



On the road to the Second World Summit for Social Development

Contributions from
the regional
commissions



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This publication was prepared under the coordination of José Manuel Salazar-Xirinachs, Executive Secretary of the Economic Commission for Latin America and the Caribbean (ECLAC), in his capacity as coordinator of the five regional commissions of the United Nations in 2024. The document was authored by the Economic Commission for Africa (ECA), ECLAC, the Economic and Social Commission for Asia and the Pacific (ESCAP), the Economic and Social Commission for Western Asia (ESCWA) and the Economic Commission for Europe (UNECE).

Unless otherwise indicated, reference to regions in this document pertains to the membership of the regional commissions of the United Nations and the regions they cover.

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Summary

On the road to the Second World Summit for Social Development: contributions from the United Nations regional commissions

The present summary synthesizes the key regional insights and policy recommendations presented in the joint document of the five regional commissions, which will serve as an input for the preparatory process of the Second World Summit for Social Development. The joint document covers social development challenges, policy developments and policy lessons in five key areas, namely poverty, inequality, labour inclusion, education and health, with a gender perspective incorporated throughout.

The joint document underscores the need to strengthen social policies and tailor them to a risk structure reconfigured by global crises. Alongside high levels of poverty, inequality and informal employment, profound transformations in demographics, climate, technology and the labour market are under way. Complementary actions beyond social policy are also needed, as progress is equally crucial in the economic and environmental dimensions. **Regional frameworks and agreements have been instrumental in driving social policy change and must continue to be leveraged, including in the universalization of social protection systems and in the areas of migration, labour inclusion, taxation and resource management, to achieve shared growth and stability.**

Common messages and recommendations from the five regions

- 1. Eradicating poverty and hunger must be prioritized in alignment with redoubled policy design efforts to advance towards inclusive social development. While all five regions have made visible progress in extending social protection to vulnerable groups, further efforts are needed to build universal, resilient and gender-sensitive systems that address risks throughout the life cycle.**
 - **Close coverage gaps.** Increase funding, with a focus on informal workers, women, migrants and other vulnerable groups, and prevent inefficiencies caused by fragmented and overlapping programmes.
 - **Strengthen legislative and policy frameworks on social protection.** Ratify and implement international conventions.
 - **Think long-term.** Engage in strategic foresight and ensure the long-term sustainability of social protection systems and comprehensive care policies, including for ageing populations.
 - **Integrate social protection with climate resilience.** Align social protection systems with climate adaptation and mitigation strategies to reduce climate-related vulnerabilities and address climate risks.
- 2. Reducing multidimensional inequality, including gender inequality, is an inclusive social development priority that demands comprehensive policies.**
 - **Reform taxes.** Address structural inequalities through progressive taxation and equitable public social spending.
 - **Redistribute unpaid care work between men and women.** Implement labour market and social protection reforms, and design and implement care policies to address the needs of those who require care and those who give it.

- **Promote women's leadership and inclusion.** Tackle social norms and foster women's representation in leadership roles through quotas and supportive workplace policies.
 - **Eliminate the digital divide.** Invest in digital infrastructure and skills development, and regulate artificial intelligence to ensure fairness, inclusivity and respect for human rights.
- 3. In a context of significant global challenges and transformations, improving education enrolment rates remains essential yet insufficient for the achievement of inclusive social development.**
- **Leverage digital technology.** Expand the use of digital tools to enhance education access and quality, emphasize the importance of digital literacy and access to science, technology, engineering and mathematics (STEM) education and address gender barriers in these fields.
 - **Transform vocational learning.** Invest in technical vocational education and training programmes aligned with labour market demand, in particular in the green and digital economies.
 - **Boost education quality and outcomes.** Increase education expenditure to meet global averages, foster critical thinking and support lifelong learning initiatives.
 - **Strengthen early childhood development.** Develop comprehensive systems that integrate income protection, health, nutrition, care policies and education to support parents and ensure child well-being.
- 4. In all five regions, a sustained commitment to health as an essential public good has resulted in progress across health indicators and on inclusive social development. It is essential, however, to strike a balance between health coverage, sufficiency of entitlements and financial sustainability.**
- **Invest in universal healthcare.** Develop resilient healthcare systems and invest in health infrastructure and workforce capacity, emphasizing primary healthcare and universal access, in particular for underserved and rural populations.
 - **Integrate social services.** Strengthen preparedness for health crises and combine healthcare with social protection measures to address multidimensional vulnerability.
 - **Support ageing populations.** Promote healthy lifestyles, expand contributory and non-contributory pension systems and build comprehensive care systems to enhance older persons' quality of life while cultivating intergenerational solidarity.
- 5. Efforts that go beyond traditional active labour market policies are required to address current inclusive social development challenges, including job informality and skills shortages.**
- **Reduce informality.** Simplify tax compliance, strengthen enforcement measures and expand social protection coverage for workers to facilitate their transition to formal employment.
 - **Maximize job creation.** Stimulate long-term private sector investment and diversify economies to create sustainable employment opportunities.
 - **Promote green and digital jobs.** Focus on reskilling workers for emerging industries, such as renewable energy and technology-driven sectors.
 - **Foster labour inclusion.** Remove legal and structural barriers limiting the participation of women and other groups in the workforce, and create opportunities for women, young people, older persons and persons with disabilities.
 - **Ensure a just transition.** Implement active labour market policies, including unemployment entitlements and upskilling and reskilling initiatives, to address potential employment losses due to the impact of climate change on key sectors, such as agriculture and tourism.

- 6. In view of the narrowing fiscal space in many developing countries, it is essential to improve the sustainability and effectiveness of policies for inclusive social development and social spending.**
- **Build stronger institutions and encourage meaningful participation.** Ensure strong political commitment, the active participation of communities and stakeholders, broad public support and the presence of capable and accountable institutions governed by transparent regulatory frameworks.
 - **Enhance governance.** Improve data systems and strengthen long-term planning and foresight capabilities for more effective policymaking and implementation.
 - **Break silos.** Promote cross-sectoral coordination and robust social dialogue mechanisms.
- 7. Faced with a deteriorating global economic climate, developing countries cannot foster inclusive social development without assistance; strengthening multilateralism under a renewed global partnership is essential.**
- **Promote regional cooperation.** Align policies on migration, labour inclusion, taxation and resource management to achieve shared growth and stability.
 - **Pursue multilateral agreements.** Strengthen global fiscal compacts and innovative mechanisms, such as carbon taxes and debt swaps, in a renewed spirit of solidarity to leave no one behind and address shared challenges, including financing universal social protection systems and tackling the impacts of climate change and rising debt levels.

Social development challenges and policy developments in the five regions

I. Africa

A. Social development challenges

- **Poverty.** Although extreme poverty rates have declined, 36% of sub-Saharan Africa's population remains in extreme poverty. Rural populations and children are disproportionately affected: 70% of the world's rural extreme poor reside in sub-Saharan Africa, and Africa accounts for 71% of child poverty, mostly in rural areas.
- **Inequality.** Africa is one of the most unequal regions, with 75% of income concentrated in the hands of the richest 11%. Gender disparities persist, with women disproportionately engaged in unpaid work and facing limited access to education, healthcare and economic opportunities.
- **Health and education.** Health systems suffer from weak infrastructure and workforce shortages, especially in rural areas. Education faces challenges in quality and access, with only 10% of African learners achieving basic literacy by age 10.
- **Labour market.** Youth unemployment and underemployment are rampant in Africa, which accounts for 62% of the world's working poor. Informality dominates the labour market, with informal sectors representing more than 70% of employment (excluding farming).
- **Climate vulnerabilities.** Africa contributes minimally to global emissions, but climate-related disasters' disproportionate impact on the region exacerbates poverty.

B. Recent policy developments and best practices

- **Social protection.** Programmes like the micro-pension plan in Nigeria and the Takaful and Karama initiatives in Egypt offer income support to vulnerable populations. Adaptive social protection mechanisms, such as the expanded social registry in Mauritania, enhance resilience to crises.

- **Health access.** Community-based health insurance schemes in Rwanda and the United Republic of Tanzania have improved access to affordable healthcare. Reproductive health policies in Ghana have increased contraceptive use, reducing maternal mortality.
- **Education initiatives.** Free primary and secondary education programmes in Kenya, Ghana and Uganda aim to improve access and retention. Conditional cash transfers like the Tayssir programme in Morocco have boosted school attendance, in particular among girls.
- **Job creation.** Programmes such as the Advancing Decent Work and Inclusive Industrialization Programme in Ethiopia and the Jobs Open to Youth programme in Kenya focus on creating employment and enhancing skills for young people and women.
- **Economic empowerment.** Continental action, such as the African Trade Exchange Platform and African Continental Free Trade Area initiatives, foster inclusive development and reduce poverty.

II. Latin America and the Caribbean

A. Social development challenges

- **Poverty.** A reversal of earlier progress on poverty and extreme poverty began in 2015, owing to economic slowdowns and the coronavirus disease (COVID-19) pandemic. In 2023, the proportion of the regional population living in poverty fell to 27.3%, and the extreme poverty rate was 10.6%. Indigenous Peoples, Afrodescendants, women, children and the rural population are disproportionately affected.
- **Inequality.** Latin America and the Caribbean remains the most unequal region in terms of income, with a Gini index of 46.4 in 2020. Heterogeneous sectoral productivity, segmented labour markets, regressive tax systems, limited social protection policies, weak education and vocational training systems and persistent gender disparities are among the structural factors that perpetuate inequality.
- **Labour market informality.** Informality affects around 48% of jobs, with a disproportionate impact on young people and women, exacerbating vulnerability and limiting access to social protection.
- **Health and education.** Uneven health outcomes and educational disparities highlight structural weaknesses. Institutional weaknesses in health systems, chronic underfunding and high out-of-pocket health expenditures deepen inequalities. Key challenges include reducing gaps and inequalities in education coverage and completion rates and improving the quality and relevance of education to reduce dropout rates.
- **Social protection systems for inclusive social development.** The region has made significant progress in building comprehensive social protection systems, including a marked expansion of non-contributory programmes, but access to social protection remains segmented, with persistent coverage and sufficiency gaps and financial sustainability challenges.

B. Recent policy developments and best practices

- **Social protection expansion.** Non-contributory cash transfers, including conditional cash transfers, have been broadly expanded in the region, with a range of positive impacts. In 2022, 27.1% of the regional population lived in recipient households. Non-contributory pension system coverage has increased by more than 27 percentage points in two decades, helping to reduce poverty and increase pension coverage for older persons.
- **Labour market inclusion.** Active labour market policies have been expanded, and monotax systems in Argentina, Brazil, Colombia and Uruguay have simplified tax payments for informal workers, supporting formalization and expanding social security.

- **Health initiatives.** Countries like Chile and Colombia emphasize primary healthcare to bridge health and social services, reducing inequality and enhancing inclusivity.
- **Education reforms.** Policies to curb dropout rates, such as early warning systems and targeted grants, have improved retention. Introducing technology into education processes and technical and vocational education programmes is a key strategy that needs to be strengthened.

III. Asia and the Pacific

A. Social development challenges

- **Poverty and inequality.** The COVID-19 pandemic reversed decades of poverty reduction, pushing an additional 42 million people into extreme poverty by 2022. The more than 500 million people living in multidimensional poverty lack access to basic opportunities. Income and wealth inequalities remain severe, with Gini coefficients for wealth ranging between 0.7 and 0.9.
- **Demographic transitions.** Rapid ageing in the region poses challenges for economic growth, healthcare systems and social protection, and support for older persons is often inadequate.
- **Labour market informality.** Informal employment leaves two thirds of employed individuals vulnerable to economic shocks and without access to social protection.
- **Gender disparities.** Women's labour force participation remains 30 percentage points below men's, and this is compounded by the fact that women disproportionately bear the burden of unpaid care and face limited access to STEM education.
- **Climate vulnerabilities.** Climate change exacerbates risks for low-income and informal workers, intensifying food insecurity and climate-induced migration.
- **Health and education.** Malnutrition affects over 370 million individuals, and stunting and wasting rates among children are high. While education completion rates are also high, gender bias persists in STEM fields, and rural-urban divides impact access.

B. Recent policy developments and best practices

- **Social protection.** Countries like the Philippines and Thailand have expanded contributory schemes for informal workers, while Fiji has integrated climate considerations into its public work programmes.
- **Gender equality.** China piloted a modified social health insurance contributory mechanism that expands coverage to unemployed, self-employed and informally employed women. Australia has developed programmes to support gender-responsive STEM education.
- **Labour reforms.** Initiatives in Indonesia and Pakistan ensure occupational safety for domestic workers. India, Pakistan and Timor-Leste have undertaken reforms to extend minimum wage guarantees for domestic workers. China implemented active labour market policies to support workers following the far-reaching environmental policy reforms prompted by severe drought and floods in the late 1990s.
- **Health and care policies.** Countries like Cambodia and Türkiye emphasize active ageing strategies and community-based healthcare for older persons. Integrated approaches address non-communicable diseases and maternal health gaps.
- **Safe, orderly and regular migration.** Countries in South-East, South and South-West Asia have eliminated worker-paid recruitment fees, digitalized recruitment processes and adopted stricter enforcement measures to regulate the recruitment industry.

- **Education access.** Programmes in Fiji and the Philippines improve menstrual health facilities in schools to increase girls' retention rates. Digital learning tools have expanded education coverage in remote areas.
- **Climate-responsive programmes.** School meal programmes in India integrate climate resilience, and in Nepal, the national Social Security Allowance Programme has been utilized as an anticipatory measure in regions affected by unseasonal rainfall and flooding.

IV. Arab region

A. Social development challenges

- **Poverty and inequality.** Rising extreme poverty rates—from 7.2% in 2015 to 18.3% in 2023—have been exacerbated by conflict, economic crises and inadequate social protection. Only 34.7% of the region's population is covered by at least one social protection programme. The Gini index for wealth is 74.3.
- **Labour inclusion and gender disparities.** Of the five regions, the Arab region has the highest unemployment rate (10.9% in 2023). Unemployment among women is 19.5%, far above the global average of 5.8%. Women perform 80%–90% of unpaid care tasks, and their labour force participation rate remains very low at 20%.
- **Conflict and displacement.** Conflict affects 39% of the region's population, displacing millions and disrupting development efforts. In 2020, the region hosted nearly 41.4 million migrants and refugees.
- **Health and education gaps.** Undernourishment affects 14% of the population, and health coverage is both limited and characterized by high out-of-pocket expenditures. While primary school enrolment rates have improved, proficiency in reading and mathematics lags behind global averages.
- **Climate vulnerabilities.** Rising temperatures and water scarcity intensify food insecurity and displacement, especially in countries with limited adaptive capacity.

B. Recent policy developments and best practices

- **Social protection.** Reforms aimed at enhancing coverage include the Universal Health Insurance Law in Egypt and targeted cash transfers in Morocco under the Tayssir programme. Unified social registries in countries like Jordan and Tunisia facilitate entitlement distribution.
- **Gender inclusion.** Legal frameworks addressing violence against women, including in the home and online, are gaining traction in countries like Tunisia and the United Arab Emirates. Flexible work policies and childcare subsidies aim to increase women's labour force participation.
- **Education and skills.** Reforms include modernized curricula, STEM-focused programmes and technical and vocational education to align skills with labour market needs. Informal education initiatives support displaced and out-of-school children.
- **Health initiatives.** Primary healthcare models, such as those in Egypt and Saudi Arabia, focus on underserved areas. National strategies address non-communicable diseases and promote digital health solutions.
- **Conflict resilience.** Adaptive policies, such as frameworks for reintegrating displaced persons in Somalia, aim to stabilize populations post-conflict.

V. United Nations Economic Commission for Europe (UNECE) region

A. Social development challenges

- **Poverty and inequality.** Extreme poverty is rare, but at least 10% of people live below national poverty lines, with higher rates observed in the Balkans, Eastern Europe and Central Asia. Many countries have multidimensional poverty rates above 20%, and vulnerable groups like women, children, Roma and migrants are disproportionately impacted.
- **Labour market disparities.** Informal employment remains prevalent in agriculture and among young people, women and older persons in Central and Western Asia. Unemployment rates for young people (15–24 years of age) are double the rates for older workers.
- **Gender gaps.** Women’s labour force participation is 17 percentage points lower than men’s, with persistent gender pay gaps and underrepresentation in leadership. Women also shoulder a disproportionate burden of unpaid care work.
- **Ageing populations.** Population ageing is putting pressure on pension systems and healthcare. Ensuring access to quality long-term care and safeguarding the long-term coverage and adequacy of pensions are growing challenges in the region.
- **Education and skills.** Worsening education performance and low participation in education and training throughout the life cycle limit access to decent work. Disparities in education according to immigration status and socioeconomic status persist.

B. Recent policy developments and best practices

- **Social protection.** In several European countries and Canada, pensions and income support for low-income older persons have been enhanced. The European Child Guarantee ensures access to healthcare, education and housing for vulnerable children. Climate-resilient social programmes in Uzbekistan and other Central Asian countries mitigate risks for vulnerable populations.
- **Gender equality.** A pay transparency directive adopted by European Union countries in 2023 aims to close gender pay gaps, and Azerbaijan and Kazakhstan have removed restrictions on women’s access to certain jobs. Measures to combat gender-based violence have expanded across the region.
- **Labour market inclusion.** Initiatives like the Youth Guarantee of the European Union provide training and apprenticeships for young people. Countries are investing in lifelong learning and age-friendly workplaces to retain older workers.
- **Healthy ageing.** Integrated health and social care systems, including in Albania and Finland, address ageing needs, and long-term care improvements target affordability and quality.
- **Education and digital inclusion.** The voluntary teacher certification programme in Armenia certifies teachers who have upgraded their skills; the Digital Angel project in Germany trains older adults in technology and intergenerational programmes in Lithuania promote digital literacy.

Introduction

This joint document of the five regional commissions will serve as an input for the preparatory process of the Second World Summit for Social Development, which is to be held in 2025. It provides a diagnostic overview of social development issues across the regions using a unified framework, comprising an analysis of the main social development challenges, a comprehensive review of policies and best practice examples in each region for addressing inclusive social development, and a synthesis of policy lessons for the future from a regional perspective. The chapters focusing on the specific regions are followed by a concluding chapter with recommendations in preparation for the upcoming World Summit.

The First World Summit for Social Development was held in Copenhagen in 1995. For the first time, the countries of the world recognized the importance of social development and people's well-being in the international agenda and met to agree on its priorities. The Copenhagen Declaration on Social Development and Programme of Action of the World Summit for Social Development included 10 commitments, placing people at the centre of development. Those commitments included poverty eradication, promoting the goal of full employment, promoting social integration and non-discrimination, the respect for human dignity and achievement of equality and equity between men and women, universal and equitable access to quality education, the highest attainable standard of physical and mental health, and access to primary healthcare for all people (United Nations, 1995).

Important progress has been made in these areas of social development over the past three decades. Nonetheless, despite the consensus reached in Copenhagen, subsequently translated into the Millennium Development Goals (2000) and then into the Sustainable Development Goals (2015), progress towards them has been slow. Several factors are at play, including the multiple ongoing global crises that have created new obstacles to achieving those commitments. The 2030 Agenda for Sustainable Development is a key global instrument to face this scenario: its plan of action for people, planet and prosperity has the potential to transform our world, placing inclusive social development at its centre.

The transition to inclusive social development, a concept that has gained prominence in global and regional development discussions, broadens the concept of social development, recognizing that equity and inclusion are fundamental elements in ensuring the sustainable well-being of the entire population. This concept combines an approach that seeks both economic growth and well-being, as well as a reduction in the structural barriers that perpetuate inequality and exclusion and hamper social mobility. Inclusive social development, therefore, responds to the need to promote social protection policies that ensure that all people, especially the most vulnerable, participate in and benefit from social and economic progress. Their recognition and participation are also inherent dimensions to this concept (United Nations, 2016; ECLAC, 2024a). However, to achieve societies with reduced inequalities and where social justice and non-discrimination are the norm, it is imperative to reaffirm global commitments to multilateral and cooperative actions. This is a major task in light of the current global context.

In 2022, it was estimated that 9% of the world's population, equivalent to 712 million people, lived in extreme poverty with less than 2.15 dollars per day in purchasing power parity terms, an increase of 23 million people compared to 2019. It is expected that 590 million people may still live in extreme poverty by 2030 if current trends persist (United Nations, 2024a). In 2023, more than 700 million people faced hunger (9.1% of the population), a significant increase compared to 2019, when the figure was 7.5%. In 2022, almost one of every four children under five (22.3%) were stunted, with 45 million children suffering from severe acute malnutrition and 37 million overweight (United Nations, 2024a). Conflict and social and institutional instability in recent years threaten to worsen living and welfare conditions.

The climate crisis is increasing poverty and vulnerability, demanding urgent attention on the part of social protection systems (ILO, 2024). The year 2023 was the warmest ever recorded, with global temperatures rising close to the 1.5°C lower limit of the Paris Agreement (United Nations, 2024a). In 2023, the world was struck by 399 natural disasters, resulting in 86,473 deaths and economic losses equal to US\$ 202.7 billion (CRED, 2024). The World Bank's climate risk indicator reveals that almost one fifth of the global population (17.9%) is at high risk from climate-related hazards (World Bank, 2024). Furthermore, ongoing transformations —such as those occurring in the world of work, the digital transformation, and demographic, epidemiological and nutritional transitions— may bring along new opportunities, as well as reconfiguring hazards (ECLAC, 2024b).

In response to concerns about the slow and uneven progress in social development and the persistence of significant gaps, in 2024 the General Assembly decided to convene the Second World Summit for Social Development in 2025 (United Nations, 2024b). This will be a strategic platform to reaffirm the importance of placing people at the centre of development, alongside renewing the 1995 Copenhagen Declaration on Social Development and Programme of Action about the centrality of multilateral cooperation. The United Nations has a fundamental role to play by bringing together Member States and the international community under this mission. Through its commissions, agencies and funds, the United Nations offers a strategic space for reflection, dialogue and strengthening the trust and commitment needed to achieve consensus to renew efforts towards inclusive social development.

“This would be an opportunity to hold a different form of global deliberation and to live up to the values, including trust and listening, that underpin the social contract. The Summit outcome could be an update of the 1995 Copenhagen Declaration on Social Development, covering issues such as universal social protection floors, including universal health coverage, adequate housing, education for all and decent work, and give momentum towards achieving the Sustainable Development Goals” (Guterres, 2024).

The Second World Summit for Social Development set for 2025 will generate spaces to forge agreements that drive the profound transformations required to advance inclusive social development. Key areas of focus will include expanding social protection and the welfare state; the reduction of inequality and increasing social mobility and cohesion; the strengthening of access to quality education for all and broad access to vocational training; and the promotion of progress towards gender equality and the care society. These challenges, as well as solutions, are transboundary and therefore the regional commissions have an important role to play in the follow-up to the agreements reached at the Summit.

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CHAPTER



Africa

Africa is a continent of contradictions: it is home to around 20 billionaires, and to more than half the world's poor. The seven richest Africans possess more wealth than the poorest 50% of the population. A continent with enough arable land to feed the entire world has more than half of its own people facing food insecurity. What makes matters worse for Africa is that the depth of poverty is so great that unless consistent efforts are made to ensure "no one is left behind", most Africans will continue to rise marginally above the poverty line during good times, only to fall back when negative shocks hit the continent.

Beyond circumstantial factors, such as exposure to shocks, several structural factors have contributed to the persistence of poverty in recent decades. These include the limited impact of economic growth on poverty reduction, tight fiscal space, global financial and trade barriers, food insecurity and ongoing conflicts and insecurity (ECA, 2022). Additionally, Africa's structural transformation has not been accompanied by productivity gains in agriculture and other sectors: rather, it has primarily been the result of a reduced share of labour in the agricultural sector and increased demand for goods and services produced in the economy's more modern sectors (Diao, McMillan and Rodrik, 2017; Diao, Harttgen and McMillan, 2017). In that situation, people living in poverty in Africa remain trapped in a vicious cycle of poverty driven by limited access to basic social services such as health, education, social protection, energy, sanitation, clean water, infrastructure and decent employment opportunities.

Global mega-trends present both challenges and opportunities for Africa. On the demographic front, Africa will have the youngest population by 2050 as the rest of the world ages. This means Africa will have the labour force numbers, but it will be necessary to build capacities and to provide the job opportunities that are essential for addressing unemployment and reducing poverty. While Africa contributes the least to climate change, it is the region of the world most affected by it. Here, thanks to green minerals, it can help the rest of the world to find solutions to fight climate change. Given the fast pace of urbanization, African cities need to be better planned to harness its benefits. Lastly, the technological revolution can be used to improve the efficiency of government services.

At the current juncture, Africa has the ingredients for success. It commands 65% of the world's arable land, 40% of its solar irradiation potential, 30% of its mineral reserves, 71% of global cobalt production and 77% of global platinum and thus has great potential to generate sovereign wealth to pay for all its needs. A continent so rich cannot afford to let anyone be poor. What it needs is inspiring leadership, inclusive institutions and tailored economic and social policies that ensure inclusion and upward mobility for current and future generations.

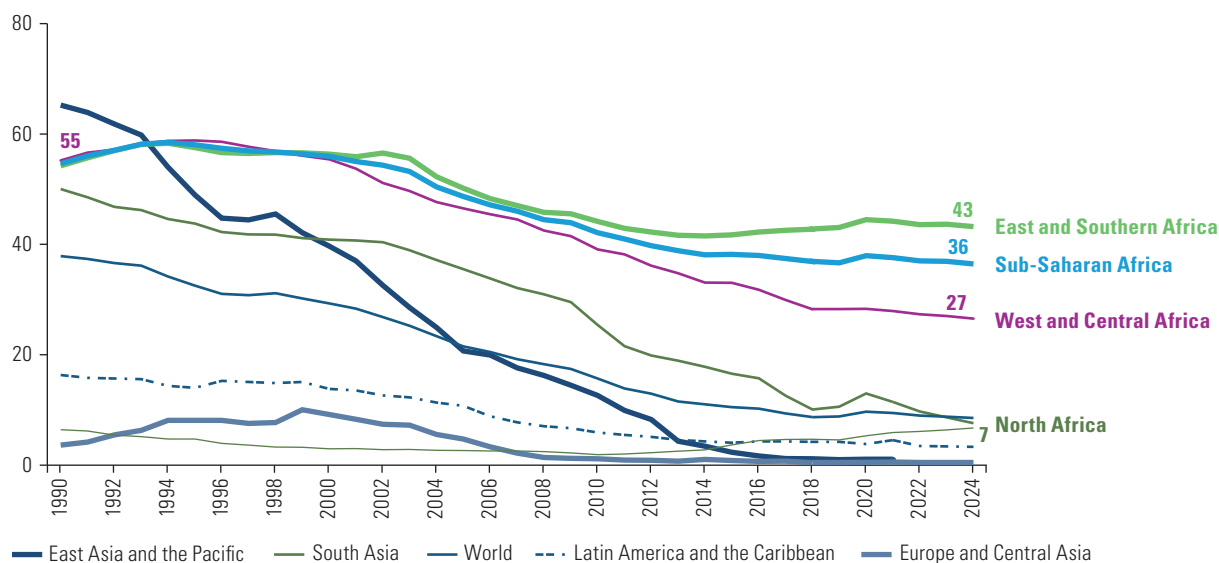
A. Main social development challenges

1. Poverty in Africa is pervasive, with rural areas and children bearing the brunt

Extreme poverty in Africa has declined in line with the global downward trend (see figure I.1), yet the number of Africans living below the extreme poverty line is still high (see figure I.2). In 2024, it remained high in sub-Saharan Africa (36%), while North Africa reported a relatively low figure of close to 7% (see figure I.1). Eastern and Southern Africa's poor population (43%) is much higher than that of sub-Saharan Africa (36%), while West and Central Africa have a lower share (27%). In contrast, extreme poverty rates in North Africa are low.

