as democratic governance, cooperatives address multidimensional aspects of poverty among women, including through empowerment and reduction of socioeconomic inequalities (COPAC and ICA, 2025). The models often combine multiple interventions that support income-generating activities, training, skills development, mentorship and leadership in governance mechanisms. Beyond economic inclusion, cooperatives facilitate systemic change through mutual support, collective action and networking, and by addressing gender stereotypes.

In Mongolia, the Suun Dalai Tsaltsal Dairy Cooperative was established in 2013 to collect raw milk, process it into dairy products and sell these in shops and schools in Ulaanbaatar (ICA, 2023b). Women members were trained to improve the quality of dairy products and implement sanitation controls, expanding access to markets and increasing revenue. In Sri Lanka, the Women's Development Services Co-operative Society Ltd. promotes economic self-reliance and social progress, empowering over 150,000 members nationwide (ICA, 2025e). The cooperative supports financing, entrepreneurship development, health, disaster management, childcare, agriculture, housing, welfare, insurance and education, fostering teamwork and shared responsibility. Members contribute to a savings and insurance network, cultivating economic independence among women as well as sustainable community development.

3.4.3. Future-fit cooperatives

Cooperatives also build resilience to cope with the impacts of the climate crisis and environmental degradation. In Japan, the National Federation of Workers and Consumers Kyosai Cooperatives (Kokumin Kyosai Co-op) offers life, fire, natural disaster and automobile insurance products, as well as group life insurance and pension plans. Beyond these core products, the cooperative seeks to nurture social capital and mutual help in preparing for and managing natural disasters (ICMIF and UNDRR, 2020). Given reduced community interaction and participation amid rapidly changing socioeconomic dynamics in an ageing society, the cooperative contributes to enhancing the social fabric and reducing the risks of major disasters. Meanwhile, in Viet Nam, the Thanh Cong Waste Recycling Cooperative was established in 2002 to strengthen environmental sanitation through upgrading waste management practices, cleaning streets, maintaining sidewalks and collecting waste (ICA, 2024). In 2013, the cooperative invested $3.8 million to establish a waste incineration plant to reduce reliance on landfills, generating annual revenues of over $420,000 and providing employment and income for its members.

Supporting decent work standards and providing access to social protection could further the role of cooperatives in creating a just society. Cooperatives are often linked with self-employment and small-scale businesses that constitute the informal economy, where social protection coverage remains limited. India has demonstrated initiatives to enhance the contribution of cooperatives to poverty reduction by improving decent work and care services (**box 3.13**).

Box 3.13. The role of cooperatives in facilitating access to decent work, care services and social protection

In **India**, the Self Employed Women's Association (SEWA) is a trade union founded in 1972 in Ahmedabad, Gujarat, representing 3.2 million women in the informal economy,[a] including agricultural, home-based and domestic workers, and street vendors and waste pickers, among others. SEWA's work contributes significantly to poverty reduction and creates opportunities for decent work by supporting its members in forming cooperatives to access employment, social protection and income.

For example, SEWA supported the establishment of several waste pickers' cooperatives and entered into a contract with the Vejalpur municipality to provide door-to-door waste

Box 3.13. continued.

collection services to 45,000 households.[b] The municipality made an upfront investment to cover administrative costs and equipment purchases, as well as a monthly salary allotment of INR 1,125, while SEWA provided training on the use of protective equipment. The monthly earnings of member waste pickers increased approximately fourfold, from about INR 1,500 to INR 6,000. Scholarships for children were also provided. The programme also generated positive environmental externalities by recycling 70% of all waste and improving the occupational health of workers.

SEWA also set up the Sangini Child Care Workers' Cooperative, overseeing childcare centres in Ahmedabad that provide basic education and social skills, adequate nutrition and basic health services.[c] With centres caring for children during parents' working hours, working mothers were able to increase their number of working days and consequently their income. The programme also provided cooperative members with training, upskilling and employment opportunities to step up as the centres' childcare workers and administrative staff. Equipped with knowledge on children's health, nutrition, social development and early education, the childcare workers are perceived as leaders within their communities. The centres also serve as a public service access point for vaccinations, primary healthcare and nutritional advice for parents.

As such, SEWA contributes to the solidarity and empowerment of women in the informal economy, opening channels to engage with local and national governments to drive policy dialogues and reforms. With its large membership, SEWA is represented in the Standing Labour Committee at the national level, and is a member of the Employee State Insurance Corporation Board, Provident Fund Boards and the Town Vending Committees for street vendors.

[a] International Labour Organization (ILO), *Innovative approaches taken by workers' organizations in organizing, representing and providing services to workers in the informal economy to drive formalization* (Geneva, 2025b). Available at https://doi.org/10.54394/XMYR5951.

