

Introduction

Eradicating poverty remains the defining development challenge of our time. Doing so requires empowering people to build secure livelihoods, access opportunities and exercise agency over their lives.

Despite decades of progress, poverty persists in Asia and the Pacific at a scale and with a complexity that demands renewed attention and collective action. While extreme poverty has declined substantially, many more remain vulnerable, are falling back into poverty and are deprived of health, education, nutrition and housing. Recent years have made clear that poverty reduction gains are reversible, raising concerns of a 'lost decade' for inclusive development if decisive action is not taken now.

At the global level, there is renewed political recognition that poverty eradication is central to sustainable development. The *Pact for the Future* reaffirms poverty eradication in all its forms and dimensions as a foundational priority for advancing sustainable development. The Doha Political Declaration of the "World Social Summit" under the title "the Second World Summit for Social Development" similarly underscores the urgency of accelerating poverty eradication and emphasizes that "poverty eradication, promotion of full and productive employment and decent work for all and social integration, are interrelated and mutually reinforcing". Together, these commitments recognize that ending poverty must go hand in hand with empowering people – economically, socially and politically – to participate fully in development.

This renewed attention comes at a moment of heightened uncertainty. Poverty dynamics in Asia and the Pacific are shaped by multiple and cascading crises, including the COVID-19 pandemic, cost-of-living pressures, and climate change and environmental degradation, further compounded by geopolitical conflicts and instability. Debt servicing pressures and a sharp decline in official development assistance are further constraining the fiscal space available for poverty reduction in many countries.

In this context, the ongoing crisis in Western Asia has sparked new concerns about potential poverty impacts across the wider region. Disruptions to energy markets, fertilizer markets, trade routes and remittance flows risk increasing inflation and economic volatility, with disproportionate effects on low-income households. While the longer-term implications of the crisis in Western Asia are still unfolding, it highlights how external shocks can quickly translate into heightened vulnerability, underscoring the importance of building resilience, and investing in and empowering people.

These developments reinforce the need to understand poverty as a multidimensional and dynamic phenomenon. How poverty is defined and measured has far-reaching implications for setting policy priorities and allocating resources. Monetary measures alone cannot capture the depth of deprivation, persistent vulnerabilities or the structural and intergenerational factors that keep people poor. Recognizing this, this report discusses different measures of poverty, including monetary and multidimensional approaches, to better understand the diverse realities of poverty across countries and population groups. In particular, the report applies nationally anchored hybrid poverty lines alongside absolute international poverty lines, enabling more accurate comparisons across countries at different income levels and capturing the large population that is poor or vulnerable but not captured by extreme poverty thresholds.

The complexity of poverty requires integrated policy approaches. Poverty outcomes are shaped simultaneously by economic growth and its distribution; access to decent work, housing, education and health services; environmental sustainability; inclusivity across age, gender and disability; social protection systems; security; and the quality of governance. Therefore, fragmented and siloed approaches to poverty eradication cannot optimize poverty-reducing effects. Sustained progress depends on coherent strategies that align economic, social and environmental objectives, strengthen institutions and expand people's capabilities and resilience over the life course. Such resilience depends not only on protective systems, but also on empowering people and communities with the capabilities, resources and voice needed to withstand and adapt to shocks.

This edition of the *Social Outlook for Asia and the Pacific* contributes to these debates in several important ways. First, it moves beyond a narrow focus on extreme monetary poverty to examine poverty broadly along with vulnerability and multidimensional deprivations, which affect a much larger share of the population. Second, it applies complementary analysis, disaggregating poverty to demonstrate how poverty outcomes vary with thresholds and how overlapping disadvantages leave certain groups persistently behind. Third, the report places particular emphasis on the structural and institutional drivers of poverty, moving beyond descriptive trends to examine why poverty persists and why progress often slows or reverses. Fourth, the report strengthens the link between analysis and action by examining social policy pathways that not only reduce poverty, but enable people to build human capital, secure decent work, manage risks and participate meaningfully in society.

- **Chapter 1** examines poverty and inequality trends in Asia and the Pacific. It analyses monetary poverty using absolute and hybrid poverty lines, and highlights the persistence of moderate poverty and vulnerability. It then presents a regional overview of and trends on multidimensional poverty. The chapter features deeper country-specific analyses leveraging national survey data to spotlight variation in poverty prevalence within countries and identifies the shared circumstances of furthest-behind groups.
- **Chapter 2** takes a human rights-based approach to explore factors that drive poverty and mediate inequitable outcomes, as well as opportunities to strengthen the effectiveness of poverty reduction efforts in the Asia-Pacific region. It explores persistent human capital deficits that are compounded by structural transitions in the labour market, digital transformation and population dynamics, as well as by climate change and environmental degradation, that can lead to exclusion and ultimately undermine poverty reduction efforts.
- **Chapter 3** focuses on policy lessons in the region and forward-looking pathways, assessing strategies centred on decent work, human capital development, social protection and cooperatives, with attention to integrated and scalable approaches.
- **Chapter 4** sets out policy recommendations to accelerate poverty eradication in Asia and the Pacific through integrated and people-centred approaches. It emphasizes stronger regional cooperation to address the multidimensional and evolving nature of poverty while building resilience to economic, social, demographic and climate-related challenges.

Together, these chapters underscore a central message: despite major achievements over the past few decades, poverty reduction is at risk of stalling due to intersecting structural drivers, widening inequalities, and eroding fiscal capacity, and reversing this requires national action that moves beyond a growth-centred approach. Translating this ambition into impact therefore requires integrated national action, strengthened regional cooperation and sustained commitment to decent work, human capital development, inclusion and the empowerment of people as agents of their own development.



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