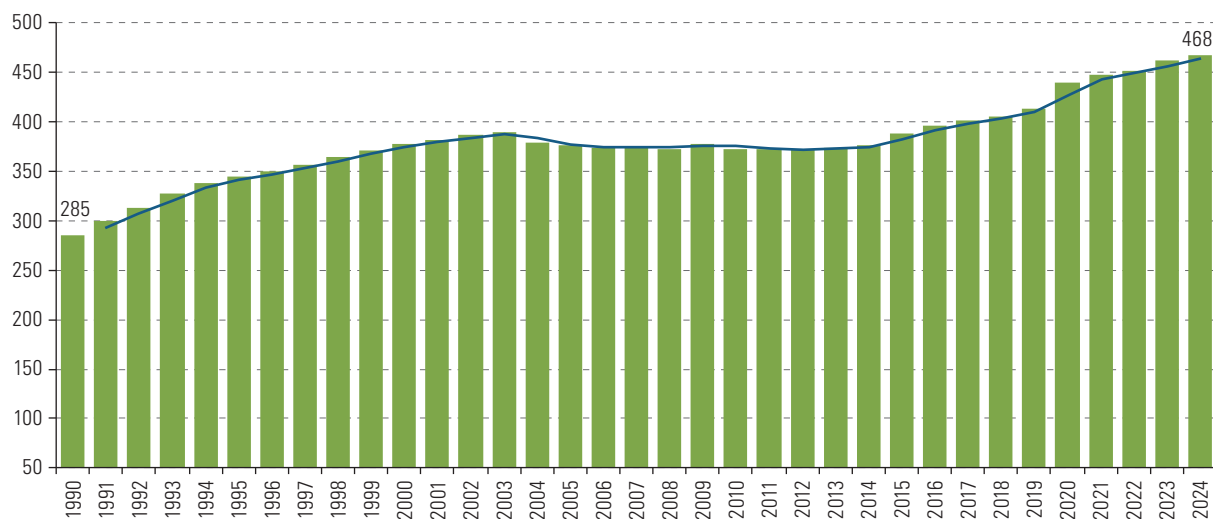
Owing to recent multiple and overlapping crises, an estimated 468 million Africans are currently living in extreme poverty, up from 285 million in 1990 (see figure I.2). Moreover, 55% of global poverty is concentrated in Africa (ECOSOC, 2024). Unsurprisingly, much of this extreme poverty is in least developed countries, driven by conflicts, droughts, floods and other crises. Conversely, the 10 African countries with the lowest poverty rates, except for Mauritania and Senegal, are all middle-income countries.

Figure I.1
Global and regional poverty rates, 1990–2024
(Percentages)



Source: World Bank, "Poverty and Inequality" [online] <https://datatopics.worldbank.org/world-development-indicators/themes/poverty-and-inequality.html>.

Figure I.2
Headcount poverty in Africa: people living below poverty line of US\$ 2.15 a day, 1990–2024
(Millions)



Source: World Bank, "Poverty and Inequality" [online] <https://datatopics.worldbank.org/world-development-indicators/themes/poverty-and-inequality.html>.

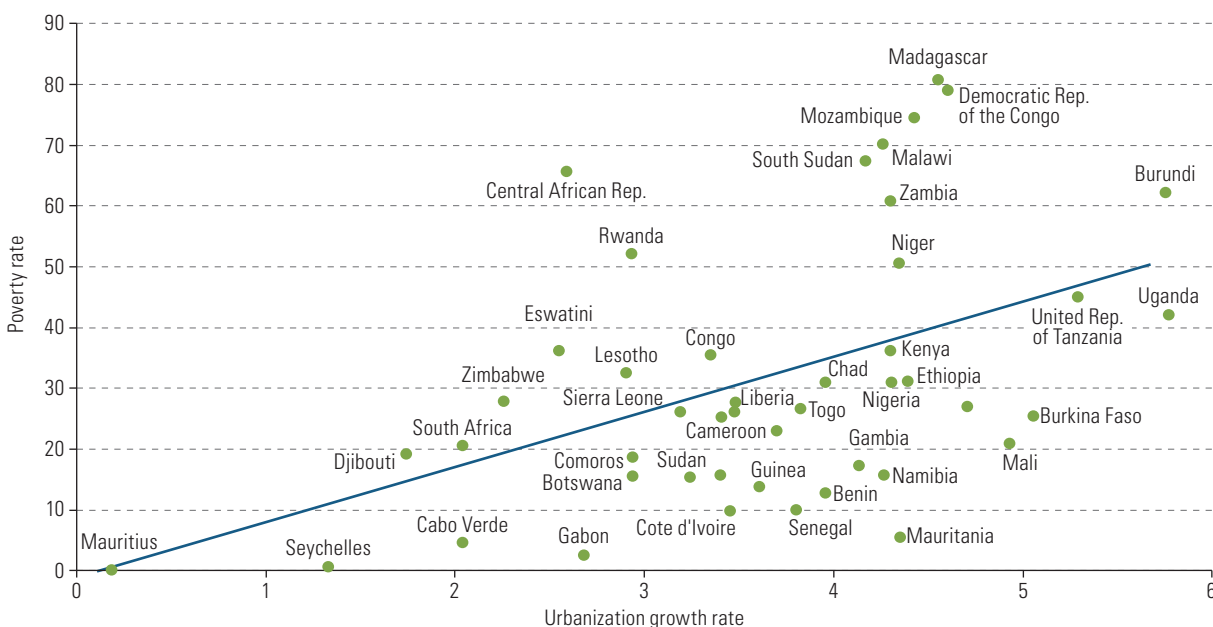
Poverty has worsened with rapid urbanization and high levels of inequality. Spatial and demographic dimensions shape this extreme poverty.

- (i) **Rural:** Sub-Saharan Africa accounts for 70% of the world's extreme rural poverty (IFAD, 2021). Even as global rural poverty is expected to decline, Africa's share is forecast to rise to 85% of the total by 2030 (Di Nucci and others, 2020). This is also linked to food insecurity. In 2022, sub-Saharan Africa had the world's highest incidence of moderate or severe food insecurity, at 67.2%.
- (ii) **Urban:** At the same time, rapidly urbanizing cities, home to 45% of the population, are becoming hotbeds for poverty. Not surprisingly, in the last decade, rapid urbanization has occurred in parallel with growing poverty (see figure I.3), with vulnerable households bearing the brunt. Countries

with urban population growth rates exceeding the continental average (3.3%) face higher rates of poverty. Furthermore, estimating urban poverty is difficult owing to the lack of a harmonized definition of what constitutes an urban area.

- (iii) **Children:** Even though the proportion of children living in extreme poverty in Africa fell from 45% in 2013 to 40% in 2022, the continent accounts for 71% of children living in poverty worldwide, most of them in rural areas.
- (iv) **Women:** With the exception of North Africa, where the rate is less than 10%, Africa's subregions report high rates of women living in extreme poverty, with East Africa having a female poverty rate of over 55% in 2024.

Figure I.3
Average urbanization growth and poverty rates, 2015–2020
(Percentages)



Source: World Bank, "Poverty and Inequality Platform (PIP)" [online] <https://pip.worldbank.org/home> [accessed in September 2024] and United Nations, *World Urbanization Prospects: The 2018 Revision*, New York, 2019.

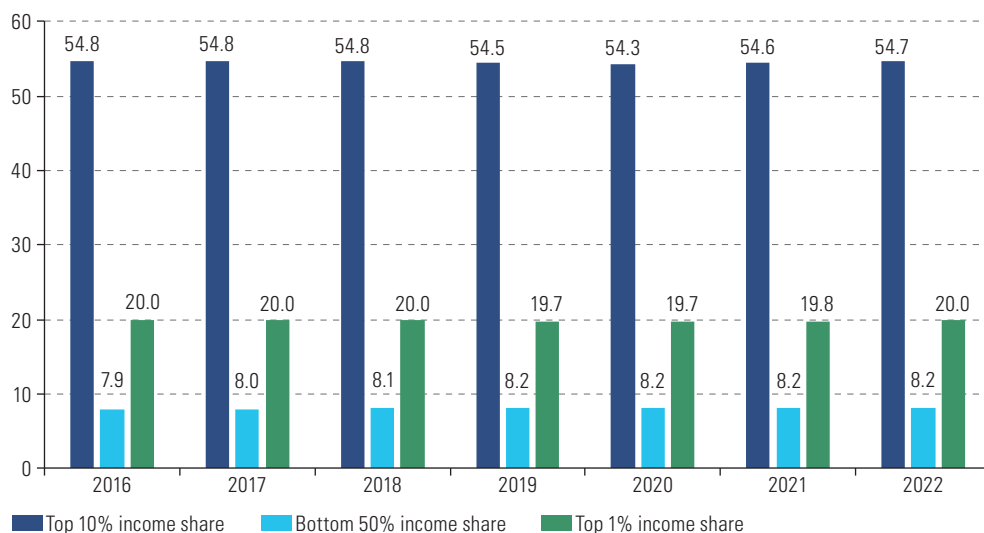
The numbers cited above reflect only economic poverty, and the picture is grimmer when deprivations across various dimensions —such as health and education— are included. Thus, the multidimensional poverty index that had declined in some countries prior to the pandemic reversed those gains in its aftermath. It should be noted that multidimensional poverty rates run high in Africa, and it is more widespread than monetary poverty. Moreover, half of the world's multidimensionally poor (534 million) live in sub-Saharan Africa (UNDP/OPHI, 2023). Compounding this, in every country in Africa, both the incidence and the intensity of multidimensional poverty are higher in rural areas than in the cities.

2. High levels of inequality exacerbate the impacts of widespread poverty

Despite robust economic growth in Africa over the past two decades, its benefits have not accrued equally. Roughly three quarters of Africa's income accrues to the top 11% of earners while the bottom 50% controls less than a tenth (see figure I.4).

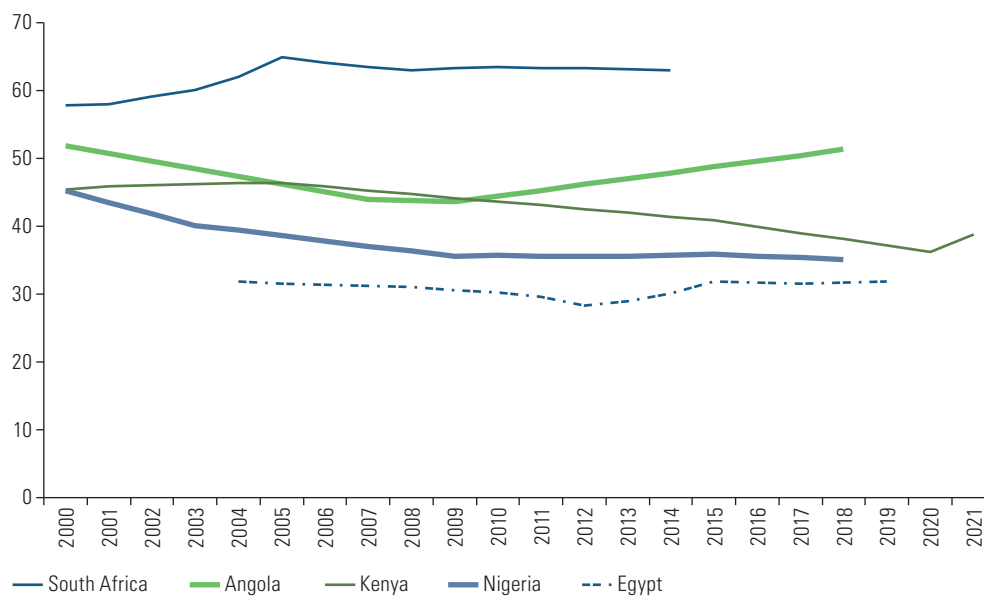
Income inequality is highest in Southern Africa, which accounts for 9 of the 15 most unequal countries. For instance, South Africa and Angola have high levels of inequality compared to countries in other subregions (see figure I.5). Inequality in Kenya and Nigeria is higher than in Egypt.

Figure I.4
Africa: share of income, by income group, 2016–2022
(Percentages)



Source: World Bank, "Poverty and Inequality Platform (PIP)" [online] <https://pip.worldbank.org/home> [accessed in September 2024].

Figure I.5
Selected countries in African subregions: income inequality, 2000–2021
(Gini coefficient)

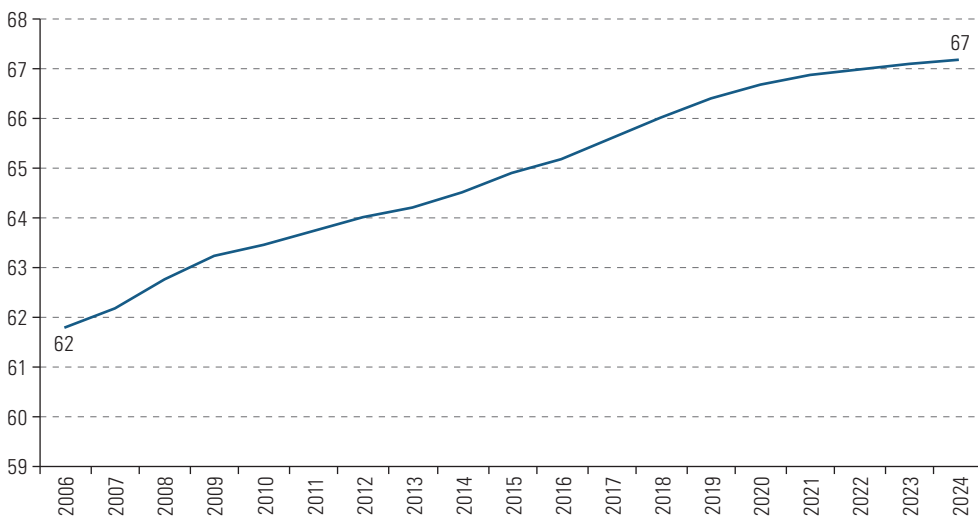


Source: World Bank, "World Development Indicators" [online] <https://databank.worldbank.org/source/world-development-indicators> [accessed in September 2024].

High levels of inequality have created two starkly different worlds: one where the rich live in luxury, and another where the majority lives in informal settlement slums, often lacking access to such basic services as clean water, shelter and sanitation. In 2020, an average of 40% of the urban population lived in informal settlement slums and, for some countries, the figure was over 60% (Angola, Benin, Chad, the Comoros, the Democratic Republic of the Congo, Guinea-Bissau, Ethiopia, Liberia, Madagascar, South Sudan and the Sudan).

Despite recent progress, gender inequality remains a challenge in Africa. The gender parity score improved from 62% in 2006 to 67% in 2024 (see figure I.6), but only 16 countries have scores above 70% (WEF, 2024).

Figure I.6
Global gender gap index for Africa, 2006–2024
(Percentages)



Source: World Economic Forum (WEF), *Annual Report 2023–2024*, Geneva, 2024; *Global Gender Gap Report 2023*, Geneva, 2023; and *Global Gender Gap Report 2024*, Geneva, 2024.

Women continue to have unequal access to education, healthcare, employment opportunities and decision-making roles. Gender inequality and poverty are pervasive in Central Africa in large part owing to its high levels of violence and political instability, which disproportionately affect women. Women perform disproportionate amounts of unpaid work —such as collecting water and fuel and caring for young children, older persons and the ill— which leaves insufficient time in the day for paid work, and this phenomenon is even more pronounced in rural areas.

3. To build an inclusive society, Africa requires a healthy and a well-educated labour force

Significant progress has been made in improving healthcare in Africa, thanks to greater access to medical attention and insurance and the expansion of universal healthcare, which have contributed to higher life expectancies and lower rates of infant mortality in the last six decades. However, high out-of-pocket expenses, particularly for the poor, contribute to health inequalities, as do a lack of access to healthcare facilities and insufficient numbers of health professionals in rural areas and in urban slums.

More than 70% of African countries lack a skilled health workforce (WHO, 2023), which contributes to inadequate healthcare access for an estimated 80% of Africa’s rural population (Patel, 2020). In 2020, over 95% of urban residents were within a 30-minute distance from a health post, compared to around 65% in rural villages and the three-hour journeys faced by between 10% and 15% of the population. In 2016, only about 53% of rural dwellers had a nearby health clinic, compared to 74% in urban areas (Florio, Freire and Melchiorri, 2023; Armah-Attah, Selormey and Houessou, 2016). Moreover, health systems in rural areas suffer from limited primary care services, weaker referral systems and inadequate health infrastructure. The lack of access to electrification and unreliable power supplies further impact the delivery of quality health services, with inequalities in health not only undermining health outcomes for rural populations but also generating poorer overall results.

While Africa has made significant strides in education, quality remains a concern as many graduates still lack the skills required for employment. Primary level enrolment stood at 99% in 2022, making primary school education almost universal. School completion rates, however, remain low. In 2022, there was a 26% gap between enrolment and completion rates at the primary level across Africa (UNESCO, 2024).

At the same time, the gross secondary school enrolment rate of 53% (UNESCO, 2024) conceals wide regional and gender disparities. In 2022, North Africa's gross enrolment rate of 82% was almost twice as high as in sub-Saharan Africa (45%). The gender gap in gross secondary education enrolment in Africa has narrowed but still stands at an average of -1.7%. Illiteracy among young women (aged 15–24) is high, exceeding 50% in Africa.

Although Africa has made considerable strides in reducing the gender gap in educational outcomes, closing the gender gap by 91% in 2024, the continent ranks lower in educational attainment than other regions. According to *Global Gender Gap 2024: Insight Report* (WEF, 2024), unequal access to opportunities has aggravated the gender gap, and the situation is often worsened by legal systems, societal norms and discriminatory policies that remain prevalent in many African countries.

The coronavirus disease (COVID-19) pandemic also set progress back, as prolonged school closures left millions without access to education, with female students again more severely affected. In 2021, 98 million children in sub-Saharan Africa were out of school and the female out-of-school rate was 4.2 percentage points higher than the male rate (UNESCO, 2022). Owing to the loss of income that resulted from the pandemic, household spending decreased drastically (Hague, Quarles van Ufford and Muchabaiwa, 2023), which contributed to a rise in dropouts and a fall in the average number of years of schooling.

Additionally, learning outcomes reveal that only 10% of learners in Africa can read a simple text by age 10. According to Benveniste and Mpemba (2023), children in Africa are at least five times less likely to learn the basics than those living elsewhere. This means that millions of children are living without the skills they need to succeed in life and work. At the same time, many young people feel that their education or vocational skill set do not equip them with the relevant competencies for the job market and the needs of the twenty-first century.

Spending on both education and healthcare in Africa remains below the levels recommended by the United Nations Educational, Scientific and Cultural Organization (UNESCO) and the World Health Organization (WHO). Despite the commitment made under the Paris Declaration (2021) pledging to allocate between 4% and 6% of GDP or between 15% and 20% of total public expenditure to education, Africa has only marginally satisfied these requirements since 2015. Under the Abuja Declaration on HIV/AIDS, Tuberculosis and Other Related Infectious Diseases (2001), African countries committed to allocate at least 15% of their budgets to health spending. The figure has remained well below that, however, with countries in or at risk of debt distress allocating an average of 7.3% to the health sector in 2020.

4. A poorly prepared workforce faces challenges in the labour market

More than half of Africans live in extreme poverty, and having a job does not guarantee a way out of that situation. Africa is home to 62% of the world's working poor, with more than 145 million people living in poverty despite being employed (ECA, 2023). At present, the continent accounts for only 7.8% of global wage employment, despite containing 14.3% of the global labour force (Bhorat and Oosthuizen, 2020). According to the International Labour Organization (ILO, 2015), decent work and productive employment are the key factors in reducing poverty. This makes creating decent work opportunities an immediate priority.

Even as the continent is home to the youngest and most rapidly growing labour force, almost 13 million young people are unemployed and nearly 60 million young people are not in employment, education or training (NEET) (ILO, 2023). To capitalize on the demographic transition that its burgeoning youth population represents, Africa requires some 15 million new decent jobs every year (IMF, 2024).

Urban-rural dynamics also contribute to the high levels of informality and job insecurity in Africa's labour market (Gammarano, 2019). The reduction in the proportion of people employed in the agricultural sector has led to a rise in informality, with a significant number of small enterprises that do not provide formal wage employment, and around 70% of employment (outside of farming) is estimated to be in the informal sector, mainly in traditional, non-tradable, and low-productivity services sector such as retail trade. For the 8 million to 11 million young people who join the workforce each year, only 3 million jobs are made

available (World Bank, 2023). Of that total, only 20% of jobs are in the formal sector (Coulibaly, Gandhi and Mbaye, 2019). Informal work is accompanied by underemployment and low quality, highly vulnerable work. Poor working conditions, low wages and precarious tenure all lead to highly vulnerable situations. In Africa, more than 65% of workers are in vulnerable employment—more than double the number in regular employment—with African women facing considerably more vulnerabilities (Gammarano, 2018). Additionally, underemployment for the world’s youngest labour force poses threats for the social fabric of our global society in an increasingly connected world.

Social protection can alleviate the precarious conditions of the labour force. However, it is often tied to formal employment and funded through taxes and employer contributions and generally excludes workers in the informal sector. In Africa, only 17.4% of people receive at least one social protection benefit, compared to a global rate of 47% (ILO, 2022).

Box I.1

Social development in South Africa: progress and challenges

South Africa, an upper-middle-income country, is Africa’s largest economy, with a per capita gross national income of US\$ 15,570 in 2023. Despite this, stark disparities still exist that shape its social development.

Poverty in South Africa is high. In 2024, extreme headcount poverty (US\$ 2.15 per person) stood at 21.6%, and at the US\$ 3.65 per-day level the figure was 34.4%; thus, over half the population was living in poverty. The challenge of achieving Sustainable Development Goal (SDG) 1, “End poverty in all its forms everywhere,” is apparent. South Africa is one of the most unequal countries in the world, with a Gini coefficient of 0.63.

South Africa has high levels of unemployment. The 2022 rate of almost 29% was the continent’s highest. The proportion of young people not in employment, education or training (NEET) is alarmingly high, exceeding 30% in 2022.

While progress has been made in several gender equality measures, seen in the number of women in leadership positions and in the closing gender education gap, gender inequality persists in employment. While the gap in the female-to-male labour force participation rate has narrowed, female unemployment levels at 30% in 2022 exceeded male unemployment (27% in 2022), while female youth unemployment remains higher than male youth unemployment.

With 67% of its population currently living in urban areas—a figure projected to increase to 80% by 2050—South Africa is highly urbanized. Despite the notable improvements in access to water and sanitation and the decline in the urban squatter settlement slum population from 27% in 2000 to 24% in 2024, high unemployment and crime rates highlight ongoing challenges.

South Africa has made significant progress in education, and it has achieved SDG targets on both the literacy rate (98%) and in secondary school completion, while primary school enrolment, which reached 92% in 2021, is almost universal. South Africa’s spending on education—as a share of both GDP and government expenditure—contributes positively in this regard. Similarly, considerable improvements have been made in reducing infant and maternal mortality and the incidence of tuberculosis, HIV and non-communicable diseases. While government spending on health is one of the highest in Africa at 9% and 69% of the population has healthcare coverage, challenges remain in ensuring service coverage.

Progress has been made in social protection. Almost half the population (49%) is covered by one social protection benefit. There are cash transfers to reduce extreme poverty, child support grants and conditional transfers to promote access to education, aiming to respond to the needs of children, young people, women and other vulnerable groups.

South Africa’s social development challenges underscore the need for inclusive economic growth that can create jobs and reduce inequality. While significant investments have been made in social protection, health and education, efforts need to be made to create jobs that reduce poverty, strengthen skills development and improve infrastructure to address the group inequalities that remain evident.

Source: International Labour Organization (ILO), “Statistics on unemployment and labour underutilization” [online] <https://ilostat.ilo.org/topics/unemployment-and-labour-underutilization/>; World Bank, “Unemployment (%)” [online] <https://genderdata.worldbank.org/en/indicator/sl-uem-zs>; United Nations Human Settlements Programme (UN-Habitat), “South Africa” [online] <https://unhabitat.org/south-africa>; J. D. Sachs, G. Lafortune and G. Fuller, “South Africa”, *The SDGs and the UN Summit of the Future: Sustainable Development Report 2024*, Dublin University Press, 2024; and J. D. Sachs, G. Lafortune and G. Fuller, “South Africa: Sub-Saharan Africa”, *The SDGs and the UN Summit of the Future: Sustainable Development Report 2024*, Dublin University Press, 2024.

B. Policy developments and best practices to respond to the challenges

Since 2020, the Secretary-General of the United Nations has called for “a New Social Contract within societies [that] will enable young people to live in dignity; will ensure women have the same prospects and opportunities as men; and will protect the sick, the vulnerable, and minorities of all kinds” (Guterres, 2020). Africa can build new social contracts by ensuring that the most vulnerable are cared for (providing social protection, health, education) and that more opportunities are created for all.

At the continental and global levels, some initiatives have been taken that may bring about more inclusive development in Africa. These include:

- Africa’s Pharma Initiative, which aspires to leverage the African Continental Free Trade Area for pooled procurement, local pharmaceutical production and standards and quality medicine,¹ and is intended to address the shortages of pharmaceuticals that disproportionately affect the poor while building productive capacities through job creation and the development of skills in the pharmaceutical sector. Its objective is to convene and enable stakeholders to pilot selected strategies for improving access to reproductive, maternal, newborn and child health (RMNCH), essential medicines and related commodities across selected geographical areas in Africa.
- The African Trade Exchange Platform, an initiative of the Economic Commission for Africa and the African Export-Import Bank, in collaboration with the African Union and the African Continental Free Trade Area Secretariat, was established to purchase commodities (agricultural products and inputs) at favourable prices. As a business-to-business and business-to-government digital marketplace, the Exchange aims to enable pooled procurement of basic commodities to ensure countries have transparent access to scarce supplies. By integrating suppliers, especially small businesses and small and medium-sized enterprises, the Exchange has the potential to foster a more inclusive development path and can contribute to reducing poverty and inequality across African countries.
- The United Nations Global Accelerator on Jobs and Social Protection for Just Transitions, launched in September 2021 to accelerate progress with Sustainable Development Goal 1 in Africa by tackling the root causes of poverty, is mobilizing investments in the green, digital and care economies to create millions of decent jobs for vulnerable groups, thereby boosting incomes, extending social protection and building resilience against shocks. The Accelerator’s goal is to establish national financing frameworks and mobilize public and private domestic and international resources to extend social protection to 4 billion people and create 400 million new decent jobs by 2030.
- Initiatives aimed at economic empowerment have gained traction. Programmes like the African Development Bank’s “Feed Africa” strategy promote women’s roles in agriculture and food production. By providing access to credit, training and resources, these programmes help women to become economic agents, thus reducing gender gaps in income and employment.
- The 1979 Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) and the 2003 Protocol to the African Charter on Human and Peoples’ Rights on the Rights of Women in Africa (Maputo Protocol) are in place to tackle gender disparities. By June 2023, the Maputo Protocol had been ratified by 44 African Member States.
- The African Education, Science, Technology, and Innovation Fund, an initiative of the African Development Bank, offers a high potential for employment and wealth creation. Aimed at contributing to industrialization and economic transformation to achieve the 2030 Agenda for Sustainable Development and the African Union’s Agenda 2063, it has been established to address shortfalls in education funding.

¹ Pooled production aims to establish regional pooled procurement centres of the selected RMNCH pharmaceutical drugs and products. Local pharmaceutical production aims to facilitate and advocate for local production of pharmaceutical drugs and products. Standards and quality medicine aims to ensure quality standards of medicines and products in partnership with relevant African Union Congress (AUC) Agencies (ECA, n/d).

At the country level, where high levels of poverty and inequality combine with a high share of informal workers in the labour force without access to social protection, the imperative is to reduce this vulnerability by ensuring social protection for workers. In this vein, cash transfer programmes have been instituted in many countries. For instance, Tunisia's National Assistance Programme for Needy Families, Morocco's Tayssir and Daam programmes, and Egypt's Takaful and Karama initiatives provide income support to poor households, and older persons, persons with disabilities, and orphans, respectively. The United Republic of Tanzania's Productive Social Safety Net programme, which includes a Conditional Cash Transfer, Public Works and Livelihood Enhancement initiative, reaches over 1.4 million households and a total beneficiary population of 5.1 million people. Nigeria's micro-pension plan—a social insurance programme targeting workers in the informal sector—provides safety nets for vulnerable groups. Egypt's social insurance law provides protection for irregular employees (temporary and seasonal workers) who were previously exempted. In 2024, the Egyptian National Wages Council also approved raising the minimum wage for private sector employees from 3,000 to 3,500 Egyptian pounds and minimum pension increases from 1,105 to 1,300 Egyptian pounds.

Additionally, the resilience of vulnerable communities has been increased through adaptive social protection that enables the poor in informal settlements to better withstand shocks and crises. In Mauritania, the social registry has been expanded to include poor households, while Mali has extended its registry to cover refugees. In Mozambique, the municipality of Pemba has developed vulnerability maps that identify risks affecting each zone in the city, along with recommended construction types to enhance resilience.

Resilience of poor and vulnerable informal workers can be improved through free or subsidized health coverage that enables them to access public health facilities, as is the case in Morocco and Tunisia. The Sudan has been able to register informal workers to expand their affiliation to the National Health Insurance Fund so that they can access healthcare services without hardship (World Bank, 2017). Algeria's National Fund for Paid Leave and Weather-related Lay-offs in the Construction, Public Works and Hydraulics Industries provides workers who are unable to work owing to extreme weather conditions (including heat) with partial unemployment benefits, paid to more than 195,000 workers in 2018 (ISSA, 2024).

