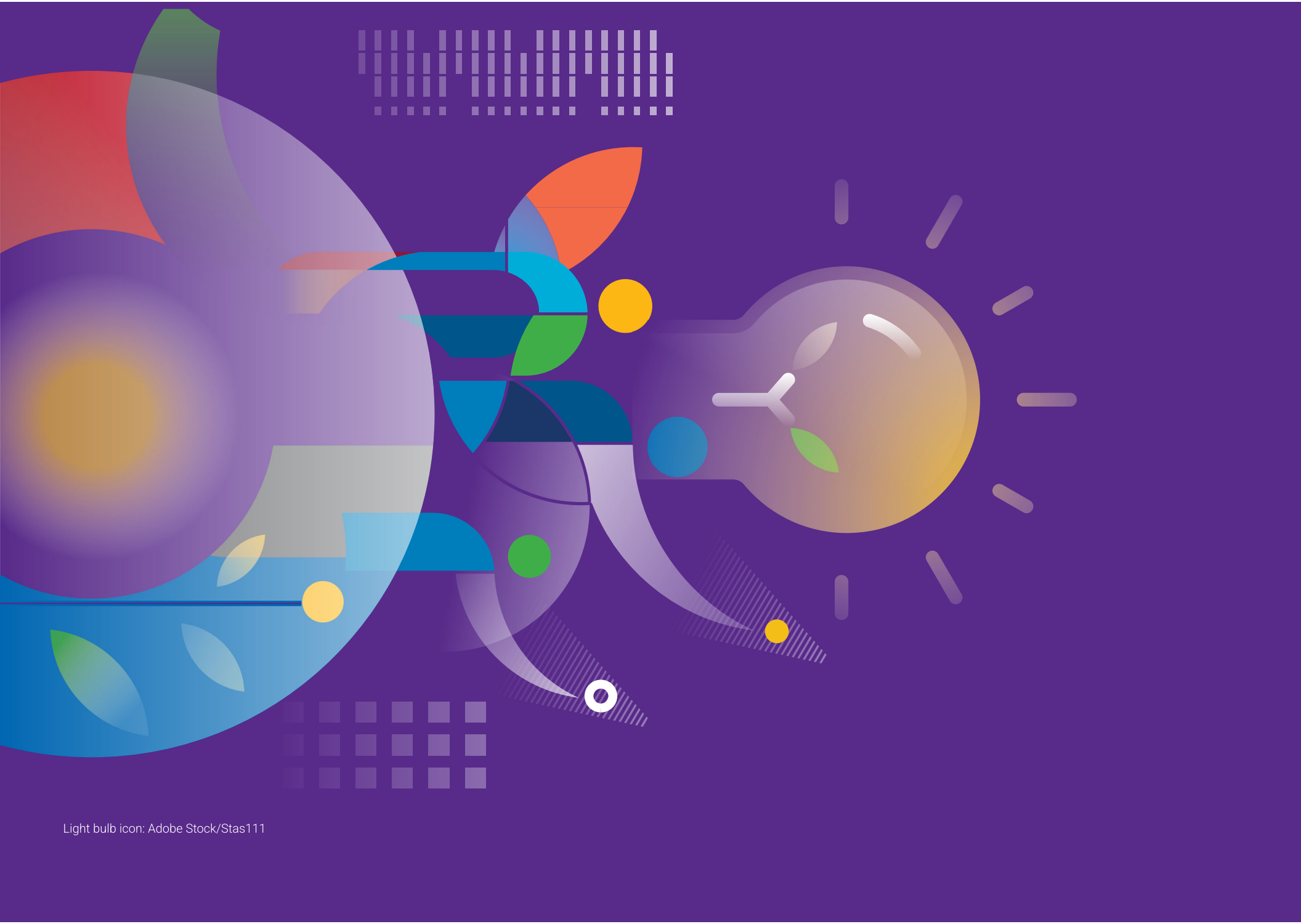


Light bulb icon: Adobe Stock/Stas111

Chapter 4

Recommendations



Eradicating poverty is fundamentally linked to empowering all people, regardless of who they are or where they come from. While individual efforts matter, poverty persists largely because structural barriers constrain equal opportunities throughout the different stages of life, causing disadvantages to accumulate over time. It is the role of public policy to eliminate such barriers. People, regardless of age, sex, disability status, migration status and ethnicity, must have the right and opportunity to build their human capital and secure sustainable livelihoods.