[b] L. Oates and others, *Reduced waste and improved livelihoods for all: Lessons on waste management from Ahmedabad, India.* Coalition for Urban Transitions (London and Washington, D.C., 2018). Available at http://newclimateeconomy.net/content/cities-working-papers.

[c] International Labour Organization (ILO) and Women in Informal Employment: Globalizing and Organizing (WIEGO), "Cooperatives meeting informal economy workers' childcare needs: A joint ILO and WIEGO initiative" (Geneva, 2018). Available at https://www.ilo.org.

Uzbekistan (ILO, 2026; Contribution from ILO, Geneva) is undergoing a significant transformation of its social protection and care delivery system in response to growing demographic pressures. Despite progress in early childhood education and community-based social services, women continue to perform the majority of unpaid care work, hindering their employment and economic empowerment. Currently, strict eligibility requirements limit access to the public social care system to specific categories, such as for older persons, persons with disabilities, orphans and children left without parental care, while others largely rely on working women to take on unpaid childcare and household work. Care cooperatives have been found to be largely absent from the national care landscape and legislative framework, despite their potential to formalize informal care workers, improve access to professionalized community-based care services, strengthen local ownership and contribute to the implementation of ILO Convention No. 156 on Workers with Family Responsibilities, ratified by Uzbekistan in 2024. Community-based models, such as *makhallas* (a neighbourhood community with self-governance),

organizations of persons with disabilities, parent networks and informal care workers, could also extend care services. Legal, institutional and financial support, together with professionalizing the care economy through standardization of care occupations and well-designed capacity-building programmes, could potentially enhance the contribution of care cooperatives.

By leveraging social capital and social norms, that shape the values of solidarity, mutual aid and reciprocity, cooperatives can play an important role in expanding social protection through awareness-raising, evidence gathering and participation, as well as collective registration initiatives (ILO, 2022c), particularly among underserved women in rural areas, youth, persons with disabilities and those in vulnerable situations. Access to income, social protection and care services could enhance decent work principles and standards and, in turn, enable access to a range of services including health, education, skilling, care and housing. In the Philippines, the CLIMBS Life and General Insurance Cooperative was established in 1971 to provide mutual protection to low-income groups generally excluded from the insurance market. It currently has approximately 4,000 member cooperatives with assets worth approximately $65.3 million, providing microinsurance to 1.7 million people. The CLIMBS Institute for Financial Literacy provides continuous education and capacity-building for cooperative leaders. More recently, cooperatives have extended services to young people, developed digital financial services and established weather index insurance to help build stronger and more resilient communities through trainings on business continuity planning (ILO, 2021b).

Weak legal and policy frameworks are among the key challenges hindering cooperatives in contributing more effectively to poverty reduction efforts. Cooperatives often lack resources, know-how or access to the finance needed for scaling operation, adopting new technologies, enhancing connectivity and integrating into markets and value chains (ILO, 2022a). Often marginalized from the policy processes, cooperatives may have weak bargaining power, which in turn limits their influence over shaping policy agendas and positioning themselves in emerging sectors. The contributions of cooperatives are also often overlooked or underreported due to limited available data (COPAC and ICA, 2025). Drawing on decades of experience, *Saemaul Undong* (New Village Movement) has made substantial contribution to reducing rural poverty in the Republic of Korea, as well as in Asia and Africa more broadly, but also demonstrates that replication is highly dependent on a range of variables, including the role of the central government, local capacities, institutional and financial support, and strategies to facilitate the inclusion of the poorest (Khan and Yun, 2025). The experience from Kyrgyzstan also sheds light as to how the ecosystem would need to be specifically tailored towards business models and governance systems of cooperatives, including through the provision of business support, policy and regulatory frameworks, and knowledge, capacity and market development (Beishenaly and Dufays, 2023). Similarly, in Uzbekistan, while the need for social protection and community-based care were identified as potential areas for policy reform – one where cooperatives could play a greater role in addressing the women's unpaid care – major challenges were also identified, including legal and regulatory gaps, limited infrastructure, insufficient training and care standards, fragmented self-employment arrangements and the absence of a dedicated legal framework for social enterprises and SSE entities (ILO, 2026).

Many countries in the Asia-Pacific region have taken steps to govern and foster the work of cooperatives and their contributions to socioeconomic development and poverty reduction. For example, the amended Cooperative Act (2009) in Bhutan positioned cooperatives as private, member-owned enterprises, enhancing their autonomy and operational flexibility (ICA, 2023a). Furthermore, its 2010 Cooperatives Rules and Regulations lay the foundations for legal registration, governance, financial management and monitoring, while positioning cooperatives as key to strengthening economic

development and social capital, in line with the country's gross national happiness (GNH) goals. Nepal adopted the Cooperatives Act in 2017, consolidating all prevailing laws on cooperatives across different sectors to promote their development within a federal structure (ICA, 2025g). The Act requires at least 33% representation of women on cooperative boards. As shown in **box 3.14**, Fiji has undertaken comprehensive legal and policy reforms to bolster the role of cooperatives and reduce poverty.