Some countries have been working on providing healthcare. For instance, Rwanda's Community Based Health Insurance provides affordable healthcare to poor and vulnerable people, as does the United Republic of Tanzania's Community Health Fund, which covered over 13 million beneficiaries (approximately 25% of the population) in 2019. In some countries, access to healthcare services, particularly reproductive health, is helping to close the gender gap. For instance, between 2014 and 2020, Ghana's comprehensive reproductive health policies led to a 25% increase in contraceptive use among women aged 15 to 49. The Safe Motherhood Initiative has reduced maternal mortality rates in several African countries. In Ethiopia, the Health Extension Programme has significantly improved maternal and child health, resulting in a 70% reduction in maternal mortality rates from 2000 to 2016 (Rieger and others, 2019).

To tackle gender disparities in education, Tunisia has implemented educational programmes to empower women, particularly in rural areas, together with initiatives to promote women's entrepreneurship and inclusion in public and political life and to address school dropouts and violence. Tunisia's ministries of education, vocational training and employment, and social affairs have partnered with two national non-governmental organizations and France Education International to develop a second-chance education model for dropouts aged between 12 and 18 (UNESCO, 2020).

To improve the affordability of education, free primary education policies have been implemented in several countries, such as Kenya, Lesotho, Malawi, Uganda, the United Republic of Tanzania and Zambia. Several countries, including Ghana, Madagascar, Malawi, Sierra Leone, Uganda, Togo and Zambia, have also implemented free secondary education policies. Morocco's Tayssir conditional cash transfer programme, launched in 2008, targets low-income families living in rural areas to increase primary school attendance by children aged 6 to 12. Thanks to this initiative, the dropout rate has declined while school enrolment has increased. It was expanded nationwide in 2010 and, by 2022, a total of 2.3 million children had benefited from the programme, which increased both primary and secondary school attendance, particularly among girls (World Bank, n.d.).

Scholarships for girls, mentorship programmes and campaigns against child marriage and early pregnancies have been implemented in various countries, aiming to keep girls in school and increase their access to higher education. The New Africa Fund's Girls' Scholarship Programme, which empowers girls in Togo to enrol in secondary and post-secondary education, covers their tuition and other education-related expenses.² Since 2012, the Girls' Education Project in northern Nigeria has helped increase female student enrolment, with over 1.5 million girls attending school in a 10-year period.³

Countries are undertaking initiatives to provide jobs and build skills for youth and women. Kenya and Cameroon⁴ have instituted national initiatives, such as the Jobs Open to Youth programme, that provide skills to young people employed in the agricultural sector and innovative financial and non-financial services to support the start-up of agribusiness enterprises; these programmes build resilience while addressing poverty reduction. Ethiopia's Advancing Decent Work and Inclusive Industrialization Programme is designed to stimulate employment for women and young people while promoting industrial productivity and competitiveness in the textile and garment sector and enhancing safety; it also promotes equality, voice and representation. Additionally, initiatives have been implemented to ensure the transition from the informal to the formal economy in Algeria, Cameroon, Chad, Côte d'Ivoire, the Democratic Republic of the Congo, Egypt, Ghana, Mali, Mauritius, Morocco, Niger, South Africa and Tunisia.

C. Policy lessons for the future

Despite the progress made in some domains, most countries in Africa face major challenges in achieving the SDGs, making prospects for attaining the 2030 Agenda for Sustainable Development in the next six years unlikely for most of the continent's countries. Weak economic growth forecasts, coupled with rising inflation and high debt levels in many countries, are likely to impede their ability to tackle poverty effectively. At the same time, with African economies losing an average of 2% to 5% of GDP annually owing to climate change, progress towards poverty reduction will be hampered by the impact of environmental threats. Poor and vulnerable communities are disproportionately affected by job losses, displacement and resource scarcity. Additionally, in some countries, rising food insecurity because of droughts, floods and other natural disasters exacerbates undernourishment, threatening efforts to achieve food security and nutrition targets.

Addressing diminished labour market prospects by upgrading skills and investing in digitalization.

With Africa's vast informal sector lacking decent work conditions and social protection, millions remain trapped in poverty, and the scarcity of quality employment—and, most particularly, the high rate of youth unemployment—increases the risk of social unrest. At the same time, gender inequality in the labour market, including wage gaps, limited access to formal employment and unequal burdens of unpaid care work, are likely to hinder progress in reducing poverty, fostering social inclusion and advancing gender equality. Policies and programmes to support inclusive economic growth that create decent jobs and promote access to resources and markets will be essential in improving labour market prospects for vulnerable groups. In the long term, upgrading the skills of the existing labour force will be vital in addressing the underemployment and unemployment that keep people in poverty.

Investing in digitalization to scale up digital technologies will be critical for enhancing access and bridging the digital gender gap. While emerging trends in technology are transforming the world of work and creating new opportunities, they also pose risks in terms of job displacement and skills mismatches, adversely affecting vulnerable populations. Skills development and adaptation strategies are needed to address the challenges posed by emerging technologies. In that regard, investment in skills development is critical. Countries need to boost the capacity of education systems (including technical and vocational education and training institutions) to provide the necessary skills for the job

² For further information, see [online] <https://www.newafricafund.org/gsp-togo>.

³ For further information, see [online] <https://unsdg.un.org/latest/stories/transforming-nigeria-how-15-million-girls-found-their-way-school>.

⁴ For further information, see [online] <https://procasur.org/en/joy/>.

market, and they must also bolster the capacity of schools to foster new ways of learning through digital technologies while ensuring that education is of high quality and fully accessible to those from poor and vulnerable communities.

Expanding social protection and health coverage to address rising vulnerabilities. Limited access to universal health coverage, together with limited social protection coverage for the vulnerable groups who need it the most—including informal workers and, in particular, women (WIEGO, 2022)—places these groups at risk of falling into poverty and being unable to escape from it when shocks and other adverse events occur. Expanding social protection, including extending coverage to informal workers and vulnerable groups, can build resilience and reduce poverty. Strengthening the capacity of health systems to address emerging health risks, including future pandemics and other health-related shocks, along with access to healthcare services, is vital to protect vulnerable populations against economic shocks and other crises. Leveraging informal social protection, including indigenous, informal social protection mechanisms, which are founded on African traditional values and based on kinship or self-organized mutual aid, can help to mitigate collective risks and reduce vulnerabilities.

While significant improvements have been made in extending the coverage and enhancing the adequacy of national social protection systems, the expansion and integration of more comprehensive social protection systems on the continent must remain a high-level priority. As part of the African Union's Agenda 2063, countries are encouraged to increase spending on social protection from the current level of 2% of GDP to 5% by 2063, and to extend coverage to informal workers and to rural areas (AUC, 2015). At the fourteenth African Regional Meeting of the International Labour Organization, held in 2019, the African countries' representatives committed themselves to the progressive extension of social protection coverage (ILO, 2019). It is time for them to deliver on that commitment.

Seizing the opportunities of the demographic dividend. The growing population of young Africans, who are expected to number 500 million by 2050, provides an opportunity to reap a demographic dividend, but it also presents challenges in providing education and training for young people and in creating decent work opportunities. Harnessing the digital economy by developing skills, expanding digital infrastructure, promoting platforms for decent work and creating jobs in the care, green and circular economies can unlock new opportunities for young people. The revenues from job creation could fuel a virtuous cycle that would help to accelerate just transitions and create more resilient, inclusive and equitable societies. Promoting economic diversification in such sectors as manufacturing, technology and innovation can catalyse the development of a more inclusive and resilient economy that generates more employment opportunities and reduces inequality.

Tackling infrastructure challenges from increasing urbanization. The rise of the services sector and the informal economy is a central component of Africa's urbanization and offers vital employment opportunities. However, rapid urbanization also poses significant challenges, including infrastructure deficits, environmental degradation and socioeconomic inequalities, particularly in the informal settlements where a substantial portion of the urban population lives. Addressing those challenges requires focused policy interventions to bridge gaps and ensure that no one is left behind.

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CHAPTER II

Latin America
and the Caribbean

A. Main social development challenges

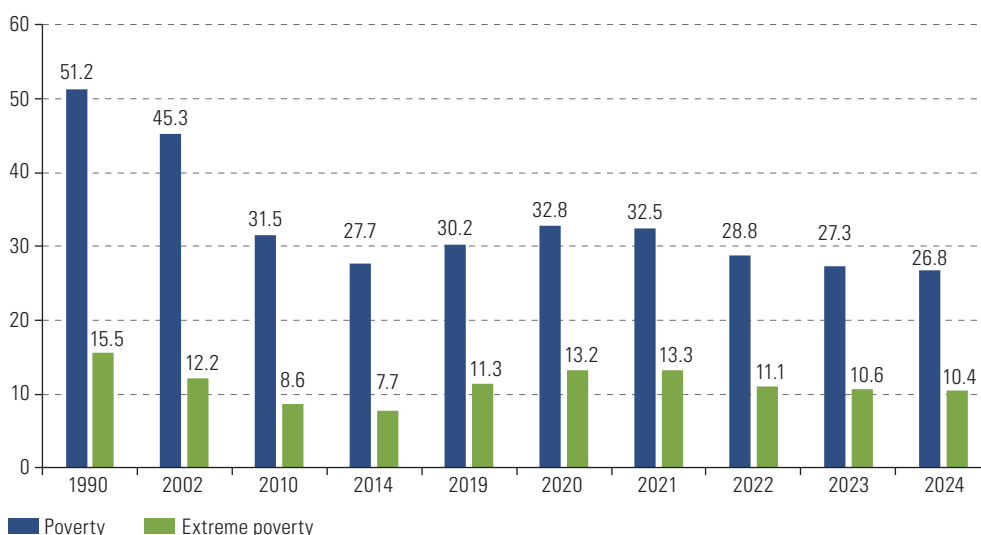
Latin America and the Caribbean is facing a challenging context. Countries in the region can be characterized as being in three mutually reinforcing development traps that hinder progress towards a more productive, inclusive and sustainable future: low capacity for growth; high inequality, low social mobility and social cohesion; and low institutional capacity and ineffective governance (Salazar-Xirinachs, 2023). The evidence about the first trap is eloquent: between 2014 and 2023 the region grew on average at only 0.9% per annum, less than the 2% at which it grew in the much discussed “lost decade” of the 1980s (ECLAC, 2024b). While social development indicators have improved since the end of the pandemic, the medium-term impacts of a prolonged social crisis remain, aggravated by several trends (ECLAC, 2024a and 2023a). Urgent attention must be paid to scaling up productive development policies to dynamize labour markets and stimulate social mobility (Salazar-Xirinachs and Llinás, 2023; ECLAC, 2024f) as well as to strengthening inclusive social development policies, including universal, comprehensive, sustainable and resilient social protection systems to revert the present scenario (Arenas de Mesa, 2023). The management of the necessary transformations in several areas—such as productive development, social protection, gender equality and digital transformation— faces the challenge of weak institutional capacities and complex governance, which is itself a root cause of poor economic and social performance.

1. Poverty and extreme poverty

Between 2002 and 2014, Latin America and the Caribbean experienced a sharp decrease in poverty and extreme poverty. This was explained largely by a high rate of economic growth attributable in turn to a period of high demand for primary commodities, which as a result commanded high prices, combined with increasing attention and capacity to finance social policy agendas and a process of strengthening social policy institutions (ECLAC, 2019). ECLAC estimates that poverty declined by 17.6 percentage points during this period, from 45.3% in 2002 to 27.7% in 2014, while extreme poverty was reduced from 12.2% to 7.7% in the same period, reaching a historic low in 2014 (see figure II.1).

Figure II.1

Latin America (18 countries):^a population living in extreme poverty and poverty, 1990–2024^b
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), *Social Panorama of Latin America and the Caribbean, 2024* (LC/PUB.2024/21-P/-*), Santiago, 2024.

^a Argentina, Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, the Plurinational State of Bolivia, Uruguay and the Bolivarian Republic of Venezuela.

^b Projections.

This favourable trend changed in 2015, owing mostly to the end of the commodity export boom and the economic slowdown that followed, which led to a reduction in fiscal space and adjustment policies (Abramo, Cecchini and Morales, 2019; ECLAC, 2021a). Furthermore, poverty and extreme poverty rose during the coronavirus disease (COVID-19) pandemic. ECLAC has estimated that as a result, poverty and extreme poverty affected 32.8% and 13.1% of the Latin American population in 2020. Since the pandemic, both poverty and extreme poverty have declined. In 2023, poverty affected 27.3% of the region's population, some 172 million people, while 10.6% of the population, 66 million people, were living in extreme poverty (ECLAC, 2024a).

Thus, poverty and extreme poverty remain key challenges in the region and their fluctuations show that they are highly sensitive to the capacity to grow at high and sustained rates as well as to economic shocks and the coverage and financing of social protection policies. Poverty does not affect all population groups alike. In 2023, it was higher among Indigenous Peoples and Afrodescendent populations, children and adolescents, people living in rural areas and women. In addition, the femininity of poverty index increased from 113 to 121 between 2014 and 2023 (ECLAC, 2024a). Furthermore, hunger and malnutrition remain central challenges. In 2023, 6.2% of the population was undernourished, while 28.2% faced moderate or severe food insecurity, for a total of 187.6 million people. This situation has exacerbated malnutrition, in a context where 11.5% of children under the age of 5 are stunted and 8.6% are overweight (FAO and others, 2024).

Reducing poverty remains a priority objective, through narrowing social protection gaps, increasing sufficiency levels and strengthening job creation and labour inclusion policies. Regarding the latter, an analysis carried out in 12 countries of the region where poverty rates fell between 2021 and 2023 showed that labour income was the main contributing factor; non-contributory public transfers also had an impact, albeit smaller (ECLAC, 2024a).

2. Inequality and low social mobility and cohesion

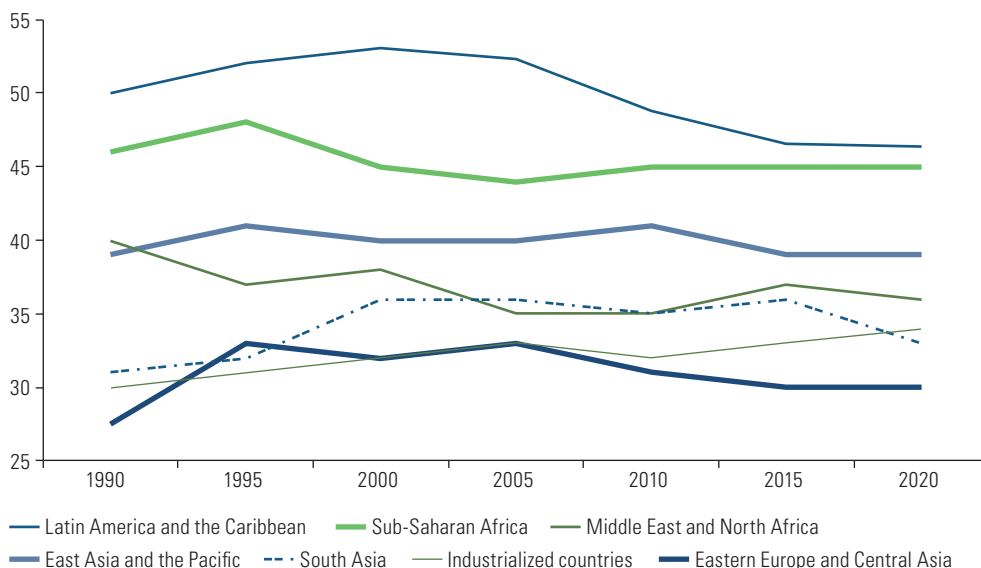
Inequality in Latin America and the Caribbean is a structural phenomenon. Despite a moderate decline in income inequality over the last 30 years, the region remains the most unequal in the world, with a Gini index of 46.4 in 2020, down from around 50.0 in the 1990s (see figure II.2) (Eslava and Valencia Caicedo, 2023; ECLAC, 2012, 2018, 2023a). Inequality causes economic inefficiency by limiting access to education, health services, basic services and job opportunities, which restricts productivity, leads to negative environmental impacts and delays innovation and technological development, thereby hindering the region's productive sophistication and diversification (ECLAC, 2018 and 2024b; Salazar-Xirinachs and Llinás, 2023).

According to ECLAC, inequality in Latin America is a multidimensional phenomenon, produced and perpetuated by the interrelated and mutually reinforcing axes of the social inequality matrix. Those axes include socioeconomic status, gender, race, ethnicity, age, geography, disability, migration status, and sexual orientation and identity. They are present in all areas of social development and rights, as well as in access to power and decision-making. These inequalities cut across multiple spheres, limiting the development of capabilities and opportunities (ECLAC, 2016).

Six main structural factors explain the high rates of persistent inequality and low social mobility and cohesion in the region (Salazar-Xirinachs, 2023; ECLAC, 2024c). First, inequality is rooted in sectoral productivity differences (structural heterogeneity): the region has a few highly productive sectors and a majority of sectors with low or very low productivity, which generates segmented labour markets and high wage disparities. Second, there are high productivity differences associated with firm size. Third, fiscal, social and social protection policies play a limited role in offsetting income inequality, owing to gaps in coverage and sufficiency and a regressive tax structure with insufficient tax revenues. Fourth, education and vocational training systems in the region suffer from serious weaknesses. Fifth, gender inequality remains high and is a crucial obstacle for the region's inclusive social development. Lastly, there are serious inequalities related to political, sociological and historical factors such as discrimination, exclusion and human rights violations, which are suffered to a greater extent by certain population groups.

Figure II.2

Latin America and the Caribbean and other regions of the world: income inequality levels and trends according to the Gini index, 1990–2020



Source: F. Alvaredo and others, “Seventy-five years of measuring income inequality in Latin America,” *IDB Working Paper Series*, No. IDB-WP-01521, Washington, D.C., Inter-American Development Bank (IDB), 2023.

Note: Data for Latin America and the Caribbean are based on household surveys from the ECLAC Household Survey Data Bank (BADEHOG).

The current organization of care and the unequal distribution of remunerated and non-remunerated work perpetuates structural inequalities in labour inclusion and access to social protection systems, among other dimensions (ECLAC, 2024a). In 2022, 50% of women were outside the labour market compared to 25% of men, and women spent three times more time on unpaid domestic and care work, limiting their economic opportunities (ECLAC, 2022; ECLAC/UN-Women, 2024). Women’s reduced access to social protection means reduced access to sources of own income and higher levels of poverty. For example, 2023 estimates for eight Latin American countries indicate that poverty levels among women aged 65 and over were higher than among men, regardless of whether they received a contributory or non-contributory pension. Among women who did not receive pensions, 70.3% had an income of their own below the poverty line (compared to 44.2% of men in the same situation); among those who received a non-contributory pension, the figure decreased to 42.6% but was still higher than among men (31.8%) (ECLAC, 2024a).

3. Labour inclusion

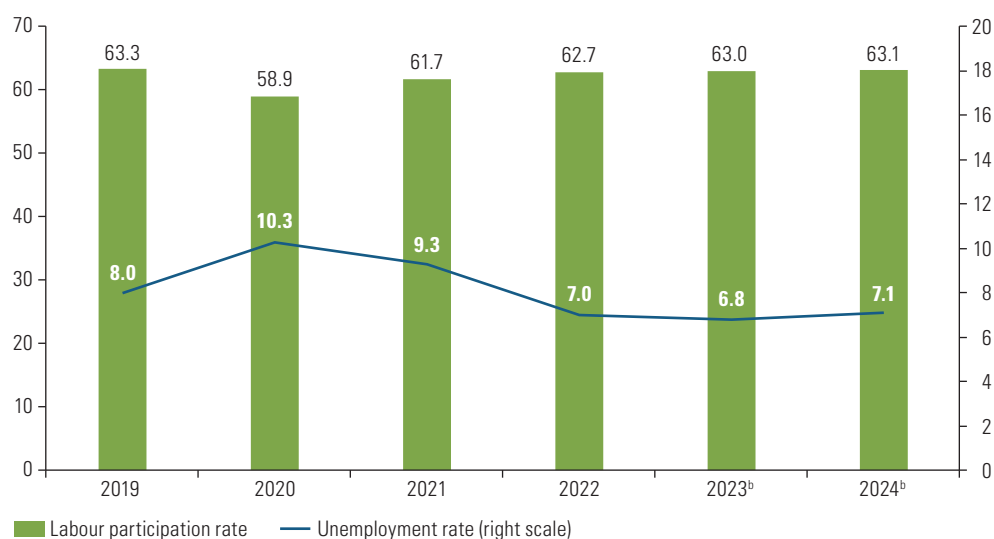
The region faces significant challenges related to labour exclusion and the weak momentum of labour markets. First, job creation has been severely affected over the last decade by the low capacity for growth. The recovery from the pandemic has been unequal and incomplete. Second, almost half of the employed population in Latin American countries works in the informal sector (ECLAC, 2024c), which reduces their access to social protection. Third, labour participation rates and all labour market indicators show marked gender inequalities as well as profound disparities along the axes of social inequality.

Informal employment in Latin America as a share of total employment remained steady at around 48% in 2013, 2019 and 2022. Between 2013 and 2022, informality increased the most among the youngest age group (persons aged 15 to 24). Additionally, the employed population rose by 10% among the working-age population over the same period. This increase stemmed mainly from the rise in informal employment, of 18.6% compared to a growth rate of 3.3% for formal employment. Furthermore, the

increase in informal employment was even larger among women (22.8%) compared to men (15.7%) (ECLAC, 2024b). It is estimated that annual average growth in job creation between 2015 and 2024 will be only 1.2%, significantly less than the 3.2% recorded during the last decade of the 1980s. In 2024, the estimated figure for the unemployment rate was 7.1%, lower than in 2019. However, the labour participation rate will increase slightly again in 2024, for the third consecutive year, although it will remain below the pre-pandemic level (see figure II.3) (ECLAC, 2024c). Likewise, labour market trends reflect enduring inequalities, including those based on gender. In the first quarter of 2024, the labour participation rate was 22.3 percentage points lower for women than for men, indicating a pronounced gender gap (ECLAC, 2024b).

Figure II.3

Latin America and the Caribbean (20 countries):^a labour participation and unemployment rates, 2019–2024^b (Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), *Development Traps in Latin America and the Caribbean: Vital Transformations and How to Manage Them* (LC/SES.40/3-P/-*), Santiago, 2024; *Economic Survey of Latin America and the Caribbean, 2023* (LC/PUB.2023/11-P/Rev.1), Santiago, 2023 and employment surveys and projections.

^a Argentina, Barbados, Belize, Brazil, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, Guatemala, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, the Plurinational State of Bolivia, Trinidad and Tobago and Uruguay.

^b Figures for 2023 and 2024 are based on estimates in ECLAC (2023b).

At the same time, international migration has taken centre stage in Latin America and the Caribbean, emerging as a key issue for inclusive social development. The significant increase in intraregional migration is particularly noteworthy, with 72% growth between 2000 and 2020: the largest relative increase globally (United Nations, 2020). Intraregional migration in Latin America and the Caribbean is driven primarily by working-age individuals seeking better socioeconomic opportunities. This movement of labour from countries of origin to host countries has positive effects on receiving economies, including the creation of economic activities, employment of local workers, and the transfer of skills and innovation. It can also alleviate labour shortages, particularly in ageing societies. Notwithstanding their higher labour force participation rates and lower unemployment rates, migrant workers frequently encounter a series of difficulties in their labour inclusion, underscoring the need for targeted labour inclusion policies. Regardless of differences in weekly working hours across countries, migrants consistently endure longer and more demanding work schedules compared to local workers and have higher rates of informal employment (ECLAC, 2023a). Ensuring respect for labour rights and the inclusion of migrants in social protection systems is crucial to promoting sustainable development and strengthening social cohesion in the region (Cecchini and Martínez, 2023).

4. Health

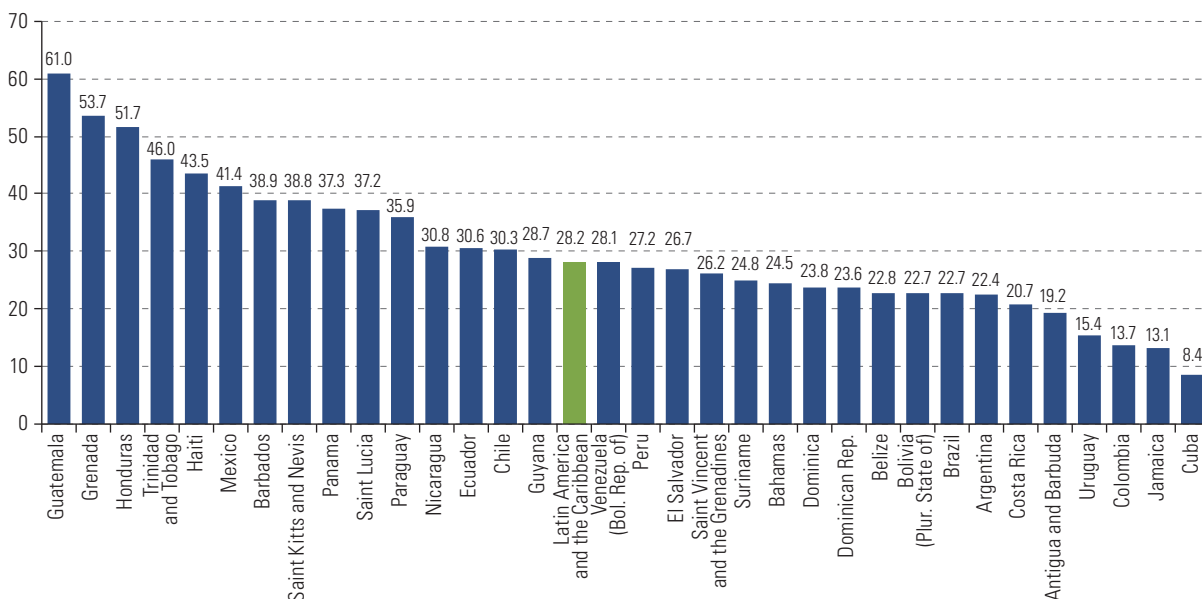
Since 1950, Latin America and the Caribbean has made remarkable progress in health indicators, reflected in significant improvements in living conditions, the reduction of poverty and inequality, and the strengthening of health and social protection systems. Life expectancy increased by more than 25 years between 1950 and 2020, while infant mortality fell from 208.7 deaths per 1,000 live births in 1950 to just 16.2 in 2019. However, this progress has been uneven, with deep inequalities concealed by these averages (Marinho, Dahuabe and Arenas de Mesa, 2023). For example, while countries such as Antigua and Barbuda, Argentina, Chile, Cuba and Uruguay have under-5 mortality rates below 7 deaths per 1,000 live births, others —such as Dominica, the Dominican Republic, Haiti and Guyana— surpass the regional average with more than 27 deaths per 1,000 live births (World Bank, 2024).

The profound health inequalities that characterize the region reveal persistent institutional weaknesses in both access to and the quality of health systems. These institutional weaknesses include chronic underfunding with high out-of-pocket spending, fragmentation in service provision, and the segmentation of the population based on their ability to pay (ECLAC, 2022). Barriers to access, inefficiencies, inequality and lack of coordination disproportionately affect the most vulnerable groups (Marinho, Dahuabe and Arenas de Mesa, 2023).

In 2021, total health expenditure in the region averaged 7.4% of GDP, of which 4.5% was public and 2.8% private (WHO, 2024; ECLAC/PAHO, 2024). Although this means that public health spending increased by 25% in the region between 2000 and 2014, most countries fall short of the 6% of GDP recommended by PAHO and WHO for public health spending. Public expenditure comprised only 61% of total health spending, while households' out-of-pocket payments accounted for more than 28% of the total (ECLAC/PAHO, 2024) (see figure II.4). This type of spending may result in impoverishment or catastrophic expenditures, perpetuating healthcare disparities and poor health outcomes. These challenges not only harm the well-being of the population but also hinder progress toward sustainable development.

Figure II.4

Latin America and the Caribbean (33 countries): out-of-pocket spending as a share of total health expenditure, 2021
(Percentages)



Source: Economic Commission for Latin America and the Caribbean/Pan American Health Organization (ECLAC/PAHO), *The urgency of investing in health systems in Latin America and the Caribbean to reduce inequality and achieve the Sustainable Development Goals* (S.2400869[E]), Santiago, 2024.