This report shows that despite significant progress in extreme poverty reduction in Asia and the Pacific, the challenge remains significant. By conservative estimates, there are still 190 million people living in extreme poverty. Millions more remain poor or vulnerable, exposed to shocks that can quickly reverse development gains. Only half of the regional population can be considered neither poor nor vulnerable. This underscores the scale of the unfinished poverty eradication agenda.

Empowering people has become even more critical in the 21st century, as major transitions are shaping economies and societies across Asia and the Pacific. The region is ageing rapidly, yet many countries are insufficiently prepared to harness the contributions of older persons and to meet the growing demand for care and support. Older women are at particular risk, given longer life expectancy and lower access to contributory pensions. At the same time, digitalization, automation and artificial intelligence are transforming the means of production, bringing uncertainty to labour markets and potentially widening prevailing inequalities. Climate change adds further pressures, affecting livelihoods and jobs as economies undergo a transition towards carbon neutrality. While most people in the region are exposed to climate change, the poorest and most marginalized have the least capacity to cope with sudden or slow onset climate events. In this context, empowering people is essential not only for poverty reduction, but also for building resilience in the face of global and regional shocks and transitions, and ensuring that no one is left behind.

The *Social Outlook for Asia and the Pacific* provides a comprehensive review of poverty in the region. It reviews trends, disaggregates and decomposes poverty to explore its drivers, and surveys inclusive policies and good practices across the region. Building on the evidence base as articulated in this 2026 edition of the *Social Outlook for Asia and the Pacific*, the following recommendations set out priorities to guide accelerated action for poverty eradication.

- **Invest in human capital across the life course.** Education systems must prioritize learning outcomes and the development of foundational skills, including digital literacy, by strengthening the quality of education and providing targeted support to learners from disadvantaged backgrounds. Countries should also continue to advance universal



health coverage to mitigate the pressures of out-of-pocket health spending, while improving equitable access to essential health services and adopting a multisectoral approach to address social determinants of nutrition and health. Integrated interventions in early childhood should be prioritized to lay solid foundations for lifelong learning and well-being, and break intergenerational poverty. In parallel, education, health and agrifood systems must become more climate resilient to safeguard human capital amid growing climate risks.

- **Build inclusive, comprehensive and future-fit social protection systems.** Social protection plays a vital role in reducing poverty, stabilizing economies and strengthening resilience by smoothing consumption and enabling households to invest in health, education and livelihoods. Experience from the COVID-19 pandemic and climate-related shocks demonstrates the importance of systems that can rapidly scale up in times of crisis. Governments should prioritize social protection across the life course complemented by multifaceted programmes that combine cash transfers with livelihood support, skills development, financial inclusion and employment programmes. Stronger policy coordination is needed to manage multiple and cascading risks.

- **Design and implement good job strategies.** Poverty reduction requires the creation of good, productive and inclusive jobs. Governments should promote measures that expand decent employment while ensuring that the workforce is equipped with the requisite skills. There is a strong role for the private sector, both MSMEs and entrepreneurs, as well as large enterprises to generate decent jobs. As the labour force is declining across the region, there is an urgent need to focus on the working-age population outside the labour force. Policies must address barriers preventing women, youth and persons with disabilities from entering formal labour markets, using tools such as active labour market policies and targeted sectoral strategies. A good job strategy should include investment in care economy infrastructure, both to generate employment and to remove the time-poverty constraints that keep women outside the labour market. Special attention should also be given to extending labour rights, social protection coverage and institutional recognition to the region's 1.3 billion informal workers. At the same time, such a strategy would prioritize investments and strengthen coordination with the private sector to absorb new entrants into the labour market.

- **Leverage cooperatives and the social and solidarity economy.** Cooperatives contribute to inclusive development and poverty reduction by creating decent work, generating income and expanding access to essential services such as food, healthcare,

education, housing, finance and social protection, particularly for informal workers, women, youth and rural communities. Through participatory governance, solidarity and collective action, they strengthen human and social capital and enhance resilience to climate and environmental shocks. Their poverty-reducing potential can be further realized through stronger recognition in legal and policy frameworks and integration into broader Social and Solidarity Economy strategies.

In addition, the following cross-cutting recommendations apply to all four pillars and underpin the proposed action areas above.