Box 3.14. Legal and policy reforms to scale cooperatives in Fiji

In Fiji, the Cabinet restructured the Cooperative Department in 2010 into a newly established Department of Cooperative and Small Businesses, placed under the then Ministry of Industry and Trade (MITT). The National Cooperative Policy, aimed at amending the Cooperative Act, was drafted in 2011 to revive the cooperative sector and establish new capital instruments. Alongside the promotion of newer sectors such as agriculture, fisheries and forestry, the Fijian Trade Policy Framework (2015–2025) also recognized the role of cooperatives in the economic, social, cultural and human capacity spheres. The 5-Year and 20-Year National Development Plan, initiated in 2017, promoted policies to strengthen the institutional capacity of cooperatives especially in agriculture, renewable energy and women's empowerment. Established through the 2024–2025 National Budget, the Co-operative Development Fund offered financial support of up to $43,240 to cooperatives registered under the new Co-operative Database and Co-operative Registration System. Fiji now has over 715 registered cooperatives across 15 sectors, collectively holding $151 billion in assets, while generating $26 million in revenue and $2.5 million in profits.[a] The scaling up of cooperatives has not only lifted many people out of poverty, but has also diversified the economy and promoted social inclusion, empowering women and young people in the process.[b] The Fiji National Development Plan 2025–2029 and Vision 2050 position cooperatives as an effective vehicle for enhanced community development.

[a] International Cooperatives Alliance (ICA), "Cooperatives in Fiji", 2025c. Available at https://icaap.coop/wp-content/uploads/2025/04/2025-Fiji-Snapshot.pdf.

[b] Fiji Global News, "Fiji's cooperatives reach 700+ and drive development", 27 August 2025. Available at https://fijiglobalnews.com/fijis-cooperatives-reach-700-and-drive-development.

Cooperatives in the Asia-Pacific region have proven to contribute to poverty reduction across a range of sectors and modalities. Across the examples highlighted in this section, cooperatives have demonstrated viable solutions to strengthen resilience, bridge policy gaps and address the drivers of poverty, especially in volatile contexts. Their unique governance mechanisms, founded on self-governance and participatory decision-making, along with the principles of solidarity, mutual aid, equality and fairness, enhance social capital and optimize opportunities. Strengthening the ecosystem comprised of policy and regulatory frameworks, capacity development, market integration and empowerment, and founded on the Social and Solidarity Economy framework, could enable cooperatives to further maximize their poverty-reducing impact.

3.5. Conclusion

This chapter has underscored how the Asia-Pacific region offers a wealth of proven and viable policy practices in poverty reduction, anchored in the shared vision and commitment towards optimizing human well-being. Building on this progress, the region is addressing a set of cascading crises and sweeping transformational changes through a set of common priorities, most notably: strengthening human capital, expanding the role of social protection, developing good job strategies, and fostering and strengthening the Social and Solidarity Economy.

Sustained investments in human capital – from foundational learning and digital skills to universal health and nutrition – increases productivity, builds resilience and breaks intergenerational cycles of poverty amid rapid technological, demographic and ecological transformations. Examples from countries across the Asia-Pacific region have demonstrated how co-benefits between environmental protection, economic growth and inclusive development are not a zero-sum game, but can deliberately enhance resilience, especially among the poorest and most vulnerable. The chapter also presented how comprehensive and integrated social protection systems play a preventive role in enabling equal access to a dignified life regardless of gender, disability, ethnicity or employment modality, forming part of governance mechanisms that optimize productivity and facilitate social mobility. A good job strategy aligned with decent work and active labour market policies enhances livelihood security and empowerment among women, youth and older people across rural and urban contexts amid ongoing transformations. Cooperatives, within the broader Social and Solidarity Economy concept, operationalize community-driven initiatives to bridge the economic, social and environmental objectives by expanding access to decent work, healthcare, education and care services, especially for women, rural populations and workers in the informal economy.

The policy practices and lessons from across the Asia-Pacific region underscore the need for bold policy decisions combined with mechanisms of participatory governance. Whole-of-society approaches align public, private and community actions around poverty reduction objectives. This involves institutionalizing mechanisms for collective bargaining monitoring and evaluation, and for prioritizing and designing policies. Such a people-centred agenda is essential for poverty reduction and for shaping pathways to inclusive, resilient and sustainable societies.