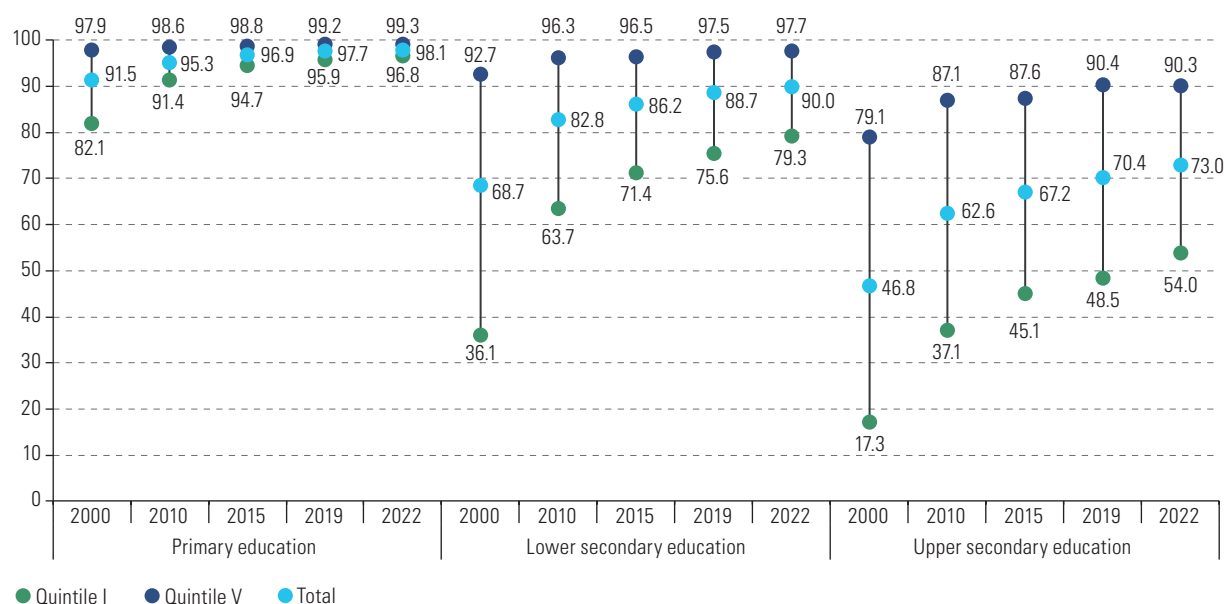
5. Education

Despite progress in a series of indicators related to education access, progression and completion, the region has various challenges ahead. These include the need to accelerate progress and reduce gaps in education coverage and completion rates, including from early childhood education onward, and the need to improve the quality and relevance of education and to confront and reduce current dropout rates, particularly in the aftermath of the COVID-19 pandemic (ECLAC/UNESCO/UNICEF, 2024; Trucco, 2023). Meeting these challenges requires strengthening education institutions and increasing public spending on education sustainably, while ensuring its equitable and efficient distribution. Although the education systems in Latin America and the Caribbean face greater gaps in terms of inclusion and quality, public education spending per student in countries of the Organisation for Economic Co-operation and Development (OECD) is, on average, five times that of the region's countries (Huepe, 2024).

Most countries in Latin America had achieved primary education completion rates close to universality by 2022, with a regional result of 98.1%. Nevertheless, progress has been uneven in secondary education completion rates (see figure II.5). While a rate of 90% has been achieved in lower secondary school, the figure drops to 73% in upper secondary school (UNESCO/UNICEF/ECLAC, 2022). Access to pre-primary education and higher education has increased, but mostly benefits students in the middle- and higher-income strata or living in urban areas (ECLAC, 2022; Huepe, Palma and Trucco, 2023). Substantive inequalities become evident when comparing completion rates on the basis of the different axes of social inequality, including income strata. While gaps between the top and bottom income quintiles in primary and lower secondary education have narrowed since 2000, they remain wide at the upper secondary level, with a difference of more than 36 percentage points in 2022.

Figure II.5

Latin America (14 countries):^a Primary, lower secondary and upper secondary education completion rates, by income quintile, around 2000, 2010, 2015, 2019 and 2022 (Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of the Household Survey Data Bank (BADEHOG).

^a Weighted average for the following countries: Argentina, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Mexico, Panama, Paraguay, Peru, Plurinational State of Bolivia and Uruguay. The data indicate primary education completion rates among young persons aged 15 to 19, and lower and upper secondary completion rates among young persons aged 20 to 24.

Gaps and inequalities are also seen in indicators related to learning outcomes. Results of the Fourth Regional Comparative and Explanatory Study in 2019 showed that only half of students in the third grade in countries where this test was applied achieved minimum levels of proficiency in reading and mathematics (54.6% and 50.9%, respectively). These proportions were even lower among sixth-grade students, with results of 31.3% and 17.2%, respectively. These results also show wide disparities between students belonging to the lowest and highest income groups (Trucco, 2023; UNESCO, 2021). Gender disparities are also salient in learning outcomes to the detriment of women in mathematics, which is later reflected in the lower proportion of women in the fields of science, technology, engineering and mathematics (STEM), even though women have achieved outstanding progress at all education levels, including secondary and higher education, where they have surpassed the average rates among men (ECLAC, 2022).

6. Social protection

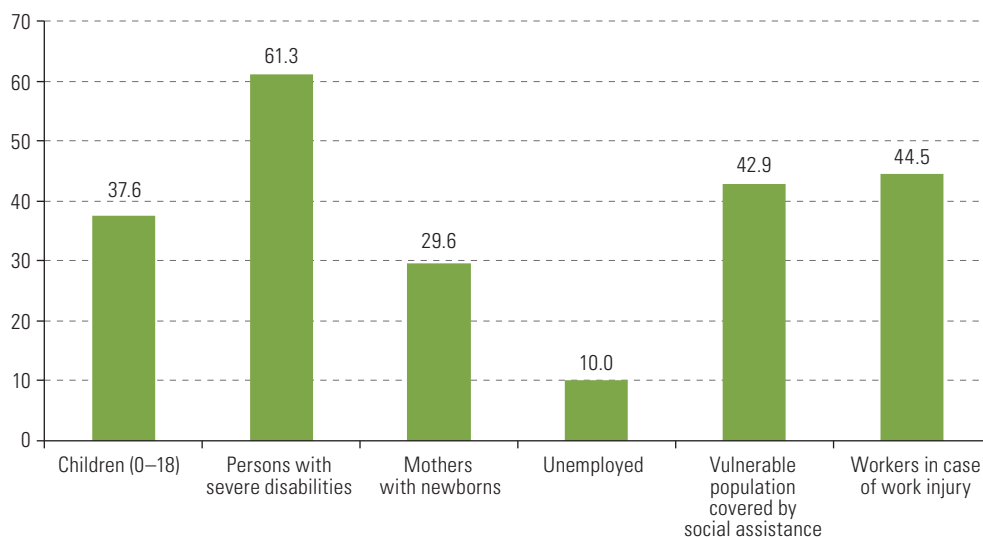
In addition to advances in health and education, Latin American and Caribbean countries have in recent decades progressed in building social protection systems; access, however, remains segmented, with persistent gaps. The expansion of non-contributory programmes is one of the most striking changes, although their coverage, the sufficiency of their entitlements and their financial sustainability vary considerably across the countries (ECLAC, 2024a).

According to information from ILO (2024) on Sustainable Development Goal indicator 1.3.1, only 61.2% of the region's population was covered by at least one social protection entitlement (excluding health) in 2023. Nevertheless, this figure represents an important increase over the 2015 result of only 48.6%. While the average for Latin America and the Caribbean has been consistently higher than the global average for this indicator, disparities remain. Thus, in 2023, only 45.1% of the population of the Caribbean was covered by at least one social protection entitlement.

The region faces gaps in the coverage of key social protection entitlements. In 2023, only 42.9% of vulnerable persons were receiving social assistance entitlements and the proportion of children (0 to 18 years old) and households receiving child or family cash benefits was only 37.6% in the same year. The situation is even more worrying given that only 29.6% of women with newborns were covered by cash maternity benefits and only 10% of the unemployed received cash transfers (see figure II.6).

Figure II.6

Latin America and the Caribbean: effective social protection coverage, by subpopulation group, 2015–2023
(Percentage of eligible population)

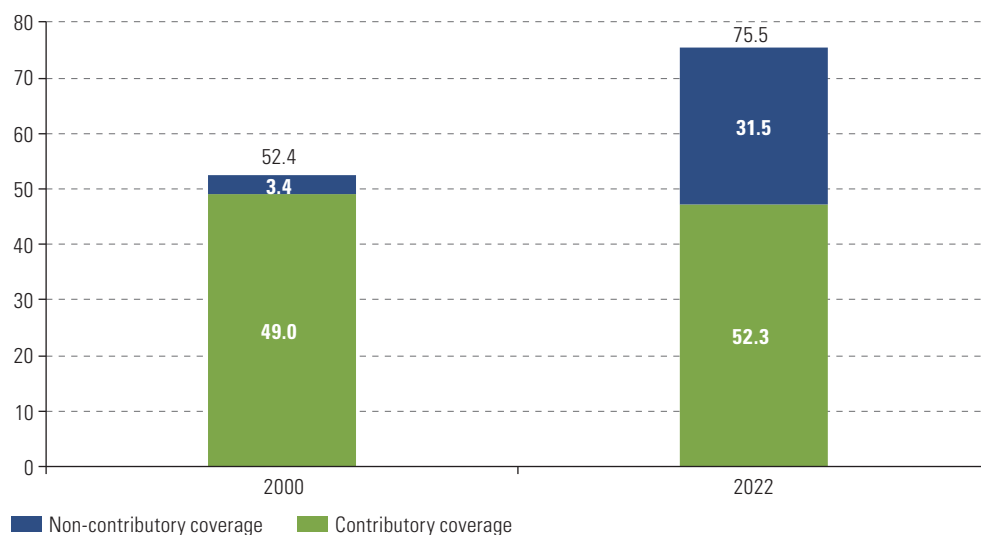


Source: International Labour Organization (ILO) estimates, 2024; World Social Protection Database, on the basis of Social Security Inquiry; ISSA Social Security Programs Throughout the World; ILOSTAT and national sources.

In contrast, according to ECLAC data, the coverage of pensioners aged 65 years and over receiving pensions increased from 52.4% to 75.5% in Latin America between 2000 and 2022, owing mainly to the expansion of non-contributory pension systems (see figure II.7) (Arenas de Mesa and Robles, 2024), while contributory pension coverage as a proportion of the economically active population was only 47.9% in 2022 (ECLAC, 2024c).

Figure II.7

Latin America (18 countries): contributory, non-contributory and total pension coverage, ages 65 and over, 2000 and 2022
(Percentages)



Source: A. Arenas de Mesa and C. Robles (eds), *Non-contributory pension systems in Latin America and the Caribbean: towards solidarity with sustainability*, ECLAC Books, No. 164 (LC/PUB.2024/6-P), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), 2024.

B. Recent policy developments and best practices to respond to social development challenges

1. Poverty and extreme poverty

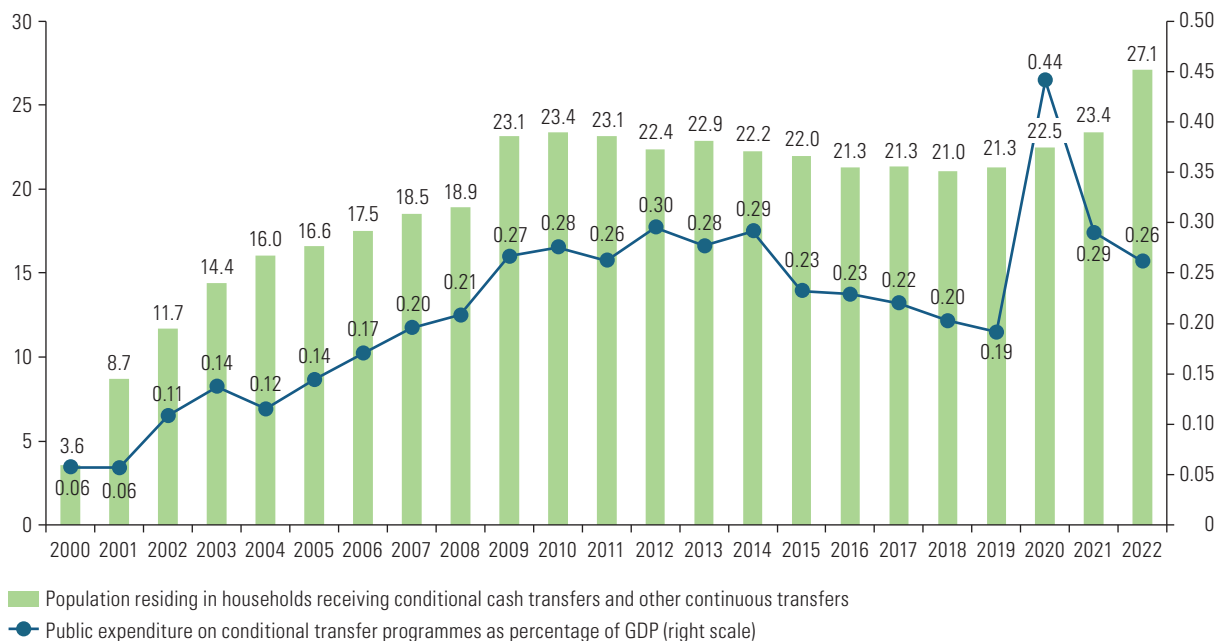
The expansion of social protection systems during the past two decades, and of non-contributory policies in particular, has been paramount for poverty eradication efforts in the region. These policies comprise cash and in-kind transfers, non-contributory pension systems, subsidies and tax exemptions, and the provision of goods and services. Several policies stand out among these efforts, from investment funds, developed during the 1990s and early 2000s, to early childhood development systems, school meals and labour inclusion policies targeting the most vulnerable workers (ECLAC, 2024a).

The importance of non-contributory public transfers is evident not only in their coverage but also in the share they represent of total income for households in poverty and extreme poverty, accounting for 16.2% and 23.8%, respectively (ECLAC, 2024a). Particularly notable in the region is the coverage of conditional cash transfer programmes and non-contributory pension systems (see figure II.8).

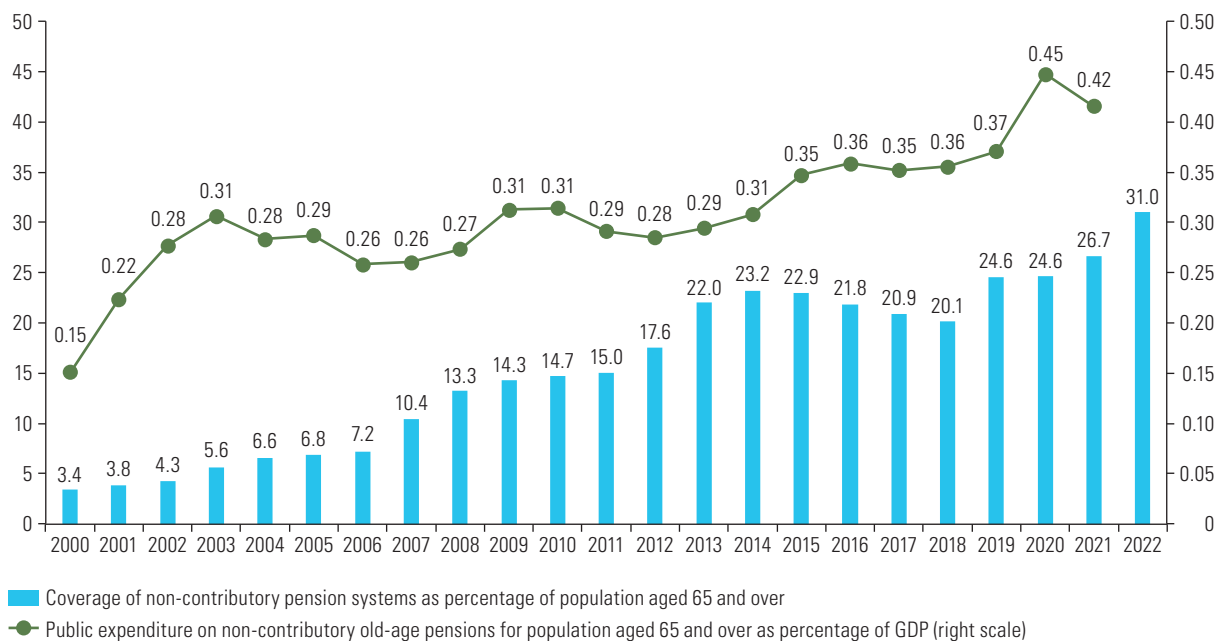
Figure II.8

Latin America and the Caribbean (24 countries): coverage and public expenditure on conditional cash transfer programmes, other continuous transfers and non-contributory old-age pensions for persons aged 65 and over, 2000–2022
(Percentages)

A. Conditional cash transfers



B. Non-contributory pension systems



Source: N. Figueroa and J. Vila, 'Programas de protección social no contributiva en América Latina y el Caribe: revisión metodológica de la estimación de tendencias de cobertura e inversión', *Project Documents* (LC/TS.2024/119), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), 2024; A. Arenas de Mesa, E. Espíndola and J. I. Vila, 'Financial sustainability for the expansion of non-contributory pension systems and the eradication of old-age poverty', *Non-contributory pension systems in Latin America and the Caribbean: towards solidarity with sustainability*, ECLAC Books No. 164 (LC/PUB.2024 /6-P/-*), A. Arenas de Mesa and C. Robles (eds.), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), 2024, on the basis of ECLAC, Database of Non-Contributory Social Protection Programmes in Latin America and the Caribbean [online] <https://dds.cepal.org/bpsnc>.

Conditional cash transfers provide transfers to families living in poverty and extreme poverty, contingent upon meeting conditions such as school attendance and health check-ups. Evidence reveals a positive impact on key indicators such as school enrolment, access to health services and so on (Abramo, Cecchini and Morales, 2019). In 2022, 19 countries were implementing 31 conditional cash transfer programmes, with 27.1% of the population of Latin America and the Caribbean living in recipient households, and at a cost of 0.26% of GDP in 2022 (see figure II.8A).¹ On average, but with significant variations across countries, transfer amounts covered 46.8% of the household per capita income shortfall relative to the poverty line (Figueroa and Vila, 2024). The sufficiency of the entitlements can therefore be strengthened to secure income protection (ECLAC, 2024a).

Meanwhile, non-contributory pension systems provide regular transfers to older persons and persons with disabilities, which are not linked to their previous contributions to the pension systems or labour histories. These systems have built solid institutional frameworks, with heterogeneous linkages with contributory pension systems, over the last two decades. Their coverage has increased remarkably, constituting one of the main advancements in the development of the social protection architecture in Latin America and the Caribbean: coverage rose from 3.4% of the population aged 65 years and over in 2000 to 31% in 2022, totalling 19.6 million persons and with a presence in 28 of the region's countries (Arenas de Mesa and Robles, 2024). It has been estimated that the implementation of these systems, which accounted for 0.42% of GDP in 2021 (see figure II.8B), led to a reduction of 5.2 percentage points in poverty levels among older persons in Latin American countries in 2021 (Arenas de Mesa, Espíndola and Vila, 2024). Positive effects in various dimensions of well-being have also been identified through the implementation of these systems (Arenas de Mesa and Robles, 2024).

2. Inequality

In recent years, there has been growing recognition that addressing inequality is crucial for both economic and political institutions and that the phenomenon requires integrated and multidimensional public policies to address its roots and expressions (ECLAC, 2024e). Hence, policy developments in education, health and labour inclusion, explained in detail below, and their interlinkages with other social protection policies, such as cash transfers, have been key in reducing inequality levels in the region. Nevertheless, further efforts are required to establish quality social policies that are responsive to differences, with more progressive tax structures and strategies for productive transformation to produce greater gains in inequality-related indicators (ECLAC, 2024e). In particular, non-contributory cash transfers have a reduced impact on inequality reduction owing to their low sufficiency levels (ECLAC, 2024a).

One crucial area for inequality reduction in the region is the expansion of comprehensive early childhood development systems. These systems often interconnect health, food insecurity, education, care and supporting policies for parenthood, for example (ECLAC, 2024a). The region has several notable experiences of intersectoral coordination, such as *Chile Crece Contigo* in Chile, a strategy widely replicated in the region that combines universal and targeted interventions to assure early childhood development and reduce disparities in access to all its dimensions.

Increasing attention has been paid in the region to the development of comprehensive care policies as a path towards reducing gender inequalities and guaranteeing the rights of both those who require care and those who provide it. This has been understood as a set of policies aimed at a new social organization of care, implemented through different policies, including services, transfers and parental leave provisions or regulations (ECLAC, 2024a). Various countries in the region have advanced towards a greater integration of their policies, including Chile, Costa Rica and Uruguay. Similarly, countries such as Brazil, Chile, Ecuador, Colombia, Mexico and Panama are discussing or have already adopted regulatory frameworks that acknowledge the right to care or have established integrated care policies or systems.

¹ According to the non-contributory social protection programmes database in Latin America and the Caribbean, which contains quantitative and qualitative information on conditional cash transfer programmes, non-contributory pension systems and labour inclusion programmes in the region. See [online] <https://dds.cepal.org/bpsnc/home>.

3. Labour inclusion

Labour inclusion policies are receiving greater attention in the region, seen in the expansion of both active and passive labour market policies. Between 2010 and 2022, the number of active labour market policies increased from 70 to 117 programmes in 22 of the region's countries (Figueroa and Holz, 2024). These include measures aimed at increasing the labour supply through technical and vocational training, formal education levelling and school retention, policies supporting self-employment and both direct and indirect job creation programmes in order to stimulate the demand for labour. These also involve labour intermediation or job placement policies, which seek to connect job-seekers with potential employers, along with entities providing support and guidance services in job search and recruitment (Abramo, Cecchini and Morales, 2019; ECLAC, 2023a).

The region has adopted several initiatives both to expand access to social protection, including active and passive labour policies, and to increase formalization among informal and own-account workers in the region. One of the key examples is the creation of single tax regimes or monotaxes (*monotributos*). This instrument, already in place in countries such as Argentina, Brazil, Colombia and Uruguay, aims to combine the payment of tax obligations and social security contributions in a single payment through a unified collection scheme for small taxpayers. Argentina and Uruguay have a dual system: a general version of the monotax and a targeted version for small taxpayers (the Monotax and the Social Monotax). As evidence shows, tax payment simplification encourages the formalization of micro- and small enterprises and expands the taxpayer base, thus increasing formalization, while extending social security coverage for independent workers, especially in the case of women (Aguar and others, 2023; Cetrángolo and others, 2013).

Other initiatives aimed at expanding social protection for own-account workers, as a key factor for improving labour inclusion in the region, are measures to increase the contributory coverage of the pension system. These have been carried out either through mandatory affiliation with a gradual scheme for compulsory contributions to the social security system by independent workers, as in the case of the Chilean pension reform of 2008, or by introducing incentives for voluntary contributions, such as in the case of the *Beneficios Económicos Periódicos* programme in Colombia and the contribution units (*unidades de aporte*) in Peru. In the case of Colombia, workers can contribute voluntarily to their individual savings accounts to receive their saving at pension age, including a 20% matching contribution from the State. In the case of Peru, instalment contributions are allowed up to at least an amount equal to 13% of the minimum wage to be accredited as one month's contribution (Bernal, 2024).

Recent strategies aimed at increasing formalization in Latin America have focused on productive development, streamlining procedures² and enhancing labour inspection. Productive development policies aim to improve productivity and diversification of informal sectors through fiscal incentives, soft loans and support for small and medium-sized enterprises, thereby promoting the creation of formal employment. Lastly, the strengthening of labour inspection, particularly in countries such as Argentina and Chile, has been crucial in ensuring compliance with labour regulations and improving workers' conditions, fostering respect for their labour rights (Abramo, 2021; Espejo, 2022).

Increased migration in the region introduces new labour inclusion challenges for countries of origin, transit, destination and return. Although alone it is not enough, one basic condition is having a regular migration status, so migrants can gain access to formal-sector employment and labour inclusion opportunities (ECLAC, 2024a). For example, in Colombia, the Temporary Protection Statute for Venezuelan Migrants, introduced in 2021, established a unified registry of Venezuelan migrants (covering roughly 2.5 million people by the end of 2022) and offers migrants the possibility of transitioning from a temporary protection regime to ordinary migration status (Cerrutti and Penchaszadeh, 2023; R4V, 2024).

² Processes to simplify or streamline procedures, such as obtaining business licences, processing applications, simplifying tax systems and so on.

4. Health

The primary healthcare strategy plays a pivotal role in bridging health and social protection systems by integrating the first level of care within communities and territories, strengthening essential public health functions and coordinating health and social services. This level of care encompasses activities related to social protection, such as providing food and adequate nutrition, maternal and child healthcare, financial protection, reducing out-of-pocket expenses, and ensuring access to sexual and reproductive health services that promote gender equality. It also involves monitoring rights violations in contexts of gender-based violence, child labour and inadequate access to education. Thus, primary healthcare not only reduces poverty and inequality but also addresses the social determinants of health, promoting inclusive social development and furthering the pursuit of several Sustainable Development Goals (ECLAC/PAHO, 2024).

Chile and Colombia offer examples of how policies based on primary healthcare are being implemented in the Latin American region. The Government of Chile is implementing a programme to universalize primary healthcare, which not only addresses the country's healthcare challenges but also aims to transform the existing paradigm focused on disease treatment and health outcomes into one that prioritizes prevention and health promotion. This programme employs various territorial strategies to advance towards universal, effective and timely access, prioritized according to the specific health needs of the local population.

Similarly, Colombia's Basic Health Teams programme aims to strengthen territorial management based on primary healthcare within a preventive health model. This model seeks to guarantee access to health through a territorial, differentiated and population-based approach. Specifically, it aims to address the needs of populations according to their location by integrating basic health teams in the different departments, districts and municipalities of Colombia.

5. Education

One policy area that has received attention from policy analyses but needs to be strengthened in terms of policy development in the region is technical and vocational education and training programmes. These programmes aim to respond to the need for greater interconnections between the skills taught in schools and the labour supply and also help to strengthen inclusion and the school-to-work transition (Trucco, 2023). The integration of technical and vocational education and training into secondary and higher levels of education in Latin America and Caribbean countries is mixed. While the prevailing model in Latin American countries uses segmented structures, separated from general education pipelines, English-speaking Caribbean countries tend to have electives open to all secondary school students, which could lead to multiple lifelong learning opportunities (ECLAC, 2022). These programmes require better alignment and coordination with the needs of productive sectors to secure students' access to on-the-job training opportunities and better job placements (Sevilla, 2017; Salazar-Xirinachs and Vargas, 2017). Furthermore, skills certification processes could be significantly improved.

A second policy development in recent years is the increasing introduction of digital technologies into education processes. In particular, the pandemic placed stress on education systems owing to prolonged closure periods and intensified the development of different mechanisms to respond to the challenges detected. Innovative remote education methods were implemented through the use of both analogue and digital technologies. However, these did not prove sufficient to guarantee continuity of education because of the lack of effective connectivity, lack of digital skills or availability of suitable infrastructure within households for children to pursue effective learning processes (Huepe, Palma and Trucco, 2023; Trucco, 2023). Digital technologies applied to education are expanding, but their implementation will need to consider the challenges that digital inclusion poses to all actors involved in education processes.

A third area of policy development worth highlighting are measures that countries in the region have implemented to address dropout rates. Those measures include: (i) early warning systems that aim to prevent school dropout, (ii) programmes oriented to strengthen educational trajectories, (iii) mechanisms

to adapt the education supply to increase retention and re-entry, and (iv) cash transfers and grants that seek to reduce income barriers and promote education retention (ECLAC/UNESCO/UNICEF, 2024). These measures should be strengthened and amplified in view of the magnitude of the education challenges in the region.

C. Policy lessons and recommendations for the future

As reviewed in the sections above, Latin America and the Caribbean faces several structural and emerging challenges in inclusive social development (ECLAC, 2024c). These comprise both sectoral challenges in the areas of education, health and labour inclusion, and intersectoral challenges linked to the trap of weak institutional capacities and to limited fiscal space to finance the level of investments needed. The latter hinder opportunities to implement comprehensive efforts that are urgently required to address multidimensional structural problems such as poverty and the region's high levels of informality and, particularly, of inequality.

Accordingly, lessons learned and key policy strategies to promote inclusive social development in the region include at least four main dimensions: (i) strengthening intersectoral efforts, and, in particular, social protection systems, (ii) addressing sectoral challenges in social policy sectors, (iii) improving institutional and governance capacities, and (iv) mobilizing resources. Proposals on the measurement of multidimensional inequality are needed, along with increasing coordination between different data sources, data availability and integration of information from household surveys and tax records, to produce more accurate statistics and lead better policy design (ECLAC, 2024e). Furthermore, social policies in the region must carefully consider several critical trends and transformations, which pose obstacles for inclusive social development. These critical obstacles include the various expressions of violence, increasing disasters and the impacts of the climate crisis, the demographic, epidemiological and nutritional transitions under way, and the changes in technology and in the world of work (ECLAC, 2019). Intensity, acceleration and interaction among these trends and obstacles are reconfiguring the structure of social risks, which will challenge the future of social protection and related policies. To meet the associated challenges, it will be crucial to promote resilient policies with the potential to transform the current conditions that increase vulnerability (Robles and Holz, 2024; ECLAC, 2024a).