- **Strengthen data systems to measure and monitor poverty in all its forms and at all levels.** Nationally-representative household surveys conducted in regular intervals are essential to capture both monetary and multidimensional poverty. There is a need to continuously improve and update these metrics. Building on the global MPI, countries, especially middle-income countries, should develop national MPIs and regularly assess their multidimensional poverty profile. Robust data allows countries to track changes in the cost of basic needs in light of cascading shocks, assess deprivations and evaluate the effectiveness of policies. Comparing monetary and multidimensional poverty statistics that are appropriate for each country's level of development can provide evidence-based diagnosis of the challenges at national or subnational levels, along with key building blocks in developing appropriate solutions.
- **Design clear transition strategies once interim poverty reduction targets are met.** Measuring, analysing, disaggregating and monitoring poverty are crucial to evaluating policies and identifying effective interventions but reaching an interim target should not be treated as an end point. Governments should establish policy transition periods that adjust programmes and investments to a country's changing poverty profile, and provide fiscal safeguards to protect the resources needed to consolidate such gains. Without such measures, progress achieved against interim targets is vulnerable to be reversed during future shocks or from premature withdrawal of support.
- **Inform poverty reduction policies with comprehensive evidence.** Poverty is measured by alternative methodologies and at different thresholds with major implications for policymaking. Anchoring national poverty lines too low at the international extreme poverty line leads to exclusion of large segments of populations who should otherwise be considered poor and given access to relevant schemes and services. This is a particular challenge in upper-middle and high-income countries where poverty can become invisible. In 2024, 81% of the total population in Asia and the Pacific would be considered poor according to the recently proposed inclusive global poverty line of $21.50, which is a globally comparable upper bound beyond which monetary poverty may be considered eradicated (Pritchett and Viarengo, 2026). Governments should strengthen their capacity to generate and analyse a variety of poverty metrics, and ensure that results guide the design and implementation of policies ensuring that poor people are not excluded from relevant programmes and policies.
- **Adopt integrated and coordinated policy approaches.** Poverty is a multidimensional challenge shaped by intersecting economic, social and environmental factors. Comprehensive and integrated policy frameworks underpinned by strong institutions and effective governance are essential to advance growth, equity and sustainability. Given that high inequality significantly weakens the poverty-reducing effect of

growth, policies should not only target aggregate growth but also income and wealth distribution. Siloed policy responses lead to limited impact, particularly in a region where climate change, digitalization, demographic trends and urbanization intersect within complex geopolitical tensions, potentially leaving the groups in vulnerable situations further behind. Aligning objectives across sectors can maximize poverty-reducing and re-distributive impacts even under economic uncertainty and spending pressures.

- **Strengthen regional collaboration for the implementation of integrated policies to eradicate poverty.** Strengthening regional collaboration is essential to accelerate poverty eradication in Asia and the Pacific, given the transboundary nature of many of its drivers. ESCAP is uniquely positioned to support member States by convening dialogue, fostering knowledge exchange and promoting coordinated action across interconnected policy domains. Regional collaboration, including with other intergovernmental organizations, in areas such as social development, macroeconomics, energy, trade, climate action, disaster risk reduction and infrastructure development can accelerate the design and implementation of integrated and inclusive poverty reduction strategies. Trade and the integration of MSMEs into regional value chains, as well as portability of social protection are among the clearest cross-border channels through which regional cooperation could help reduce poverty. Regional cooperation platforms, such as the ESCAP Action Plan to Strengthen Regional Cooperation on Social Protection, facilitate knowledge exchange and scale effective policy approaches on social protection across countries. By leveraging regional public goods,[24] such as data platforms, risk assessment tools and policy frameworks, ESCAP, in collaboration with governments and other stakeholders, can help translate shared regional solutions into nationally-adapted and evidence-based policies and implementation plans, ensuring that progress toward poverty eradication is inclusive, resilient and sustainable.

[24] More information on these platforms is available at the following links: The Leave No One Behind Platform is available at https://lnob.unescap.org/; the Risk and Resilience Platform is available at https://rrp.unescap.org/; the SDG Gateway is available at https://data.unescap.org/; the Asia-Pacific Energy Portal is available at https://asiapacificenergy.org/; the Demographic Changes in Asia and the Pacific platform is available at https://www.population-trends-asiapacific.org/.