Thus, one first recommendation is to strengthen universal, comprehensive, sustainable and resilient social protection systems as a priority area in development agendas for the region. This would improve both the readiness and responsiveness of the system when crises hit, as well as its adaptive potential to the transformations that will be required in the current context. The region should avoid undergoing more shocks without improving its state of readiness and resilience: in other words, without investing considerably in its social protection policies and systems. Accordingly, this has been identified as one of the 11 transformations needed to overcome the current development crisis in the region (Salazar-Xirinachs, 2023; ECLAC, 2024c). As part of social protection systems, it will be fundamental to improve income protection policies, including family entitlements, comprehensive early childhood development systems and universal pension systems, including both contributory and non-contributory schemes. Promoting comprehensive care systems is another crucial area to foster in a context of rapid ageing and a care crisis (Robles and Holz, 2024; ECLAC, 2024a).

The second recommendation relates to the importance of key social services, in particular health and education systems and employment and labour inclusion policies. It is essential to improve and strengthen health systems capable of guaranteeing access and coverage for all, and thus to provide quality healthcare regardless of the ability to pay, with sustainable and solidarity-based financing. This requires a sustained commitment of public resources to ensure service coverage and adequacy, as well as financial sustainability to allow present and future generations to enjoy the right to health. Those three dimensions —coverage, sufficiency of benefits and financial sustainability— must be balanced.

Investment should focus on strengthening primary healthcare, which is the most effective and equitable strategy for improving health and social well-being. In addition, it is essential to address the social determinants of health to reduce health inequalities. This involves strengthening comprehensive health systems that coordinate health policies with other sectors and promote intersectoral participation. Such coordination would not only help to guarantee the population's right to health, but would also help to overcome poverty and inequalities.

As regards education policies, efforts to reduce inequality and guarantee inclusive and universal access to quality training and education must be intensified. This requires integrated strategies that interconnect education policies with social protection policies and active labour market policies, as well as the design of specific strategies aimed at dismantling the barriers to education access that different groups currently experience.

Ensuring high quality education is especially important to address the learning crisis in the region. Promoting the development of cognitive skills, which consist of basic and higher-order complex skills (including digital skills) and socioemotional skills, and fostering the role of teachers in the learning process are essential for new generations to achieve their full potential in the contemporary world (ECLAC, 2002; Huepe, Palma and Trucco, 2023; Trucco, 2023). Investment in early childhood education is strategic, because the foundations of learning are laid in the early stages of childhood, and it is also in this period that the main drivers of inequality begin and are reproduced during the life cycle. Several quality aspects must be considered, including those of adequate infrastructure, group dynamics (such as the ratio of adults to children) and the qualifications of teachers, as well as process-related aspects, including those related to the building of an inclusive curricular framework and pedagogical proposals (ECLAC, 2022). Dropout prevention and re-entry strategies supporting educational trajectories should be strengthened to redress the losses that have already been experienced by students all over the region.

The technological revolution and the related changes in the world of work, together with shocks associated with climate change, also underscore the importance of strengthening technical and vocational training under a lifelong learning approach to training and retraining, with strong coordination with the labour market and productive sectors. In sum, education policies and institutions, as well as vocational training systems, require a deep transformation with increasing spending, financial sustainability and strengthened institutional frameworks (ECLAC, 2022; ECLAC/UNESCO/UNICEF, 2024; Trucco, 2023).

Comprehensive efforts and measures are required to promote labour inclusion among the most excluded population groups. Such strategies should target special efforts to reduce labour exclusion among women and young people (Huepe, 2023). Active labour market policies, in coordination with social protection systems, are essential for ensuring labour market inclusion. These policies have demonstrated their potential for flexibility in design and swift implementation during times of crises and shocks (Espejo and others, 2023).

The third recommendation relates to the urgent need to escape from the trap of low capacity for growth and the priority of productive development policies. To this effect and in order to dynamize labour markets more generally, ECLAC has proposed a comprehensive and modern approach to productive development policies, including the need for productive development agendas in dynamizing and transforming sectors (ECLAC, 2024c and 2024f). In this respect, one key dimension is the need to address the mismatches between workers' skills and the demands of an increasingly digitalized labour market, as well as the consequences of automation, which tend to leave workers struggling to adapt or at risk of losing their jobs (Espíndola and Suárez, 2024). Policies and measures are also urgently needed to prevent the employment losses associated with climate change and also the new skills demand of green growth and the big push for sustainability.

Reducing informality is another key priority in the region. Although there are many instruments that may be used to promote the transition to formality, the evidence shows that one of the main drivers of formalization is the creation of more formal jobs, a process that requires scaling up ambitions in terms of productive development policies complemented by education and vocational training (ECLAC, 2024b, Salazar-Xirinachs and Llinas, 2023; Salazar-Xirinachs and Chacaltana, 2018).

A fourth area of recommendations is the importance of strengthening institutional, governance and social dialogue capabilities, which are central for the design of quality public policies in the different relevant policy realms (ECLAC, 2023c and 2024a). As regards social policies, some of the key challenges to be addressed are enhancing social information systems and social registries with increasing levels of interoperability, taking advantage of the opportunities offered by digital social protection with sound regulatory frameworks that assure digital rights among the population and increasing the current levels of social spending (ECLAC, 2023c and 2024a; Palma, 2024). It is crucial that all the region's countries meet sectoral targets for social investment in key policy areas. For example, in health, the Pan American Health Organization sets a standard of allocation of at least 6% of GDP to public health investment to achieve health-related goals (PAHO/WHO, 2019) and, in education, the minimums agreed in the Incheon Declaration and Framework for Action for the Implementation of Sustainable Development Goal 4 indicated that public spending on education must be between 4% and 6% of GDP or between 15% and 20% of total public expenditure (UNESCO and others, 2016). The level of compliance with those standards varies among countries and efforts will need to be intensified. In addition, a standard to increase financing of non-contributory social protection policies can be introduced to close current access and sufficiency gaps and advance in the eradication of poverty (ECLAC, 2024a). ECLAC has estimated that a minimum standard of investment in non-contributory social protection could be set at between 1.5% and 2.5% of GDP or between 5% and 10% of total public spending to advance poverty eradication and attain target 1.1 of Goal 1 of the 2030 Agenda for Sustainable Development (ECLAC, 2024d).

To address these challenges, technical, operational, political and prospective (TOPP) institutional capabilities need to be developed within States to advance towards inclusive social development (ECLAC, 2024c).

A final set of recommendations involves resource mobilization. Agreements on sources for financing development are urgently required, and social dialogue mechanisms are essential for them to be reached. This is key to guarantee the financial sustainability of inclusive social development policies (ECLAC, 2024a). Countries in the region have faced difficulties in accumulating sufficient savings and mobilizing additional financing, given the slowing of the global economy. Domestically, the region's tax systems are insufficient and regressive, with tax revenues averaging only 21.5% of GDP, compared to 34% in OECD countries (ECLAC, 2024c). Tax evasion and avoidance of income tax and value added tax further exacerbate the situation, costing the region approximately 6.7% of GDP in 2023 (ECLAC, 2024g). The interest rates for debt servicing are a further source of vulnerability, with rising global interest rates and payments by Latin American central governments surpassing social spending in areas such as health and education in some countries (ECLAC, 2024c).

Assuring adequate financing for development requires a dual strategy encompassing both national and international measures. Improving tax collection systems is crucial to make them more progressive and effective, combat tax evasion and avoidance, and build a sustainable framework for public finances. Strengthening macroprudential policies is equally important to safeguard financial stability and increase the resilience of the financial sector. On the international front, reforming the global financial architecture is crucial to better align it with the region's development needs. This includes strengthening global economic governance and the international mechanisms for sovereign debt relief and restructuring, thereby avoiding debt crises and enabling countries to redirect resources towards development goals. All of this will require reinvigorated institutional capabilities and fiscal institutions, with appropriate mechanisms for regional dialogue and agreements (ECLAC, 2024c).

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CHAPTER III

Asia and the Pacific

A. Main social development challenges

In 2024, Asia and the Pacific was home to about 4.8 billion people, or 58% of the world's population. That population is projected to peak in 2051, and to decline to 4.4 billion people by 2100. The rate of population growth has been decreasing for some time, a trend that is projected to continue in the future, with some countries already experiencing overall population decline. Underlying these demographic shifts is the demographic transition and the consequent shift towards smaller and older populations in many parts of Asia and the Pacific. Between 2024 and 2050, the older population in the region is projected to almost double from 503 million to almost one billion persons, and about 60% of all older persons in the world currently reside in the region. Population ageing is particularly rapid in Asia and the Pacific and presents challenges to countries in terms of lower economic growth, declining productivity and increasing healthcare and overall care needs. Moreover, given the region's level of social and economic development, older persons are often at risk of being left behind in terms of social protection, health and overall well-being. In 2020, there were almost 67 million international migrants in the Asia-Pacific region, a steady increase from 50.2 million in 2000. Almost 109 million migrants from Economic and Social Commission for Asia and the Pacific (ESCAP) countries were living outside their countries of birth, nearly 40% of all the migrants in the world (ESCAP, 2020a). Often, migration in the region is neither safe, orderly nor regular. This renders migrants vulnerable to rights violations, abuse and exploitation, harming them and all of society. Migrant workers face high remittance and recruitment costs. Climate-induced migration, both internal and cross-border, is significant in the region, with climate change intensifying the issue (ESCAP, 2023a). Combined with compounding risks, such as rising inequality, including gender inequality, stagnant and often rising informality in the labour market, the impacts of climate change and unsustainable food systems, countries in the region face major social development challenges, as detailed in the sections below.

1. Poverty

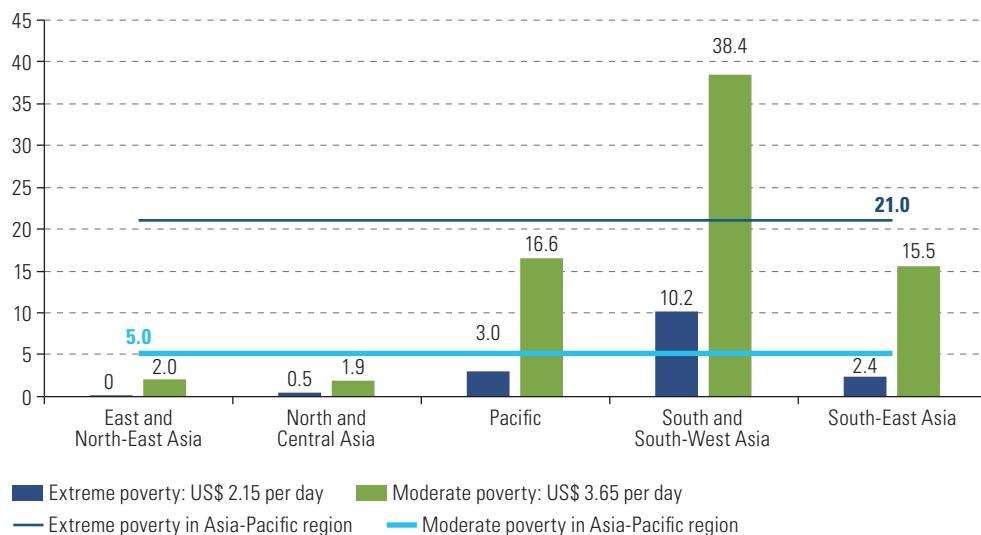
Across Asia and the Pacific, progress made in reducing monetary poverty in recent decades has been undone by the coronavirus disease (COVID-19) pandemic and the ongoing cost-of-living crisis. In 2022, it is estimated that an additional 42 million people in the region were pushed into extreme poverty compared to pre-COVID levels, using a US\$ 2.15 poverty line (ESCAP, 2024a). At the international poverty line of US\$ 3.65, an additional 156 million people were estimated to have fallen into poverty. Regionally, moderate poverty is four times more common than extreme poverty. The moderate poverty rate is highest in South and South-West Asia, affecting over a third of the population in the subregion (see figure III.1).

Beyond monetary poverty, half of the world's multidimensionally poor —about 500 million people— live in the Asia-Pacific region (UNDP, 2024). The global multidimensional poverty index, which assesses non-monetary poverty by considering various hardships faced by households, shows that significant parts of the population have been left behind, especially in the region's low and lower-middle-income developing countries (see figure III.2). In several countries, more than a third of the population lacks access to basic opportunities.¹ In nearly all countries with available data, the percentage of people who are multidimensionally poor exceeds those affected by monetary poverty.

¹ The global multidimensional poverty index measures 10 deprivations in the areas of health, education and living standards.

Figure III.1

Share of population living in extreme and moderate poverty, by ESCAP subregion excluding high-income countries, latest available data (Percentages)

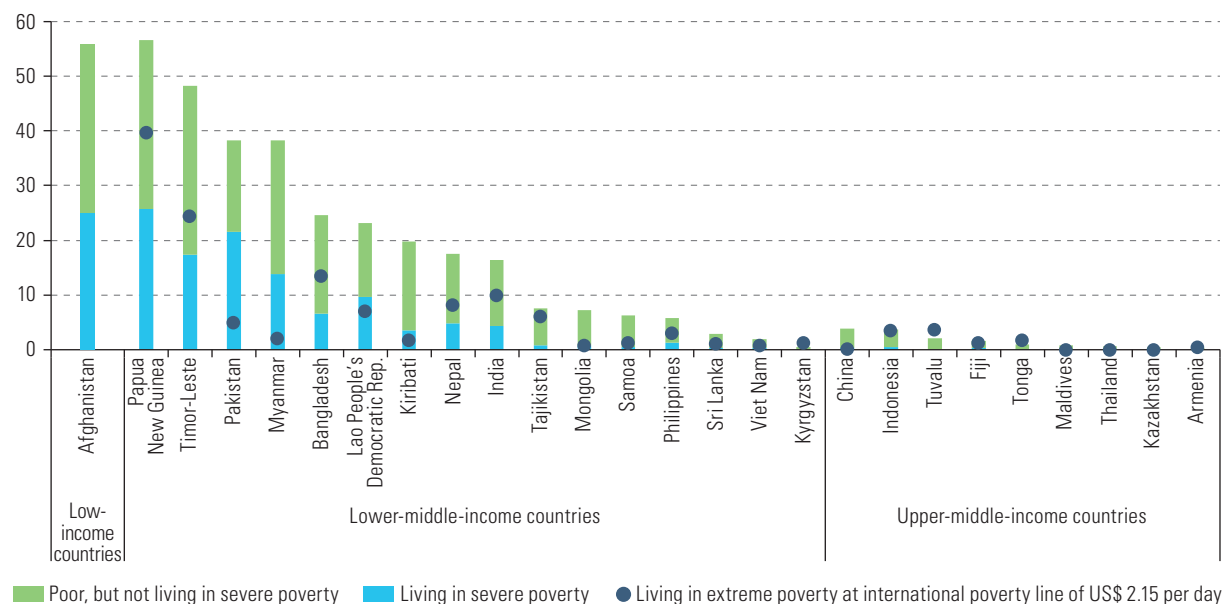


Source: Economic and Social Commission for Asia and the Pacific (ESCAP) estimates, on the basis of World Bank, Poverty and Inequality Platform [online] <https://pip.worldbank.org/home> [accessed on 15 May 2024].

Note: Estimates follow ESCAP definitions of subregions and are based on the latest international poverty lines estimated by the World Bank at US\$ 2.15 and US\$ 3.65 a day at 2017 purchasing power parity. Therefore, a total of 26 countries with data available in 2017–2022 are included. The figure excludes all high-income countries in Asia and the Pacific. In India, poverty rates are projected to recent periods by the World Bank owing to a lack of recent household surveys.

Figure III.2

Monetary versus non-monetary poverty in Asia and the Pacific, by income group,^a latest available data (Percentages of population)



Source: Economic and Social Commission for Asia and the Pacific (ESCAP), on the basis of extreme poverty figures from World Bank, Poverty and Inequality Platform [online] <https://pip.worldbank.org/home>; S. Alkire, U. Kanagaratnam and N. Suppa, "The global Multidimensional Poverty Index (MPI). 2023 country results and methodological note", *OPHI MPI Methodological Note*, vol. 55, Oxford Poverty and Human Development Initiative, University of Oxford, 2023; "A methodological note on the global Multidimensional Poverty Index (MPI) 2023 changes over time results for 84 countries", *OPHI MPI Methodological Note*, vol. 57, Oxford Poverty and Human Development Initiative, University of Oxford; and demographic and health surveys and multiple indicator cluster surveys carried out between 2014 and 2022.

^a As defined by the World Bank.

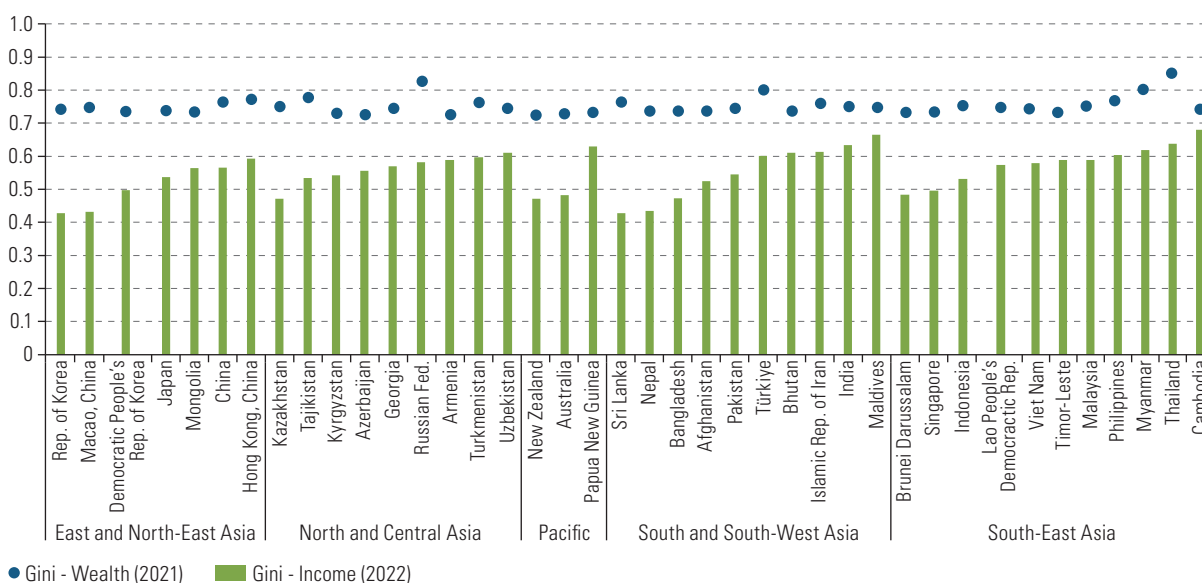
2. Inequality

(a) Inequality of income and wealth

Inequality has been rising in Asia and the Pacific. In 2022, the Gini coefficient for income ranged between 0.4 and 0.7 in the region, with an average of 0.55 (see figure III.3). The COVID-19 pandemic has exacerbated existing disparities. Income inequality increased in over half of Asia-Pacific countries and territories with data during the 2019–2022 period compared to 2000–2019. Wealth inequality is more severe than income inequality. In 2021, the Gini coefficient for wealth ranges between 0.7 to 0.9 with an average of 0.75 in the region. As wealth contributes significantly to economic gains and power in the future and can accumulate and be passed down through generations, wealth inequality can exacerbate existing disparities and have more lasting effects (Chancel and others, 2022).²

Figure III.3

Income and wealth inequality, by ESCAP subregion, latest available data
(Gini coefficients)



Source: Economic and Social Commission for Asia and the Pacific (ESCAP), on the basis of World Inequality Lab, World Inequality Database [online] <https://wid.world/> [accessed on 16 December 2023].

Note: The figure shows the Gini coefficient in pre-tax national income (green bar) as well as net personal wealth (blue dot) across countries and territories with available data in Asia and the Pacific.

(b) Inequality of opportunity

Inequality also manifests in individuals' access to opportunities, such as access to basic services, education and health. Despite overall progress in this regard in most countries in Asia and the Pacific, many individuals and groups —such as children, women, young people, older persons, persons with disabilities, migrants, and ethnic, language or religious minority groups— still live in vulnerable situations and are being left behind (United Nations, 1995). At the same time, disparities in access to opportunities within countries remain wide. The ESCAP Leaving No One Behind methodology identifies the groups furthest behind and furthest ahead in terms of access to basic opportunities. It also captures the intersectionality of individual and household characteristics associated with unequal access, such as

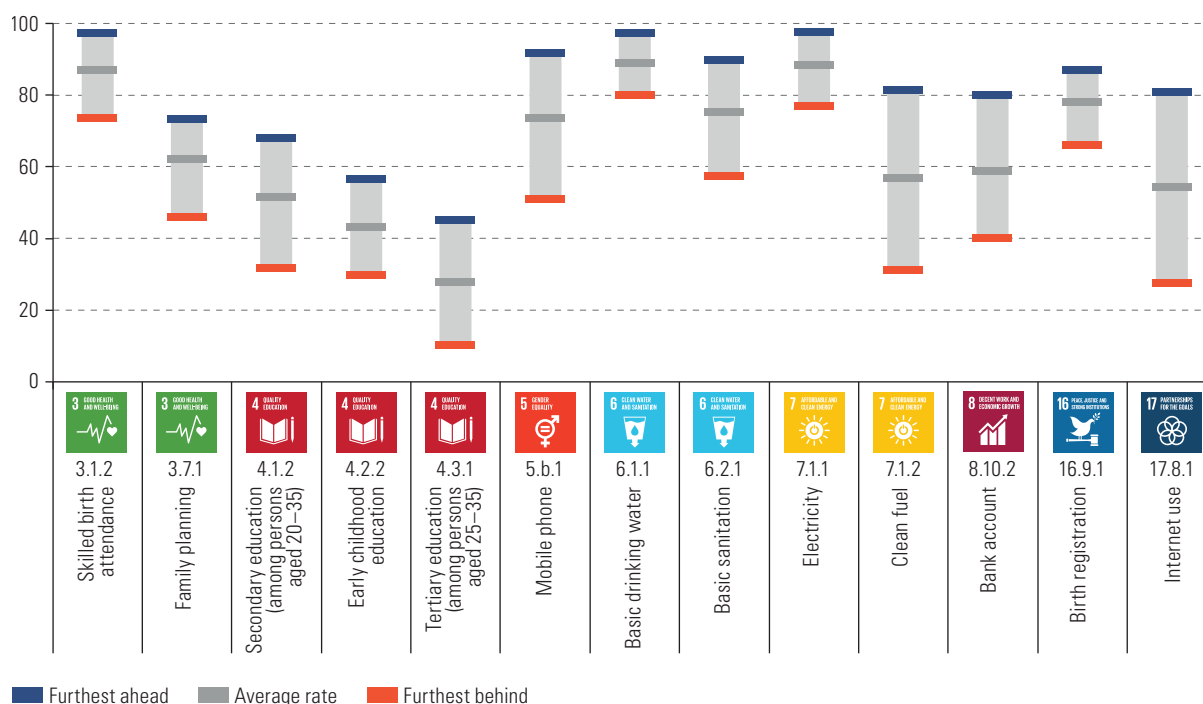
² While income is the sum of all pre-tax personal income flows accruing to the owners of the production factors such as labour and capital, wealth is the total value of non-financial and financial assets (e.g. housing, land, deposits, bonds and equities) held by households.

age, gender, education, location of residence and poverty. As shown in figure III.4, the gaps between the furthest-ahead and furthest-behind groups are largest in areas such as access to information and communications technologies and clean fuel for cooking.

Figure III.4

Gaps in attainment of Sustainable Development Goals and inequality of opportunity in the Asia-Pacific region (30 countries), latest available data

(Percentage share of individuals or households with access to opportunities)



Source: Economic and Social Commission for Asia and the Pacific (ESCAP), Leaving No One Behind (LNOB) [online] <https://lnob.unescap.org/>, on the basis demographic and health surveys (DHS) and multiple indicator cluster surveys (MICS) carried out between 2010 and 2022.

Understanding the structural barriers and social norms that underpin inequalities of opportunity is essential and, without it, achievements in closing equity gaps are at risk of being lost. For instance, only 11 Asia-Pacific countries have legal frameworks that guarantee women's equal rights to ownership or control of land (Sustainable Development Goal (SDG) indicator 5.a.2) (ESCAP, n.d.-a).³ The lack of ownership of property and assets has restricted women's access to credit, which often requires collateral. The disproportionate unpaid care burden that women bear prevents them from equal participation in the labour market and has other repercussions for their access to opportunities and their well-being. Tackling structural barriers and problematic norms should be an integral objective of legislative reforms, policy action and other investments to address inequalities of opportunity in order to achieve transformative, sustainable impacts.

3. Labour markets

(a) Informal employment

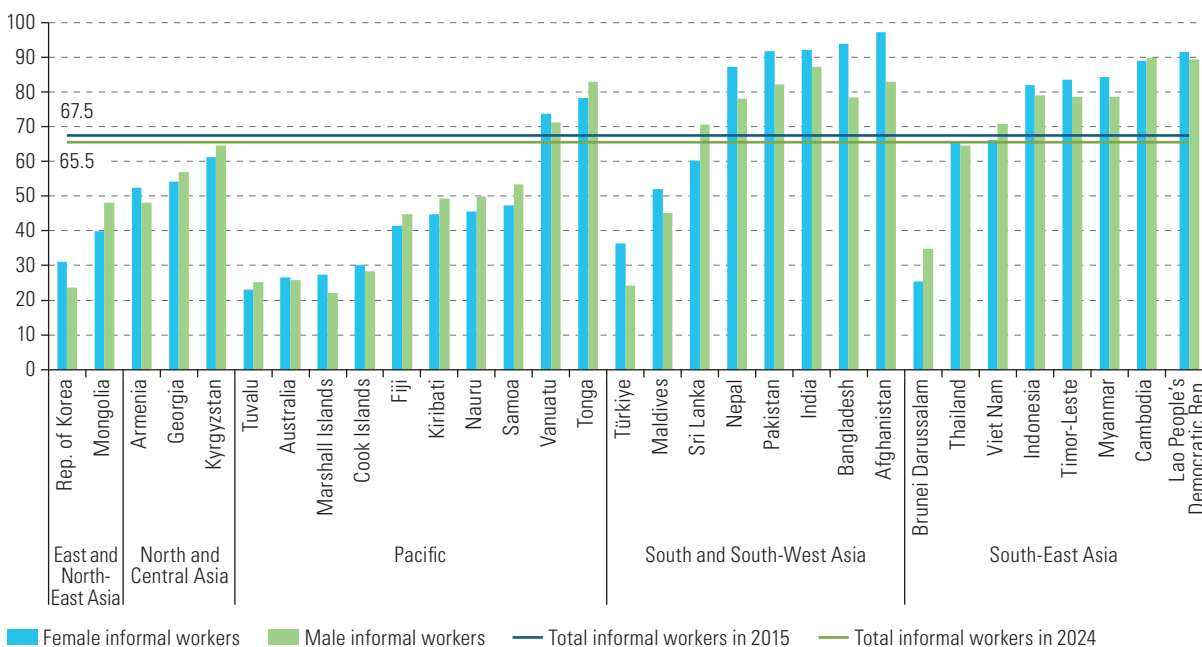
The lingering aftermath of the pandemic and the ongoing cost-of-living crisis continue to heavily impact over 1.3 billion informal workers in the region, accounting for two thirds of the employed population (ILO, 2024). While extreme and moderate poverty among workers in Asia and the Pacific significantly

³ Accessed on 3 June 2024.

decreased from 2015 to 2023, informal employment remains widespread with little to no change (ILO, 2024). Informal employment is especially prevalent in South and South-West Asia, as well as South-East Asia (see figure III.5). The agriculture sector has the highest number of informal workers across all ESCAP subregions, with South and South-West Asia seeing an especially high rate of 95% of workers in the informal sector.

Figure III.5

Proportion of informal employment in total employment, by sex, latest available year
(Percentages)



Source: International Labour Organization (ILO), "Statistics on the informal economy", ILOSTAT [online] <https://ilostat.ilo.org/topics/informality/> [accessed in March 2024].

The short-term economic outlook is fraught with risks, particularly weak job creation (formal and decent jobs) amid constrained public budgets owing to rising debt servicing burdens (ESCAP, 2024a). As a result, vulnerability to economic shocks is likely to persist, affecting a substantial portion of the region's population in informal employment, especially those who fall outside social protection policies because they are not categorized as poor but are near-poor (Kidd and Athias, 2020).

(b) Gender gap in labour force participation and unpaid care burden

Across the Asia-Pacific region, women are far less likely to participate in the labour force than men. In 2024, the regional gender gap in labour force participation stood at 30 percentage points (73.6% for men and 43.9% for women aged 15 and over), a gap that has persisted since 1995. The entrenched gap is driven mainly by South and South-West Asia, which is home to a growing share of the region's population and where the gender gap was a starkly high 48.8 percentage points in 2024.⁴

The disproportionate share of unpaid care and domestic work performed by women and girls has been one of the biggest contributing factors to the persistent gender inequalities in the region's labour market. Older women provide much of the care required by children and other older persons (ESCAP, 2020b). In most Asia-Pacific countries and territories (13 out of 15 with official SDG data based on time-use surveys), the time women and girls (aged 15 years and over) spend on unpaid care and domestic work is two to

⁴ Prepared by ESCAP on the basis of SDG Gateway Data Explorer, "Labour force participation" [online] <https://dataexplorer.unescap.org/> [accessed on 14 June 2024]. Data presented in the ESCAP database were retrieved from ILOSTAT on 28 November 2023.

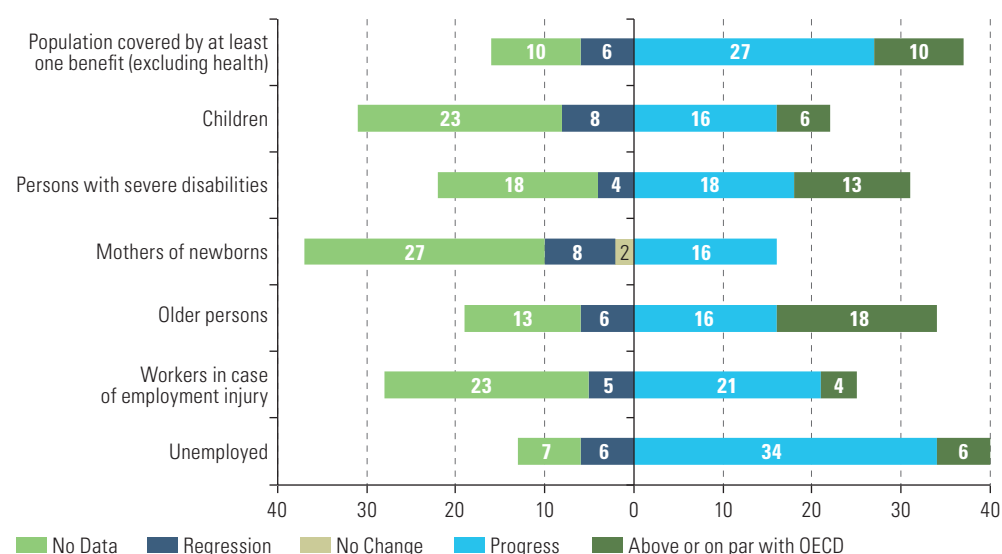
five times more than the corresponding figure for men.⁵ The burden of unpaid care was further intensified by the COVID-19 pandemic owing to school closures, working-from-home arrangements, interruption of care services and the need to care for sick family members. For women and girls, the consequent time poverty continues to have a broad range of repercussions for their education, labour force participation, income, career advancement, leadership and decision-making.

4. Social protection

Between 2016 and 2023, the region advanced in extending coverage for major contingencies (excluding health) throughout the life cycle, including children, persons with disabilities, the working-age population and older persons, consistent with the concept of a social protection floor (see figure III.6).⁶ Many countries in the region with historical data on SDG indicator 1.3.1, which measures the proportion of the population covered by at least one social protection cash benefit, have reported progress since 2016 in terms of effective coverage for unemployed persons and workers in cases of employment injury.⁷ However, effective coverage for mothers of newborns has declined in nearly one third of Asia-Pacific countries with available data.

Figure III.6

Asia-Pacific countries and territories progressing towards universal social protection coverage, 2016–2023
(Number)



Source: Economic and Social Commission for Asia and the Pacific (ESCAP), on the basis of International Labour Organization (ILO) estimates, 2024; ILO, “Social Security Inquiry”, World Social Protection Database Dashboards [online] <https://www.social-protection.org/gimi/WSPDB.action?id=41>; ILO, ILOSTAT [online] <https://ilostat.ilo.org/>; International Social Security Association (ISSA), “Social security programs throughout the world” [online] <https://www.issa.int/databases/country-profiles>; and national sources.

Note: Change in effective coverage between 2016 and 2023 or latest year available. The Organisation for Economic Co-operation and Development (OECD) average coverage level is used as a benchmark for more robust social protection systems. Countries are “in progress” if the latest coverage level is below the OECD average level but has made positive change in the period (2016–2023). Countries experienced “no change” if the latest coverage level is below the OECD average level and the percentage change in the coverage is less than or equal to five per cent. Countries have “regressed” if the latest coverage level is below the OECD average level and has made negative change of more than 5% in the period. When data in the year of 2016 were not available, data from the nearest year were compared to that from 2023.

⁵ Prepared by ESCAP on the basis of SDG Gateway Data Explorer, “Time spent on unpaid domestic chores and care work (% of time in a day, total female and male aged 15+)” and “Time spent on unpaid domestic chores and care work (% of time in a day, total male aged 15+)”, most recent year [online] <https://dataexplorer.unescap.org/> [accessed on 14 June 2024].

⁶ The unweighted average coverage level for all Organisation for Economic Co-operation and Development (OECD) countries, where social protection systems are generally more comprehensive, is used as a benchmark for high levels of coverage.

⁷ SDG 1.3.1 measures the proportion of the population receiving cash benefits, excluding healthcare and sickness benefits, under at least one of the contingencies or social protection functions (contributory or non-contributory benefit) or actively contributing to at least one social security scheme.

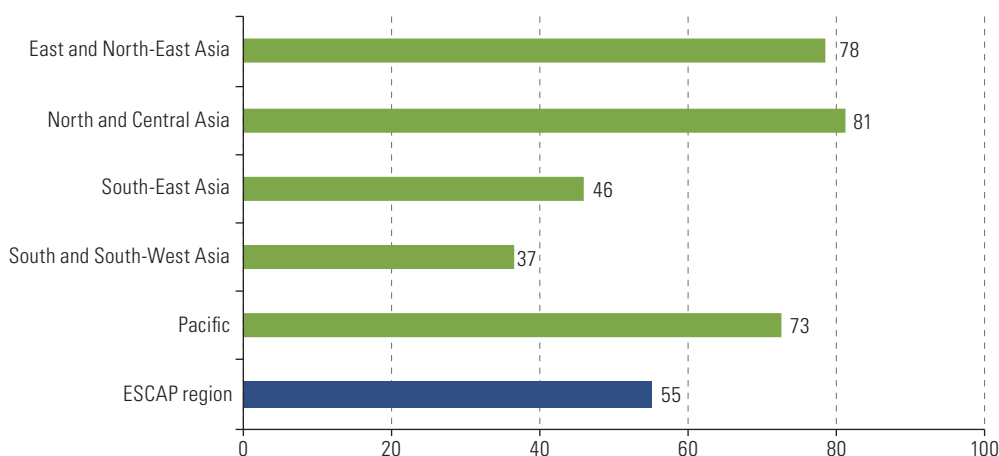
According to the latest International Labour Organization (ILO) estimates for the Asia-Pacific region, older persons have the highest social protection coverage, followed by mothers of newborns (see figure III.7). About 30.5% of workers are covered by injury schemes, but the unemployed have the lowest coverage of all. Only 20% of children and 33% of people with disabilities receive relevant entitlements. In total, just 35.9% of vulnerable individuals have any form of income security. Factors leading to exclusion from social protection include eligibility requirements, targeting methods, administrative and implementation challenges and weak enforcement. Social protection systems are also underfunded and often inadequate for managing disruptions to livelihoods and income. Investment in social protection in Asia and the Pacific is a low 12% of GDP, behind the global average of 19.3% and the OECD average of 25%.⁸

Figure III.7

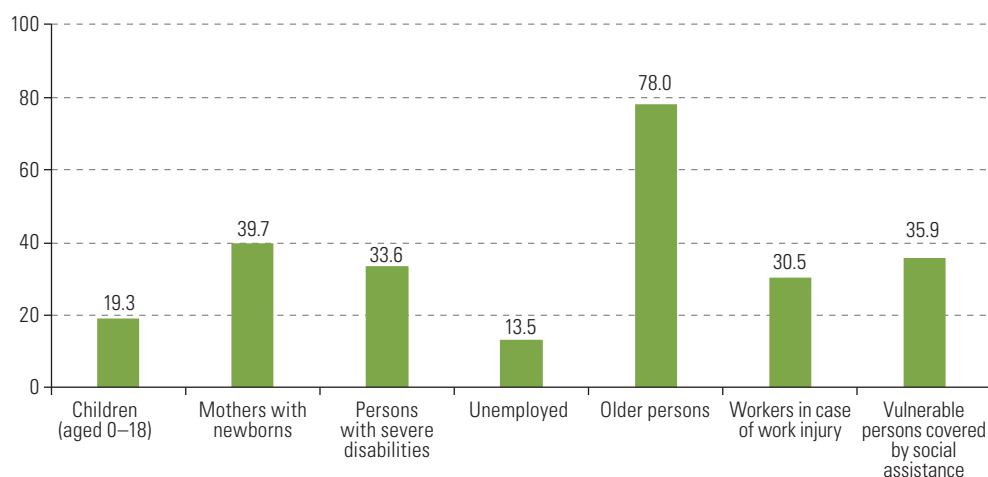
Share of population covered by at least one social protection benefit (excluding health), by subregion and contingency, latest available year

(Percentages)

A. By subregion



B. By contingency



Source: Economic and Social Commission for Asia and the Pacific (ESCAP), on the basis of International Labour Organization (ILO) estimates, 2024; ILO, “Social Security Inquiry”, World Social Protection Database Dashboards [online] <https://www.social-protection.org/gimi/WSPDB.action?id=41>; ILO, ILOSTAT [online] <https://ilostat.ilo.org/>; International Social Security Association (ISSA), “Social security programs throughout the world” [online] <https://www.issa.int/databases/country-profiles>; and national sources.

⁸ Information extracted from various sources: ILO estimates, 2024; ILO (n.d.-a and n.d.-b), ISSA (n.d.) and national sources.

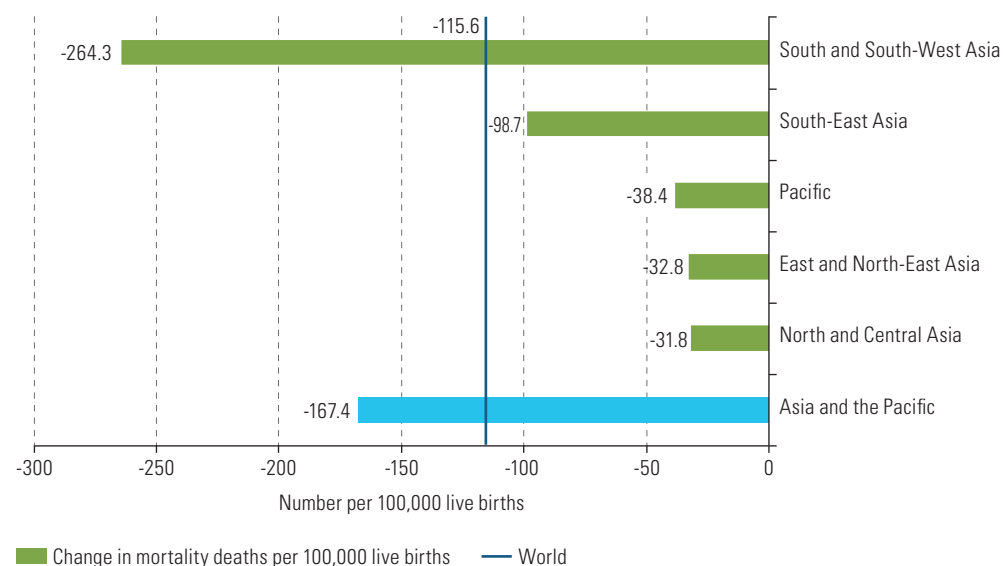
People in Asia and the Pacific are highly exposed to extreme climate events. Given that climate change and rising socioeconomic inequalities are inextricably linked, it is a concern that coverage by at least one social protection benefit is below 50% in more than half of Asia-Pacific countries. (ESCAP, 2024b). Many countries in the region have a high share of their population exposed to climate risks but have low levels of social protection coverage, indicating their pronounced vulnerability to the impacts of climate change.

5. Health

(a) Life expectancy, maternal and infant mortality

Health outcomes in Asia and the Pacific vary greatly between countries. At the regional level, however, Asia and the Pacific scores better than the global average in life expectancy at birth and in maternal and infant mortality. The region registered an average life expectancy at birth of 74.7 years in 2024, with at least 30 countries across all subregions of Asia and the Pacific that together account for 48% of the region's total population exceeding the world average of 73.3 years. However, life expectancies at higher ages, such as 65 years or 80 years or over, are consistently lower in Asia and the Pacific than global levels. Moreover, longer lives are not necessarily healthier lives. With the demographic and epidemiological transition under way, people with disabling illnesses or injuries are also living longer, and many of them are women. The infant mortality ratio of 20.8 (per 1,000 live births) in 2024 in Asia and the Pacific is lower than the global average of 26.9 (United Nations, 2024). Maternal mortality has declined by a third since 2000, with most reductions between 2000 and 2015 (see figure III.8). Despite that positive change, however, the region will not attain SDG target 3.1 of fewer than 70 maternal deaths per 100,000 live births by 2030 (ESCAP, 2023b).

Figure III.8
Change in maternal deaths per 100,000 live births, 2000–2020
(Number)



Source: Economic and Social Commission for Asia and the Pacific (ESCAP), on the basis of ESCAP, “Indicators by SDG: 3.1.1 – Maternal mortality”, SDG Gateway Asia Pacific [online] <https://data.unescap.org/> [accessed on 25 March 2024].

Maternal and perinatal mortality largely results from inadequate or poor-quality care during pregnancy, childbirth or after birth, with persistent gaps in access for disadvantaged women and girls. In the Asia-Pacific region, skilled birth attendance was nearly universal except for South and South-West Asia, where it was estimated at 89.4% in 2021 (ESCAP, 2023b). Even so, regional averages often mask

inequalities in access. In most countries, the gaps between the furthest behind and the furthest ahead persist, though they are declining. Women and adolescent girls who are poorer, less educated and give birth to two or more children are much less likely to have access to professional help during childbirth (ESCAP, n.d.-b).⁹ Inequalities in access to quality maternal and newborn healthcare services are also found to disproportionately affect adolescent girls and young mothers, mothers and newborns in rural areas, and ethnic minorities and other vulnerable communities. This is often due to geographical isolation, lack of means of transport, lack of education and the limited availability of local healthcare facilities and trained personnel (WHO, 2021).

(b) Food security and malnutrition

Underlying vulnerabilities in food systems across Asia and the Pacific have been steadily increasing over the past 15 years. The region now bears the double burden of malnutrition: both overnutrition and undernutrition persist. Just over 1 billion people in Asia and the Pacific faced moderate or severe food insecurity in 2022, roughly 44% of the global total (FAO, 2023). Undernourishment indicators suggest that the Asia-Pacific average (8.4%) was less than the global average (9.2%) in 2022, having improved from 14.2% in 2000 but worsened from 7.3% in 2019. However, the 370.7 million undernourished people account for about 50% of the global total, and 85% of them live in South Asia. Among children under 5 in the region, 23.4% were stunted and 13.6% were wasted in 2022, both figures higher than the global averages.

The regional prevalence of overweight and obesity are lower than the global average but are rising rapidly among all age groups. Between 2000 and 2022, the regional prevalence of overweight among children under 5 increased from 4.0% to 5.1% and doubled in South-East Asia. The prevalence of adult obesity in 2016 was over 45% in 10 Pacific countries, placing them among the countries with highest prevalence in the world; those countries also bear a heavy and growing burden from non-communicable diseases (FAO, 2023).

6. Education

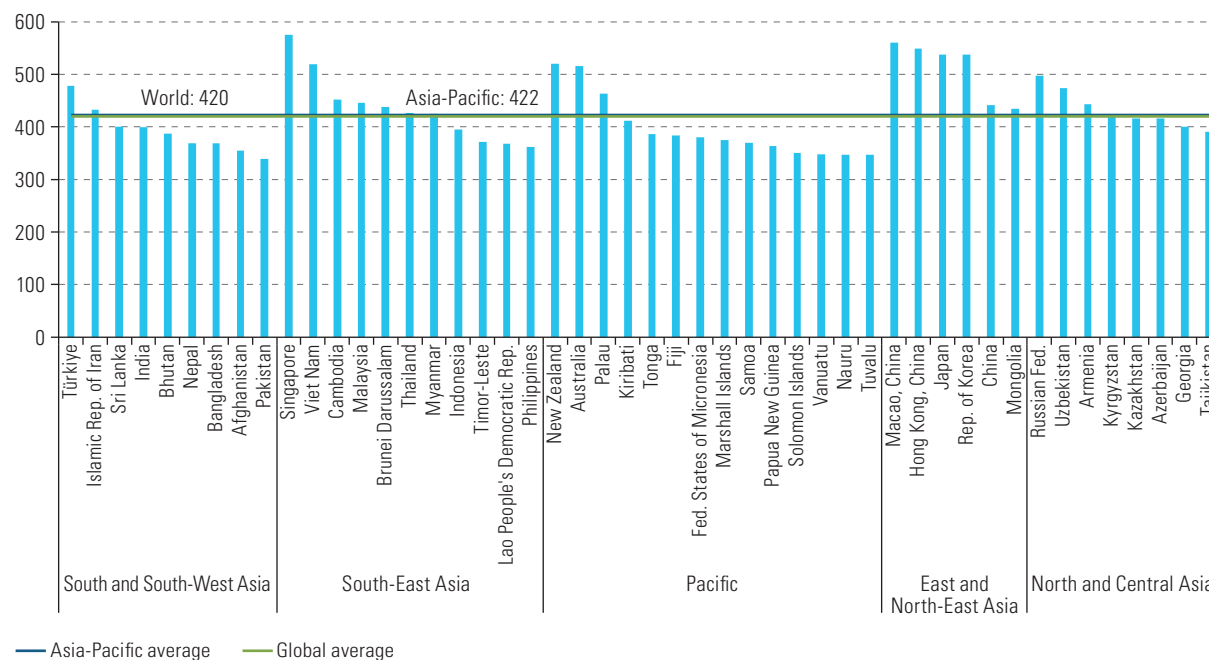
The Asia-Pacific region has higher education completion rates than the global average for primary school (regional average of 98%) and lower secondary school (regional average of 88%); however, it reports slightly lower rates than the global average for upper secondary school (regional average of 70%), though this figure is impacted by more limited data availability. Internationally harmonized learning test scores suggest that average learning outcomes are slightly higher in the Asia-Pacific region than globally, as seen in figure III.9.

Gender is a factor in educational attainment, although the pattern varies across countries. When enrolled in school, girls outperform—or at least perform equally well as—boys in school completion across primary, lower secondary and upper secondary levels in most Asia-Pacific countries (ESCAP/UN-Women, 2024). However, the lack of school-based water, sanitation and hygiene facilities and menstrual health support and school-related gender-based violence continue to hinder girls' access to and retention in school, as well as their academic performance (UNICEF/WHO, 2024; UNICEF, 2022 and 2017).

Persisting gender biases keep many women and girls away from science, technology, engineering and mathematics (STEM) education. These derive from stereotypes and expectations that perceive women and girls as less suitable for and capable in STEM subjects. Data from Asia-Pacific Economic Cooperation economies indicate that low levels of participation of women and girls in tertiary STEM studies prevail even in high-income countries such as the Republic of Korea and Japan (OECD, 2019). Gender biases and discrimination prevail in STEM-related studies, research and jobs, as well as in the designs and algorithms of big data and emerging technologies like generative artificial intelligence, which are often male-centred.

⁹ Accessed on 2 August 2024.

Figure III.9
Harmonized Learning Outcomes, latest available year
(Test scores)



Source: World Bank, Harmonized Learning Outcomes (HLO) Database [online] <https://datacatalog.worldbank.org/dataset/harmonized-learning-outcomes-hlo-database> [accessed in August 2024].

B. Recent policy developments and best practices to respond to the challenges of social development

The social development challenges discussed above are deeply interconnected and require cross-cutting interventions to address them holistically. Recent policy developments at both the regional and national levels reflect growing commitments and efforts to foster more inclusive, equitable and sustainable development.

1. Progress in implementing nationally appropriate social protection systems and measures and good practices

Social protection is an important tool to protect people from life cycle risks and build resilience against emerging risks, essential for preventing poverty and reducing inequalities and improving overall well-being. In October 2020, ESCAP member States adopted the Action Plan to Strengthen Regional Cooperation on Social Protection in Asia and the Pacific,¹⁰ which provides a shared strategy to build more inclusive and comprehensive social protection systems and a platform to strengthen regional cooperation.

Asia and the Pacific has made slow but steady progress in implementing nationally appropriate social protection systems and measures (ESCAP, 2024b). High coverage rates in North and Central Asia are in part driven by achievements in Kazakhstan, Mongolia and the Russian Federation, which have a mixture of contributory and universal or targeted non-contributory schemes, and Georgia, where older persons have universal coverage through a multi-pillar system. In the Pacific region, the Cook Islands has one of the most comprehensive social protection systems, with a range of non-contributory programmes including universal non-contributory child benefits (Rossi and Villanueva, 2023). Among the countries with the highest coverage in South-West Asia, the Islamic Republic of Iran and Thailand have comprehensive contributory

¹⁰ For further information, see [online] <https://spot.unescap.org/action-plan>.

systems complemented by universal entitlements and targeted non-contributory programmes. Notably, the Islamic Republic of Iran provides a near-universal basic income to all eligible persons (Rahbari, 2023; Hosseini and Bilo, 2022). Türkiye also has an extensive contributory system that is funded by social insurance as well as targeted non-contributory programmes.

Some countries have extended coverage of contributory schemes through voluntary membership and subsidies for informal workers (ILO, 2021b). In the Philippines, the informal economy programme covers health insurance contributions of those who do not qualify for any other programme on a mandatory basis, including non-poor self-employed workers, migrant workers and unemployed workers. Viet Nam unified its mandatory and voluntary health insurance schemes into a single, pooled system that covers the entire workforce. China provides subsidies for pension insurance contributions for rural residents and non-salaried urban residents. In response to the low uptake of voluntary schemes, countries such as Thailand have introduced large-scale mandatory coverage programmes.

In addition, countries in Asia and the Pacific are increasingly recognizing the need to review and adapt their social protection policies in response to climate change and have introduced diverse social protection applications across policy domains and systems to address climate-related risks. In Nepal, the national Social Security Allowance Programme has been utilized as an anticipatory measure in regions affected by unseasonal rainfall and flooding. Fiji has integrated climate considerations into its public work programme, particularly in the design of the cash-for-work initiative by including wetland protection, riverbank restoration and biodiversity enhancement activities in the programme. In India, the school feeding programme continues to support children in drought-affected areas year-round, including during summer breaks and emergencies, with climate considerations embedded in the programme's design.

2. Active and healthy ageing policies and stronger intergenerational relations

The region's countries have recognized population ageing as a regional megatrend and have placed considerable attention on active and healthy ageing policies, programmes and action plans. At the fourth Asia-Pacific review and appraisal of the Madrid International Plan of Action on Ageing in 2022, ESCAP member States called for developing, strengthening and implementing comprehensive and integrated policy frameworks that address and mainstream population ageing into national development strategies and plans, adopting a human rights-based and people-centred approach (ESCAP, 2022c).

According to ESCAP analysis, almost all countries in Asia and the Pacific have some form of policy or action plan on older persons. Moreover, there are sectoral policies and programmes that include older persons in some form, such as those focusing on housing, lifelong learning or health. Countries including the Lao People's Democratic Republic, Maldives and Papua New Guinea are currently drafting or revising policies on older persons to align them more closely with global and regional guiding documents and revising their action plans accordingly.¹¹ In Cambodia, for example, the government has developed policies to promote health and well-being throughout life, by including active and healthy ageing in the National Social Protection Policy Framework 2016–2025, the National Ageing Policy 2017–2030 and the National Multi-Sectoral Action Plan for the Prevention and Control of Non-Communicable Diseases 2018–2027. The Ministry of Health of Türkiye issued the Healthy Ageing Action Plan and Implementation Programme 2015–2020 in order to improve the health and well-being of older persons by means of easy and free access to essential healthcare services. Continuation of the programme has been formulated in its follow-up action plan for 2021–2026 (ESCAP, 2022c).

Several member States have recognized the importance of fostering and strengthening intergenerational exchange and solidarity for building societies of all ages. For example, in Kazakhstan, the Ministry of Information and Social Development has established the Roadmap for the Development of Volunteering

¹¹ Global and regional guiding documents refer to the Madrid International Plan of Action on Ageing, 2002, the United Nations Decade of Healthy Ageing (2021–2030), the Association of Southeast Asian Nations Kuala Lumpur Declaration and Regional Plan of Action of 2021 and 2023, and the outcome document of the fourth review and appraisal of the Madrid International Plan of Action on Ageing, 2002 in Asia and the Pacific.

for 2021–2023, which includes the implementation of the Silver Volunteer project to involve older persons in project activities. In Türkiye, the government has initiated programmes that foster volunteering among younger and older persons for intergenerational exchange. In Singapore, the Housing and Development Board's Proximity Housing Grant of 2015 encourages families to live with or close to each other for mutual care and support.

3. Creating safe, orderly and regular migration

In response to the challenges of international migration, United Nations Member States, including those from Asia and the Pacific, adopted the Global Compact for Safe, Orderly and Regular Migration in 2018. The Global Compact is a framework for cooperation that addresses all aspects of migration governance in a holistic and comprehensive manner.

In 2021, ESCAP member States reviewed the Global Compact for the first time, using the ESCAP intergovernmental platform. In the Chair's summary of that meeting they highlighted the need to provide adequate support to migrants through social protection and other measures of social inclusion and engagement in society (ESCAP, 2021). Many representatives highlighted the relevance of subregional, regional and international cooperation and partnerships on international migration. Since then, a number of interregional dialogues between governments and stakeholders have been organized, such as the Asia-Gulf Cooperation Council Senior Officials' Dialogue of 2023 or the Pacific Islands Forum, which provides the architecture for Pacific-wide cooperation, in particular with a view to climate change-related migration. Most recently, the Forum endorsed the Pacific Regional Framework on Climate Mobility, paving the way for member countries to address climate related issues through an inclusive and collaborative regional approach.

ESCAP member States are currently preparing for the second Asia-Pacific regional review of the Global Compact, to be held at ESCAP in February 2025.¹² Among some of the achievements of the Global Compact implementation process are efforts to improve civil registration and vital statistics systems to provide legal identity to stateless persons across the region, particularly in North and Central Asia. Some countries in South-East and South and South-West Asia have made progress in eliminating worker-paid recruitment fees, and countries have adopted stricter enforcement measures to regulate the recruitment industry. There have also been efforts to digitalize recruitment processes and build databases for greater transparency and accountability. Civil society played a key role in raising awareness for decent working conditions for migrants during the COVID-19 pandemic. They remain instrumental in repatriation and reintegration efforts.

4. Investment in the care economy

Addressing the multifaceted demand for care requires a combination of policy action and investments across sectors with a strong gender lens and deliberate gender considerations. Some countries in the region have made commendable efforts in improving care services, care-related social protection and employment-related care policies. To promote decent work for domestic workers, India, Pakistan and Timor-Leste have undertaken reforms to extend minimum wage guarantees for domestic workers.¹³ Since 2021, the employment of domestic workers in Viet Nam is regulated by written employment contracts that set minimum standards on working time and rest. It is the only country in Asia and the Pacific where domestic workers are entitled to the same minimum wage as other workers. Additionally, Viet Nam has also expressed its commitment to ratifying the ILO Domestic Workers Convention, 2011 (No. 189) by 2026 (ILO, 2021b). In the Punjab province of Pakistan, employers of domestic workers are required by law to comply with general occupational health and safety provisions. Additionally, in 2022

¹² For further information, see [online] <https://www.unescap.org/events/2025/second-asia-pacific-regional-review-implementation-global-compact-safe-orderly-and#>.

¹³ National reports on the implementation of the Beijing Declaration and Platform for Action submitted by respective countries. See [online] <https://www.asiapacificgender.org/node/244> [accessed on 5 August 2024].

the country amended the Protection against Harassment of Women at the Workplace Act 2010 to cover domestic workers (Pakistan, 2024). In Indonesia, the law against domestic violence recognizes live-in domestic workers as members of the household for which they work and thus they are legally protected against physical, psychological, sexual and economic violence within the household (ILO, 2021b).

Social protection systems need to be care-sensitive and gender-responsive. Some countries have explored measures to expand the coverage of women in contributory schemes. In China, for example, some provinces have piloted a modified social health insurance (including maternity insurance) contributory mechanism since 2022 that uses the unemployment insurance fund to continue contribution to social health insurance for women who are registered as unemployed while allowing self-employed and informally employed women to contribute to social health insurance (China, 2024). Armenia, Japan and Pakistan have put in place care-related contribution credits to mitigate the negative impacts of the unpaid care burden on women's contributory capacity and duration to pension schemes (World Bank, 2022, 2021 and 2017; OECD, 2023).

Income supplements, cash-for-care arrangements and tax benefits can support those providing care to children, persons with disabilities or older persons who are dependents (ESCAP, 2022b). A benefit supplement can be paid on top of disability benefits to provide, in effect, minimum income security for caregivers, particularly when constant care is required. In Kyrgyzstan and the Lao People's Democratic Republic, a "constant-attendant supplement" is paid on top of a disability benefit if constant attention is required. Australia, the Cook Islands, Malaysia, Mongolia, New Zealand and Viet Nam are among the other countries and territories providing income support for caregivers of persons with disabilities. In addition, dependent supplements can be paid to persons with disabilities who have family responsibilities; this is the case in the Philippines, where a person with a disability can receive a supplement for up to five of their unmarried and unemployed children below age 21 (Rossi and Villanueva, 2023; ESCAP, 2022d).

5. Promotion of gender equality in education

To promote gender equality in STEM education, some countries, including Australia and China, have implemented deliberate programmes. The Australian Academy of Science, in collaboration with the Australian Academy of Technology and Engineering, developed the Women in STEM Decadal Plan in 2019, which delineates six opportunity areas, including leadership and cohesion, evaluation, workplace culture, visibility, education and industry action, for stakeholders from government, academia, industry, the education sector and the broader community to act and drive change (Australian Academy of Science, 2019). China has undertaken tailored interventions for schoolgirls living in less resourced and remote communities and affirmative measures to enable women to overcome career planning and development barriers in STEM sectors (China, 2024).

Countries in the region have implemented various policies and programmes to support girls' school education. Menstrual health education is provided in 90% of schools in Fiji, 73% of schools in Solomon Islands and 72% of schools in the Philippines (UNICEF/WHO, 2024). The Philippines also provides menstrual sanitation materials for girls in 87% of schools (UNICEF/WHO, 2024). Several countries in the region have made commendable efforts to improve menstrual health for schoolgirls by incorporating menstrual health in school improvement plans (the Philippines) and budget allocation to schools (Fiji, Indonesia, Nepal and the Philippines) but the implementation efficiency of those policies and budgets is being challenged by the lack of accountability and unclear responsibilities among line ministries (UNICEF/WHO, 2024). Furthermore, some countries in the region recently amended laws to strengthen the prevention of and response to school-related gender-based violence (such as China with regard to sexual harassment in schools) (China, 2023). In particular, youth and survivor activists and youth-led organizations play a critical role in preventing, mitigating and responding to school-related gender-based violence (e.g. in Bangladesh, the Philippines and Viet Nam) (Safe to Learn, 2023).

C. Policy lessons for the future and gaps to address in addition to new and emerging challenges

The social development landscape in Asia and the Pacific is marked by significant challenges and opportunities, requiring a multifaceted approach to policy and legislative frameworks. In response to the growing challenges posed by climate change, rapid digitalization and ageing populations, a comprehensive, people-centred and life course approach is needed to reduce the risks of poverty and inequality. The region faces critical gaps, particularly in resource allocation and gender-responsive policies, which must be addressed to achieve inclusive and sustainable development outcomes.

1. Establishing robust legislative and policy frameworks. Governments in the region must prioritize the ratification and implementation of ILO conventions and recommendations as the first step towards developing strong legislative and policy frameworks. This process is essential for embedding international principles and standards into national laws. There is at the same time a need for greater integration of social protection systems with other social services, such as care and support services, education, health, nutrition and employment. In view of the climate crisis affecting the region, integration with climate policies and policies for a just transition is also required. This integration will empower populations, particularly those in vulnerable situations, and build resilience against socioeconomic shocks.

2. Mainstreaming gender and addressing intersectionality in social protection. Social protection systems must be more gender-responsive and inclusive. This includes adjusting contributory and non-contributory schemes to better support efforts to recognize, redistribute and reduce unpaid care work, which is disproportionately performed by women. Labour market and workplace policies and measures should also embrace gender perspectives to support women in mitigating the impacts of unpaid care and domestic responsibilities and remain mindful of the unintended consequences of reinforcing women's roles as carers.

3. Addressing resource allocation for social protection. A significant policy gap in the region is the underfunding of social protection. With countries in Asia and the Pacific spending only 8.2% of GDP on social protection—well below the global average of 12.9%—there is an urgent need to increase investment.¹⁴ ESCAP estimates that the cost of introducing universal non-contributory social protection schemes would be relatively low, at an average of 3.3% of GDP by 2030 (ESCAP, n.d.-c). Addressing this funding gap is crucial for expanding social protection coverage and ensuring that it contributes effectively to social development.

4. Implementing effective active labour market policies. Such policies can help to build a resilient and adequately skilled workforce that can adapt to future challenges while meeting the evolving demands of the private sector, in view of the need to transition to a green economy. These policies enable the transition of workers to the formal economy, especially by facilitating the adoption of new skills, which are even more relevant in the context of demographic transitions, technological change and climate-related contingencies. Training efforts that provide vocational, life, technical, business and entrepreneurial skills must ensure that population groups in vulnerable situations are able to participate in and complete them. Dialogue among social partners can help with the design and implementation of active labour market policies (ILO, 2022).

5. Financing gender equality and investing in the care economy. The region must also address the urgent need for gender-smart financing (ESCAP/UN-Women, 2024). Gender-responsive budgeting, fiscal policies and innovative financial instruments such as social bonds are essential for promoting gender equality. Investing in the care economy is particularly important, as it empowers women and girls by redistributing care responsibilities and creating formal job opportunities in the care sector. The unequal

¹⁴ ILO estimates, 2024; ILO (n.d.-a and n.d.-b), ISSA (n.d.) and national sources.

division of care responsibilities between women and men also needs to be transformed through both formal laws and policy incentives, such as shared parental leave, and socialization processes through school education, media campaigns and community mobilization.

6. Empowering women's leadership and participation. Creating a conducive environment for women's meaningful participation and leadership is vital. This requires intentional reforms in political and governance systems, including affirmative measures such as gender and equity quotas, and the allocation of resources to support women leaders. Ensuring that underrepresented groups —such as older women, women with disabilities and migrant and rural women— are empowered is crucial for achieving inclusive and sustainable social development.

7. Promoting active and healthy ageing policies and strengthening intergenerational relations. Population ageing is a megatrend, affecting all aspects of society in Asia and the Pacific. With the demographic and epidemiological transition under way, people may spend more years with disabling illnesses or injuries. This is particularly true for women, who tend to outlive men. Owing to the demographic transition and accompanying age structure changes, multiple generations are living and working side by side for longer periods of time. This context requires active and healthy policies on ageing that focus on the life course. Intergenerational solidarity as well as intergenerational dialogue and social cohesion must also be promoted. These are the foundations for the prosperity of current and future generations.

8. Expanding old-age pension systems. Demographic changes are increasing the demand for old-age pensions, putting upward pressure on pension costs. Expanding both contributory and non-contributory pension schemes is essential. Additionally, policies should incentivize and support older persons who wish to remain in the workforce, which will also boost their financial situation as well as their mental and physical health.

9. Addressing the care needs of older persons. As populations age, care needs evolve and increase. Older persons, in particular older women, are often recipients and providers of care. In this regard, it is important to provide support for ageing-in-place opportunities, while also establishing people-centred and community-based long-term care systems that focus on physical, social and mental health needs. Moreover, societies must foster co-responsibility between households, the State, the market, families and the community in the provision of care. Since living arrangements often determine caregiving arrangements, it is equally important to support varied living arrangements and respect cultural nuances in how people arrange their lives in families and households.

10. Making migration safe, orderly and regular. Migration, which drives progress and prosperity, is instrumental in countries' economic, social and cultural development. However, the full promise of migration in Asia and the Pacific is not yet being fulfilled, either for the migrants and their families, or for origin, transit and destination countries. Respecting the human rights of all migrants —regardless of their nationality, migration status or other circumstances— facilitates effective migration governance. Recognizing migrants as development actors will ensure that migration contributes to positive development outcomes and to realizing the goals of the 2030 Agenda for Sustainable Development.

11. Promoting inclusive and gender-responsive climate and digital transitions. Lastly, the region must harness key transitions with profound impacts on inequality, particularly in the areas of climate change and digital technology. Inclusive and gender-responsive public services, social protection and healthcare systems are crucial for a just transition to a green economy. Similarly, the digital transition offers opportunities but also risks that could exacerbate existing inequalities. Governments and stakeholders must ensure that digital ecosystems are ethical, inclusive and gender-responsive, protecting human rights and promoting equality in the digital space (ESCAP/UN-Women, 2024).

Addressing the policy gaps in social development in Asia and the Pacific requires a comprehensive approach that integrates legislative frameworks, adequate financing, gender equality and stronger social protection systems. The intersectionality of challenges such as poverty and inequality must be recognized, and measures to address them through policies, programmes and action plans must be mainstreamed. These

issues are often deeply intertwined with other social and economic factors, exacerbating disparities across populations. An integrated perspective on key challenges —such as ageing, lack of social protection, lack of universal healthcare coverage and informality in the labour market— is critical to tackling intersectional issues and momentum effects early on, rather than responding only once they become visible. Moreover, disaggregated data are needed so that the invisible can be made visible. Investments in the collection, analysis and dissemination of such data, accompanied by capacity-building in these areas, are important. Coordinated efforts in these areas will be crucial for reducing poverty, addressing inequality and fostering equitable and resilient societies.

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CHAPTER IV

Arab region

The Arab region comprises 22 countries with a population of 473.3 million people in 2023.¹ While homogenous in language and culture, it is a very heterogeneous region on several fronts, including income, development level and demographic profile. Sustainable development in the region is influenced by a number of cross-sectoral factors (ESCWA, 2024a), and progress on critical indicators relating to poverty, inequality, gender equality, decent employment, health and education is uneven between middle income countries, least developed countries, the countries of the Gulf Cooperation Council, and countries in conflict.

Structural barriers to progress include weak governance, high levels of corruption and discriminatory laws and practices. They also include slow economic growth and high unemployment, the highest in the world and the highest also for women and young people. This is due in large part to rentier economies and continued dependence on oil exports, which have created an environment where manufacturing and private investment in productive sectors are weak, trapping countries at times permanently in the middle-income range. The benefits of regional economic integration remain largely unrealized.

In addition, global and regional crises have a detrimental impact on sustainable development, the progress of social development and investment in human capital.

Conflict directly impacts 8 of the 22 Arab countries,² which are home to 39% of the regional population (187 million people). Many Arab countries are impacted by the region's different conflicts and host large numbers of refugees. In the State of Palestine, the occupation—with its oppressive policies and disproportionate use of force—has taken lives, devastated livelihoods and infrastructure, and weakened institutions. At the time of the production of this report, the war in Gaza has wrought unparalleled devastation and losses of lives and infrastructure and has wiped away decades of painstaking development progress, including on basic human and social development indicators.

Climate change is having an increasing impact on development. Parts of the region will face temperature increases of 5°C by the end of this century, based on current trends, exacerbating water scarcity and land degradation and increasing the frequency and severity of extreme weather events. In countries with limited adaptive capacity, it is a threat multiplier, interacting closely with conflict and contributing to loss of lives and livelihoods, food insecurity, competition over resources and displacement.

In addition, rising debt levels are proving detrimental to the ability of countries to finance social services and necessary infrastructure projects. Structural impediments within the global financial architecture—including high borrowing costs for low-income countries, inadequate international climate funding and decreasing foreign aid—risk further increasing inequality, both between the region's countries and globally.

However, there are promising signs. For example, across the region, significant efforts are being made to reform social protection systems, address poverty in its different dimensions, encourage women's participation in the labour market and target gender-based violence, and set ambitious targets on climate change and carbon neutrality. Many countries are leveraging the benefits of digital technology, including artificial intelligence, and are forging national pathways towards sustainable food systems. Mental health is gaining recognition in policy agendas and so are the rights of persons with disabilities, nutrition policies and education for climate change.

¹ For more information, see World Bank, "Population, total – Arab World" [online] <https://data.worldbank.org/indicator/SP.POP.TOTL?locations=1A>.

² Iraq, Lebanon, Libya, Somalia, the State of Palestine, the Sudan, the Syrian Arab Republic and Yemen.

A. Main social development challenges³

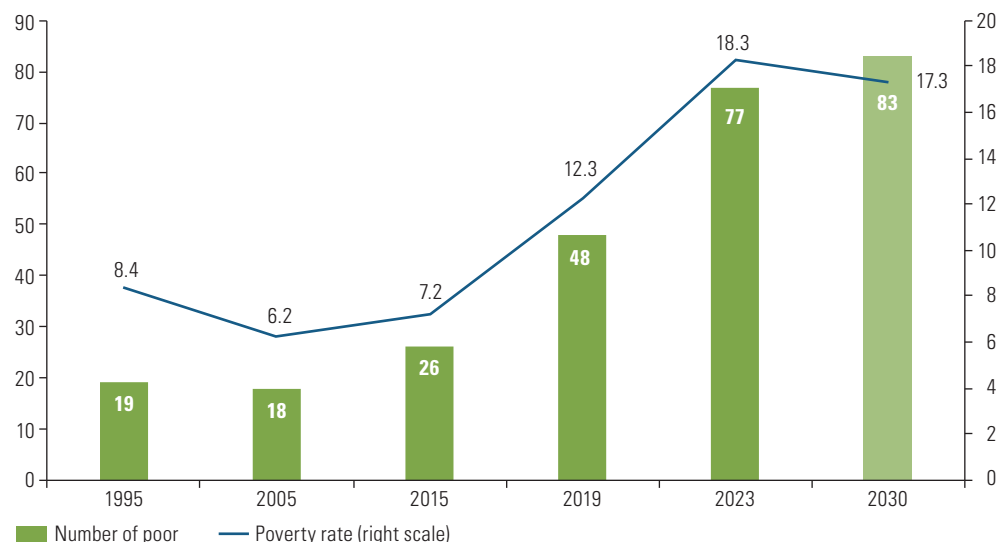
1. Poverty and extreme poverty

The Arab region is not on track to reduce poverty in all its forms by 2030. In addition to the above-mentioned structural challenges in the region's economies and prevailing conflict and instability, the coronavirus disease (COVID-19) pandemic, the wars and the global acceleration of inflation have aggravated poverty in the region. Social protection programmes in most countries are limited in terms of budget allocation and fragmented in terms of policy design and organizational set-up and, as a result, households and individuals frequently fall through the cracks.

In contrast with the global trend, poverty in the region continues to rise. In 2023, an estimated 18.3% of the population was living on less than the extreme poverty line of US\$ 2.15 per day (see figure IV.1). This is more than double the proportion that lived below that threshold in 2015 (7.2%) and almost triple the 2005 rate (6.2%) (ESCWA, 2025).

Figure IV.1

Extreme poverty in the Arab region, 1995, 2005, 2015, 2019, 2023 and 2030
(Millions of people and percentages)



Source: Economic and Social Commission for Western Asia (ESCWA), "Arab Poverty Report: The huge toll of conflicts and immiserizing growth", Beirut, 2025, in press.

With only 34.7% of the population covered by at least one social protection programme in 2023 (compared to a world average of 52.4%), the Arab region was far from realizing the right to social protection. Contingencies with the highest rates of coverage for eligible people were old-age pensions (47.6%) and work injury (35.9%). The least covered contingencies were unemployment (3%) and maternity cash benefits (7%) (see figure IV.2).

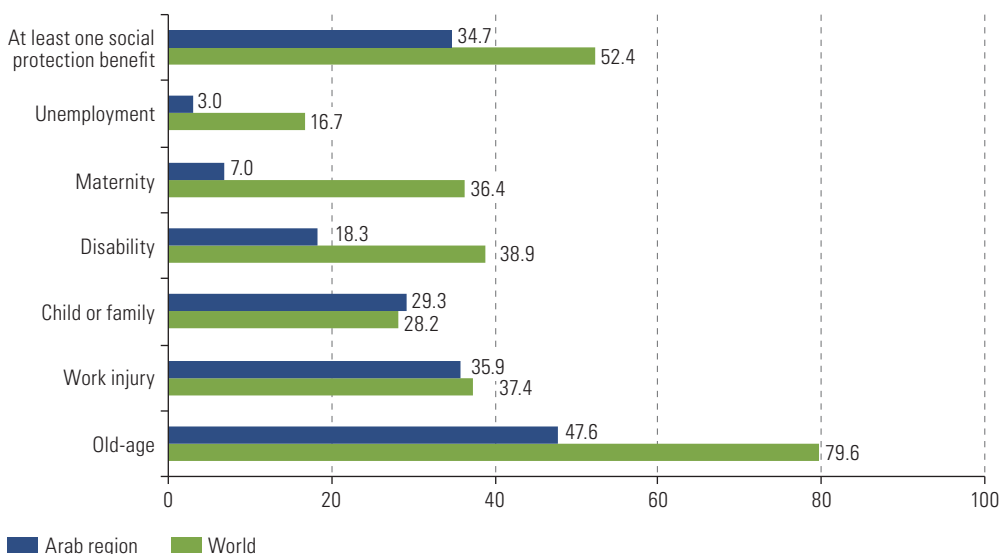
Spending on non-health social protection in the Arab region, at 5.5% of GDP, is less than half the global average of 12.9%. The gap is particularly wide as regards working-age benefits, which account for 1.7% of GDP in the Arab countries against 4.8% at the global level.

Poverty is mirrored by hunger and malnutrition. Undernourishment has increased over the past decade, from 10.0% in 2013 to 14.0% in 2023 (see figure IV.3). It is chronic in the least developed and conflict-affected Arab countries.

³ Data included in this subsection are from the ESCWA Arab SDG Monitor, unless otherwise indicated. See ESCWA (2024b).

Figure IV.2

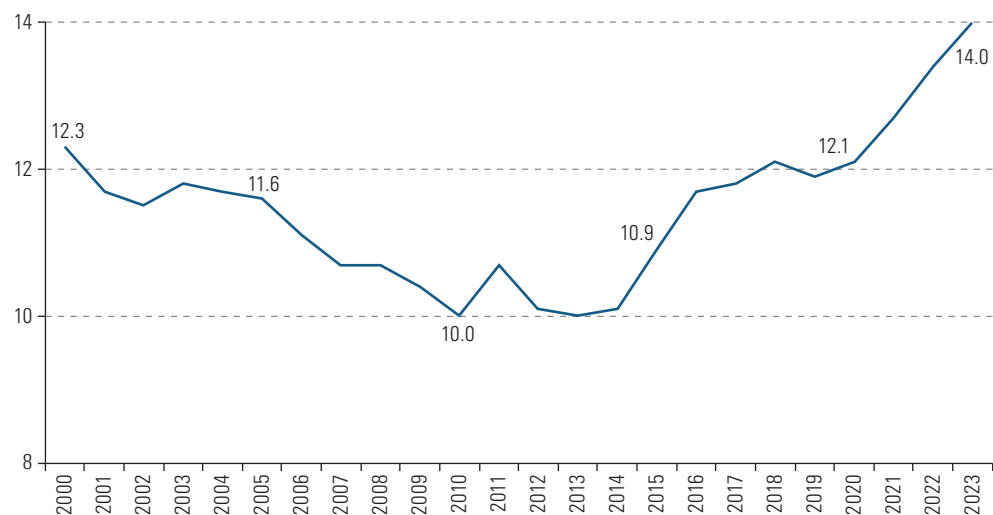
Proportion of eligible population covered by social protection floors or systems in the Arab region, by type of protection 2023 or latest available year (Percentages)



Source: Prepared by the authors, on the basis of International Labour Office (ILO), *World Social Protection Report 2024-26: Universal Social Protection for Climate Action and a Just Transition*, Geneva, 2024.

Figure IV.3

Undernourishment in the Arab region, 2000–2023 (Percentages)



Source: Economic and Social Commission for Western Asia (ESCWA), Arab SDG Monitor [online database] <https://www.unescwa.org/portal/arab-sdg-monitor>.

2. Inequality

As noted above, economic growth in the Arab region is not inclusive and is not creating the quality work opportunities needed to reduce poverty and inequality. Moreover, redistributive policies remain weak and tax systems largely regressive. At an estimated 8% of GDP, the region’s tax-to-GDP ratio is considerably below the median rates for middle- and high-income countries globally, which were 18% and 25%, respectively, in 2019.

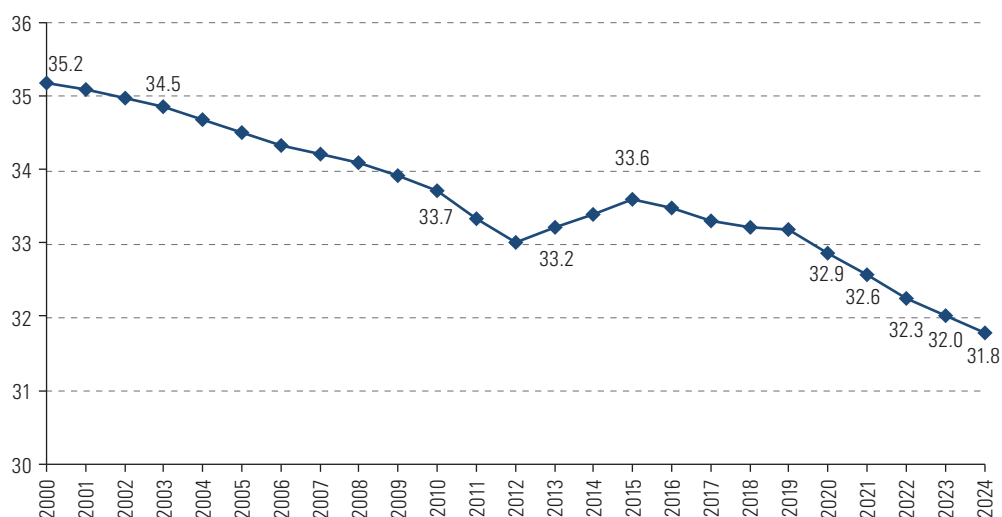
It should be noted that many Arab countries lack policies or legislative frameworks mandating data disaggregation by characteristics such as age, sex, disability, migration status, income or geographical area, which complicates efforts to assess the full extent of inequalities in the region.

(a) Income and wealth

As regards **wealth distribution**, 6 of the 20 most unequal countries globally are in the Arab region (ESCWA, 2022a). While the average person in the Arab region saw their wealth decline by approximately 28% between 2019 and 2020, the region's millionaires saw their collective wealth grow by 44%, from US\$ 1.28 trillion to US\$ 1.85 trillion. While 70,000 individuals in the region became millionaires between 2019 and 2021 (ESCWA, 2023b), some 29 million fell below the international extreme poverty line of US\$ 2.15 per day (ESCWA, 2024c).

The average **Gini index** of income inequality for Arab countries stands at 31.8 in 2024, which implies a moderate degree of inequality on par with Europe and Central Asia, and below the world average of 36.2 (see figure IV.4). By contrast, the Gini index for wealth is 74.3 in Arab countries, exceeding the 70.1 average in Europe and Central Asia and even the global average of 73.8.

Figure IV.4
Income inequality in the Arab region, 2000–2024
(Gini index)



Source: Economic and Social Commission for Western Asia (ESCWA), on the basis of World Institute for Development Economics Research (UNU-WIDER), World Income Inequality Database (WIID) [online] <https://www.wider.unu.edu/project/world-income-inequality-database-wiid>.

Despite progress, the region remains the poorest performer globally in terms of **financial inclusion**, with only 37.2% of people over age 15 holding a financial account, compared to 68.5% globally.

(b) Women

The region has a pronounced gender gap in most aspects of life. While social and political disparities are highlighted here, other economic, health and education divides are described in other sections of this document.

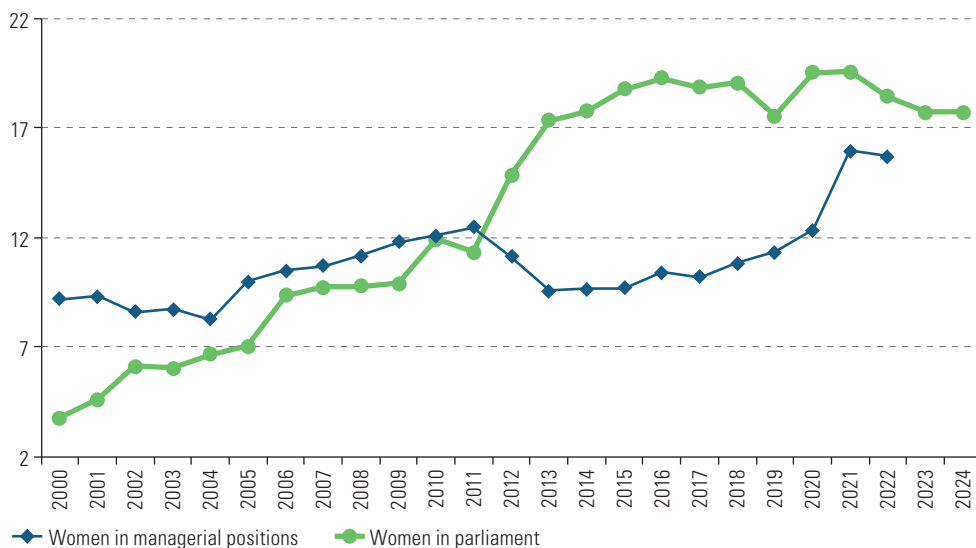
A little over one third of women in the Arab region have experienced some form of violence. In 2020 in the Arab region, 20.4% of women aged 20 to 24 were married or in a union before age 18. Female genital mutilation is still practiced in a number of Arab countries.

The distribution of unpaid care work between women and men in the region is significantly uneven. Women perform 80% to 90% of all unpaid care tasks, spending on average 4.7 times more time on them than men (ESCWA, 2022b). This is a key factor influencing the low economic participation of women (see section on labour inclusion below).

Women held 17.7% of seats in national parliaments in the Arab region in 2024, close to a fivefold increase from 3.8% in 2000. It remains below the global share of 26.5% (see figure IV.5).

Figure IV.5

Proportion of women in parliament and managerial positions in the Arab region, 2000–2024
(Percentages)



Source: Economic and Social Commission for Western Asia (ESCWA), Arab SDG Monitor [online database] <https://www.unescwa.org/portal/arab-sdg-monitor>.

The proportion of women in managerial positions is especially low. It increased from 9.1% in 2000 to 15.7% in 2022.

The digital divide by sex persists. Among men in the region, 71.9% were Internet users in 2022 compared to 61.5% of women.

(c) Migrants

The Arab region continues to be a prominent region of origin, transit and destination for international migration and forced displacement, which poses considerable challenges. In 2020, the region hosted nearly 41.4 million migrants and refugees, constituting 15% of all international migrants worldwide. The region was the origin of an estimated 32.8 million migrants and refugees in 2020 who generated a remittance inflow of US\$ 57.9 billion (equalling 1.7 times the foreign direct investment inflow and 1.8 times the official development assistance inflow in 2019) (ESCWA/IOM/UNHCR, 2022).

The region hosted 9.4 million refugees under the mandates of the Office of the United Nations High Commissioner for Refugees and the United Nations Relief and Works Agency for Palestine Refugees in the Near East in 2023 and had around 19.4 million internally displaced persons.⁴ Structural challenges including inadequate labour governance frameworks, protracted conflicts and stereotypical perceptions about gendered identities contribute to migrants' vulnerabilities.

⁴ See Office of the United Nations High Commissioner for Refugees (UNHCR), Refugee Data Finder [online database] <https://www.unhcr.org/refugee-statistics/download>.

(d) Rural areas

Rates of access to services show disparities between urban and rural areas, and between least developed and other Arab countries. While more than 89% of the region had access to basic drinking water services in 2022, this figure was 80% in rural areas and 63.4% in the least developed countries. Similarly, while 90.8% of the region's population had access to electricity in 2021, the share was 82.8% in rural areas and 63.5% in the least developed countries. In urban areas, 79.1% have access to the Internet, compared to 49.4% in rural areas, and 27.7% in least developed countries.

(e) Older persons

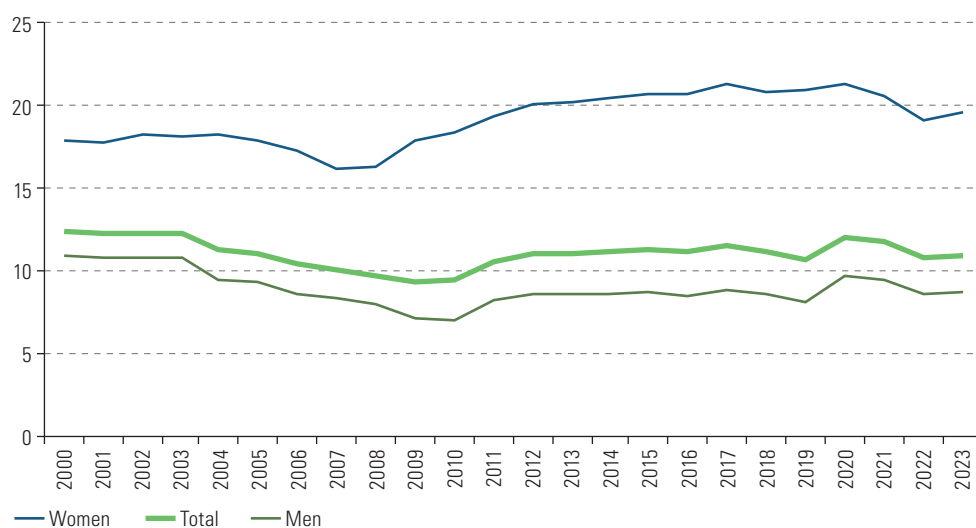
Many Arab countries continue to struggle with fragmented policies that leave older persons vulnerable to poverty, disease, exclusion and discrimination. For example, 62% of older persons above retirement age in the Arab region did not receive a pension in 2020 (ESCWA, 2023a).

3. Labour inclusion

Sluggish economic growth has failed to produce enough decent employment opportunities to absorb new labour force entrants. The Arab region has the highest unemployment rate in the world: 10.9% in 2023, compared to 5.8% globally. Regional unemployment has rarely fallen below 10% since 2000. At 19.5%, the region's female unemployment rate in 2023 was more than triple the global average of 5.8% (see figure IV.6). Youth unemployment was 26.3%, far exceeding the global average of 14%. The rate of 41.6% for young women was even higher.

Figure IV.6

Unemployment in the Arab region, among persons aged 15 and over, 2000–2023
(Percentages)

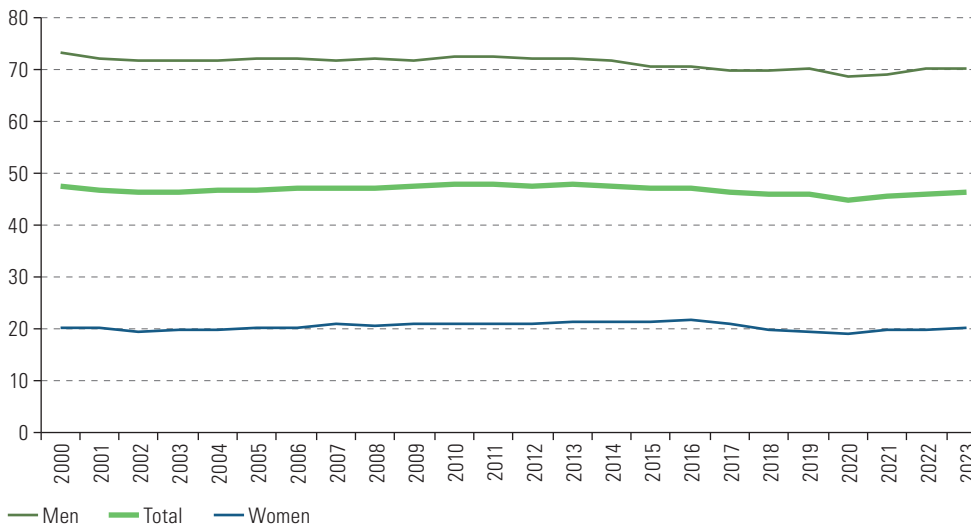


Source: Economic and Social Commission for Western Asia (ESCWA), Arab SDG Monitor [online database] <https://www.unescwa.org/portal/arab-sdg-monitor/>; International Labour Organization (ILO), ILOSTAT [online database] <https://ilostat.ilo.org/>.

The female labour force participation rate stood at 20.0% in 2023, less than half the global average of 47.9%. This compares to 70.3% for men (see figure IV.7).⁵ Informal employment provided more than 58% of all jobs in the Arab region in 2023. Men are more likely to be in informal employment than women (with rates of 60.2% and 50.3%, respectively) (see figure IV.8).

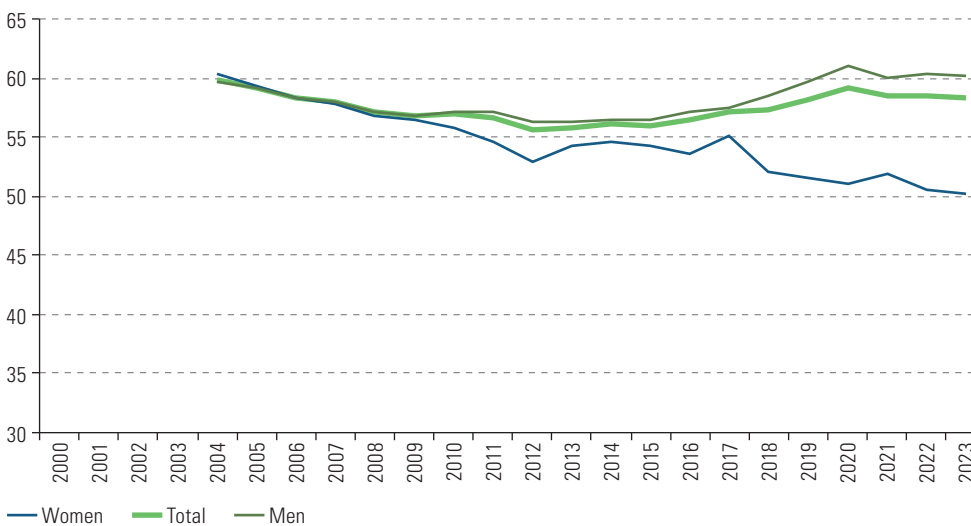
⁵ See International Labour Organization (ILO), ILOSTAT [online database] <https://ilostat.ilo.org/>.

Figure IV.7
Labour force participation in the Arab region, 2000–2023
(Percentages)



Source: Economic and Social Commission for Western Asia (ESCWA), Arab SDG Monitor [online database] <https://www.unescwa.org/portal/arab-sdg-monitor>; International Labour Organization (ILO), ILOSTAT [online database] <https://ilostat.ilo.org/>.

Figure IV.8
Informal employment in the Arab region, 2000–2023
(Percentages)

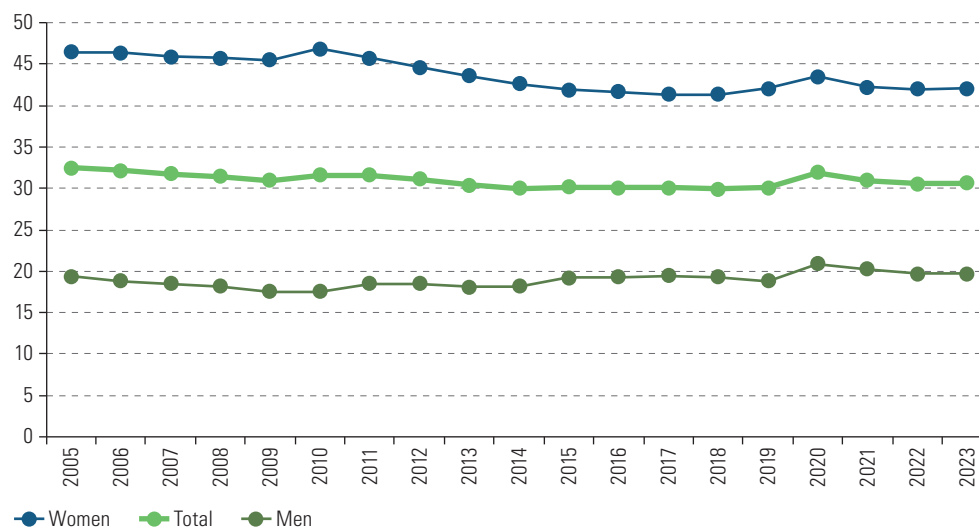


Source: Economic and Social Commission for Western Asia (ESCWA), Arab SDG Monitor [online database] <https://www.unescwa.org/portal/arab-sdg-monitor>; International Labour Organization (ILO), ILOSTAT [online database] <https://ilostat.ilo.org/>.

Highlighting the lack of opportunities for young people, the rate of youth not in education, employment or training was 30.7% in 2023. The rate has been over 30% since at least 2005, exceeding the global rate of 24.5%. Considerable gender divides are evident as 42.1% of young Arab women fall into this category (see figure IV.9).

Figure IV.9

Youth not in education, employment or training in the Arab region, 2005–2023
(Percentages)



Source: Economic and Social Commission for Western Asia (ESCWA), Arab SDG Monitor [online database] <https://www.unescwa.org/portal/arab-sdg-monitor>.

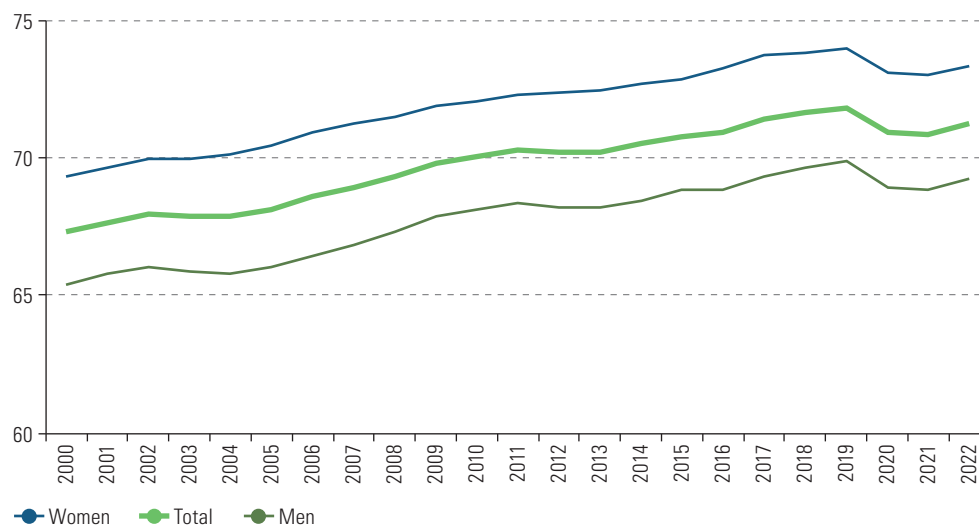
4. Health

Overall, the Arab region is making progress on Sustainable Development Goal (SDG) 3, with gains on health indicators such as maternal and infant mortality. Challenges persist in areas such as universal health coverage, sexual and reproductive health, and access to affordable healthcare. The burden of non-communicable diseases is high and continues to grow across the region.

Health inequalities are deepening between and within countries, and are largely driven by gender, geography, levels of education and poverty, migration status and conflict. Life expectancy increased from 67.3 to 71.8 in 2019, then declined slightly to 71.2 in 2022 (73.4 for women versus 69.3 for men) (see figure IV.10).

Figure IV.10

Life expectancy in the Arab region, 2000–2022
(Years)



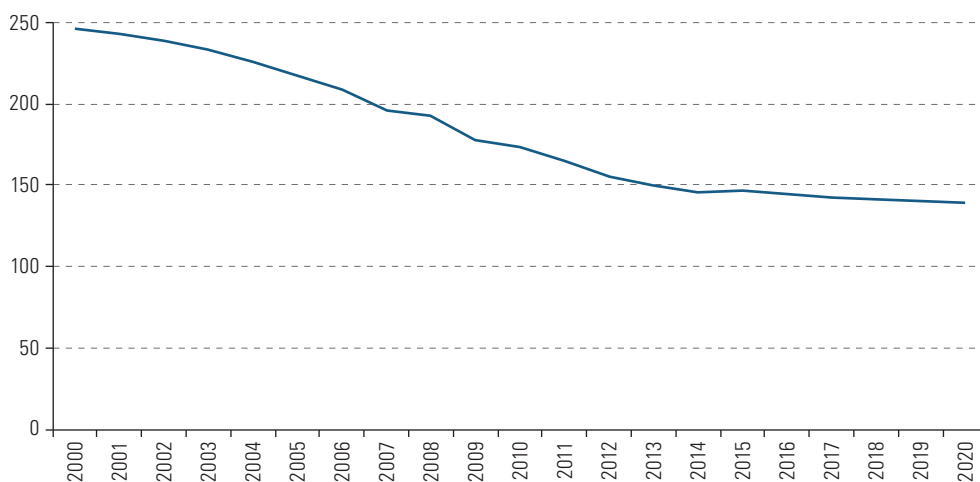
Source: Economic and Social Commission for Western Asia (ESCWA), Arab SDG Monitor [online database] <https://www.unescwa.org/portal/arab-sdg-monitor>; and World Bank.

The Arab region has reduced maternal mortality from 246 deaths per 100,000 live births in 2000 to 139 in 2020. But the current ratio remains high, roughly double the global target of less than 70 deaths per 100,000 live births. This issue is particularly challenging in the Arab least developed countries, where almost one in three women gives birth without skilled health personnel (see figure IV.11).

Figure IV.11

Maternal mortality in the Arab region, 2000–2020

(Deaths per 100,000 live births)



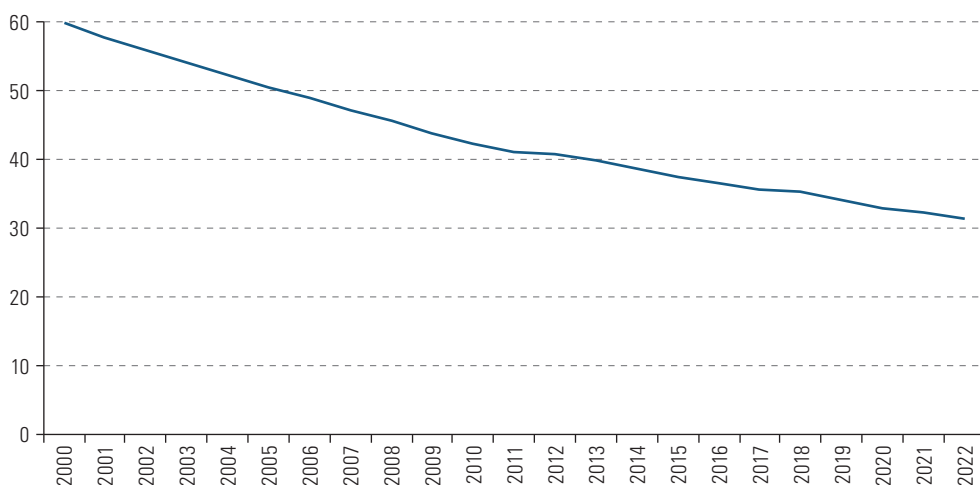
Source: Economic and Social Commission for Western Asia (ESCWA), Arab SDG Monitor [online database] <https://www.unescwa.org/portal/arab-sdg-monitor>; and World Bank.

Under-5 mortality rates have declined to 31.3 deaths per 1,000 live births in 2022 but remain higher than global targets (see figure IV.12).

Figure IV.12

Under-5 mortality in the Arab region, 2000–2022

(Deaths per 1,000 live births)



Source: Economic and Social Commission for Western Asia (ESCWA), Arab SDG Monitor [online database] <https://www.unescwa.org/portal/arab-sdg-monitor>; and World Bank.

The Arab region is far from achieving universal access to sexual and reproductive healthcare services, including for family planning. The proportion of women of reproductive age who have their family planning needs satisfied with modern methods has increased (from 61.4% in 2010 to 64.1% in 2023) but remains below the world average (77.6%).

Progress towards universal health coverage is improving at different paces, but the regional average remains below the global average. Almost two in three people (63% in 2021) benefit from universal health coverage in the Arab region.

Out-of-pocket health expenditure in the region is twice the world average (31.3% compared to 16.4% in 2020). Obesity among children is on the rise. In 2022, the prevalence of obesity among children under age 5 rose to 9.5%, from 8.8% in 2000. The rate is presently 1.7 times the global average.

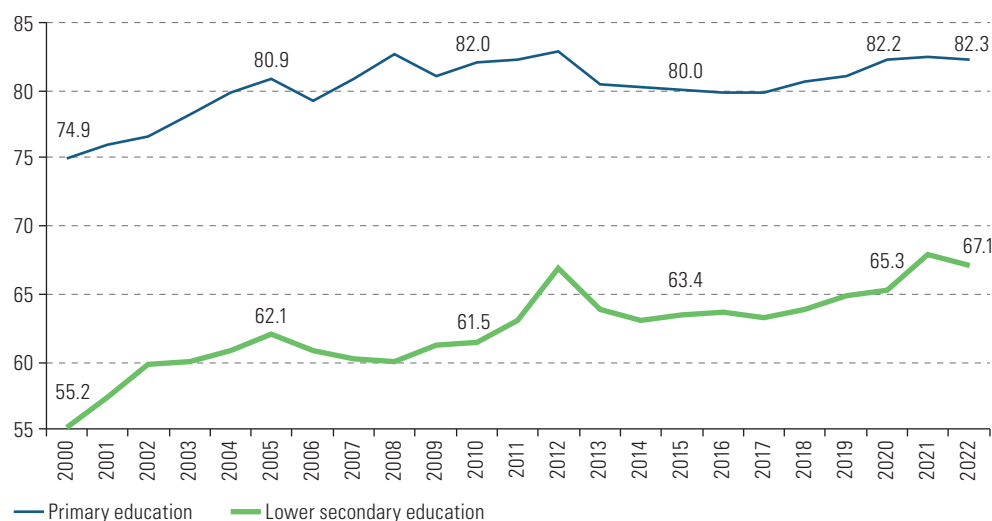
5. Education

Arab countries have progressively expanded access to schooling and reduced gender gaps in education since 2000. Inequalities and uneven quality in instruction, however, continue to hinder progress on the SDGs and impact students from all walks of life. Many education systems struggle to adequately serve poor students, rural communities, girls and women, refugees, internally displaced persons and persons with disabilities, thereby deepening inequalities and constraining social and economic development.

Primary school completion rates rose from 74.9% in 2000 to 82.3% in 2022 (81% for girls and 84% for boys). **Lower secondary completion rates** increased from 55.2% to 67.1% during this same period, although this remains well behind the global average of 76.6% (see figure IV.13).⁶ The proportion of primary school-aged **children out of school** fell to 13.9% in 2020 (15.5% of girls and 12.4% of boys) but remains above the global average of 8.8%.

Figure IV.13

Primary and lower secondary education completion rates, 2000–2022
(Percentages)



Source: Economic and Social Commission for Western Asia (ESCWA), Arab SDG Monitor [online database] <https://www.unescwa.org/portal/arab-sdg-monitor>.

Since 2000, **net secondary school enrolment** has increased from 51.9% to 63.5% but remains below the global average of 66.3%. There is still a gender gap, with 61.3% net enrolment of girls compared to 65.6% of boys. The **gross enrolment rate for tertiary education** climbed slowly from 25% in 2010 to 33% in 2020 but remains below the global average of 40%.

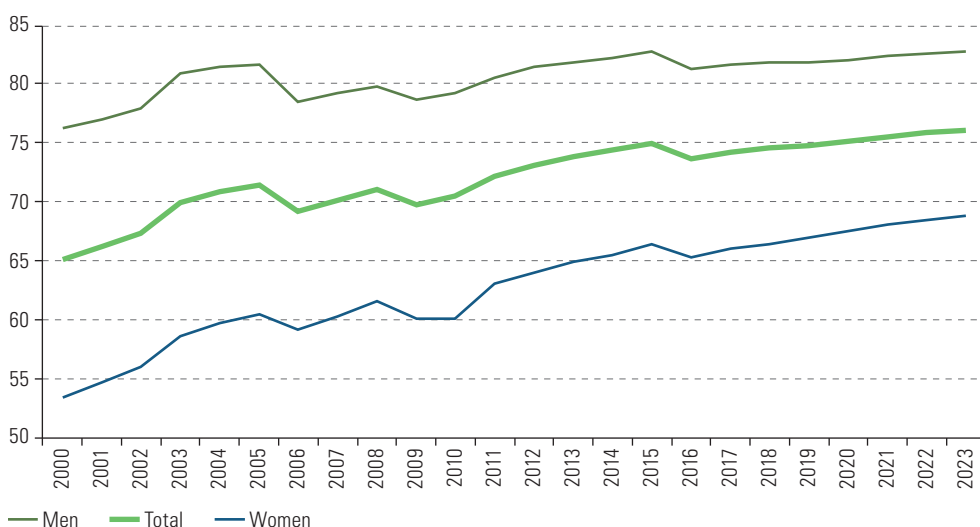
According to international standardized test data compiled between 2011 and 2015, approximately 57% of the region's students did not achieve minimum proficiency levels in reading and mathematics. While this is comparable to global averages, it is below the proficiency levels achieved in Latin America

⁶ See UNESCO Institute for Statistics (UIS), UIS.Stat [online database] <https://data.uis.unesco.org/>. Data reported by the World Bank, accessed in August 2023.

and the Caribbean, Eastern and South-Eastern Asia, Oceania, and Europe and Northern America (United Nations, 2019). In 2023, 76.9% of children aged 36–59 months were developmentally on track in at least three of the following domains: literacy-numeracy, physical development, social and emotional development, and learning.

Adult literacy rates improved from 65% in 2000 to 76% in 2023 but remain well behind the global average of 87%. Although the gender gap has decreased substantially since 2000, women are still more likely to be illiterate than men, with a female literacy rate of 68% compared to a male figure of 82% in 2022 (see figure IV.14).

Figure IV.14
Adult literacy, 2000–2023
(Percentages)



Source: Economic and Social Commission for Western Asia (ESCWA), Arab SDG Monitor [online database] <https://www.unescwa.org/portal/arab-sdg-monitor>.

B. Recent policy developments and best practices to respond to the challenges of social development

1. Poverty and extreme poverty

Governments of Arab countries are increasingly recognizing poverty as a multidimensional issue requiring a coordinated response. National policy strategies acknowledge interlinkages between poverty and other policy areas, and they often include measures to address shortcomings in education and health, promote gender equality, increase access to basic services, foster economic growth and improve governance. Multidimensional poverty indices tailored to national contexts are being employed or are under development to foster a holistic understanding of poverty and inform comprehensive pathways for poverty reduction, as in Djibouti, Egypt, Iraq, Jordan, Mauritania and the State of Palestine.

Arab countries are employing active labour market policies and economic empowerment programmes to help target populations to gain opportunities and graduate from poverty. These policies include efforts to formalize informal work, develop skills and support job placement. They often aim to reach young people, women, unemployed workers, social assistance beneficiaries or persons with disabilities. Some of the most impactful interventions in improving productive inclusion are entrepreneurship programmes for marginalized groups, including women, people with low educational attainment and people living in rural regions where formal employment is unavailable.

A commitment to renew efforts towards advancing the universal social protection agenda was made in the **2021 Ministerial Forum declaration on the future of social protection in the Arab region**, through which countries agreed to work towards enhanced and eventually universal coverage by shock-responsive, well-managed and sustainably financed social protection systems.

Governments across the region have been reducing energy and food subsidies and rolling out more targeted social assistance programmes that support those most in need. Recognizing the potential risk of removing subsidies for the financial security of the poor and vulnerable, Arab countries have taken steps to improve the coverage of non-contributory social protection systems. Going forward, countries are expected to focus on enrolling those who are not covered into life cycle risk protection —through social insurance schemes, for example— thereby reducing the pressure to continuously expand poverty-targeted cash transfer programmes. For example, Algeria, Egypt, Iraq, Jordan, Morocco and Tunisia have implemented reforms to provide informal workers and those in uncovered sectors with avenues to social insurance programme coverage, by establishing simplified flat-rate combined social insurance and taxation schemes, for example.

Mechanisms including unified registers and unique identifiers, assisted in many cases by inter-institutional efforts to share information and data on potential recipients, are increasingly employed —for instance, in Egypt, Jordan, Morocco and Tunisia— to facilitate beneficiary identification, expedite assessments of benefit applications, review applicants' eligibility for benefits and allow administrators to cross-check recipients throughout the range of included programmes. Some countries, such as Oman, have sought to rationalize their pension systems by merging multiple, fragmented schemes into unified, single pooling arrangements.

Other reforms, primarily in the Gulf Cooperation Council and middle-income countries, have focused on reforming social insurance systems to close gaps in benefits between national workers in the public and private sectors. For example, Bahrain and Saudi Arabia have recently streamlined contribution and benefit formulas.

Programmes focusing on underserved regions, including rural areas, slums and zones with high rates of poverty, are common in middle-income and some least developed countries. Major rural development programmes include the Rural Renewal Policy in Algeria, the Decent Life (*Hayah Karima*) programme in Egypt and the *Programme de réduction des disparités territoriales et sociales* in Morocco.

2. Inequality

Constitutions across the Arab region include guarantees of equal rights and protection against discrimination based on several characteristics. Many Arab countries have signed international conventions to uphold the rights of vulnerable populations. Although constitutional provisions vary in scope, specific protections are most frequently offered on the basis of the following: gender (16 constitutions), race (16), religion (16), disability status (6) and political beliefs (6).

Most Arab countries are also parties to landmark human rights conventions: the Convention on the Elimination of All Forms of Discrimination against Women has been ratified by 20 countries, the International Convention on the Elimination of All Forms of Racial Discrimination by 22, and the Convention on the Rights of Persons with Disabilities by 21.

Several countries have enacted laws on domestic violence or more generally addressing various forms of violence against women. They include Bahrain, Djibouti, Jordan, Kuwait, Lebanon, Morocco, Saudi Arabia, Tunisia and the United Arab Emirates. Algeria has introduced amendments to the penal code to protect women from domestic violence committed by a current or former spouse, which is not common in the region. Notable efforts have also been made to close legislative loopholes related to the harmful practice of child marriage, in Jordan, Lebanon and Tunisia, for example, where aggressors can no longer escape punishment by marrying their victims.

Countries have also enacted and/or amended laws to protect women against sexual harassment in various spheres, including public places and the workplace. Three countries (Egypt, Morocco and the United Arab Emirates) have introduced legal provisions to criminalize cyberspace violence against women and girls.

Several Arab countries at all income levels have introduced care-related labour market and social protection laws that address discrimination against women in employment and facilitate their participation in the labour force. This includes maternity-related benefits and job protection reforms that help women to balance motherhood and professional life, such as measures to prohibit the dismissal of pregnant workers in Saudi Arabia and the United Arab Emirates, longer maternity leave in Iraq, and subsidies for childcare in Jordan (see section on labour inclusion below).

There is a growing recognition in the region of the need for well-managed migration policies to ensure the orderly, safe, regular and responsible migration and mobility of people. This is reflected in the wide endorsement by Arab countries of recent global frameworks on the subject: 19 Arab countries voted in favour of the 2018 Global Compact for Safe, Orderly and Regular Migration, and 21 Arab countries voted in favour of the 2018 Global Compact on Refugees.

Increasingly, Gulf Cooperation Council countries are taking steps to improve the living conditions of migrant workers, including through legal reforms. While more efforts are needed, reforms such as those introduced to the *kafala* (sponsorship) system by Qatar in 2020 have increased the flexibility for migrant workers to change jobs. The introduction of standard work contracts, as in Kuwait, and the creation of institutions charged with identifying and supporting victims of trafficking in persons, as in Bahrain, have strengthened government oversight powers to address abuses.

Refugee return is another significant policy area for countries emerging from conflict, although approaches vary significantly. For example, Somalia established the National Policy on Refugee-Returnees and Internally Displaced Persons in 2019 to facilitate the reintegration of such persons into mainstream life by establishing a framework for protecting their rights and providing them with assistance.

3. Labour inclusion

Across the Arab region, there is growing interest in addressing labour market deficiencies and promoting decent work through national employment policies. In 2023, 12 Arab countries (Algeria, Bahrain, the Comoros, Iraq, Jordan, Mauritania, Morocco, Saudi Arabia, Somalia, the State of Palestine, the Sudan and the United Arab Emirates) had national employment policies in place, while an additional 5 (Djibouti, Egypt, Lebanon, Oman and Tunisia) were developing such policies. Common elements include promoting economic growth and incentivizing private sector job creation, improving labour market institutions and programmes, protecting workers' rights and facilitating social dialogue. Specific actions often include expanding access to credit, offering tax incentives for job creation, reorienting investments in the education sector and investing in job-creating industries.

Arab countries have sought to correct the high female unemployment rate through a variety of measures. For instance, Egypt has introduced additional flexibility in working hours for public sector employees and established labour codes requiring large businesses to provide on-site childcare facilities. The National Council for Women's National Strategy for the Empowerment of Egyptian Women 2030 has further called for a comprehensive multi-stakeholder approach to the different circumstances women face at various stages in their lives so that these can be considered in policy responses. In Saudi Arabia, the 2023 approval of the National Policy to Encourage Equal Opportunities and Equal Treatment in Employment and Occupation provided a clear definition of gender discrimination and the means for prevention. The policy sets goals to promote equal treatment in employment and occupation and created initiatives to encourage women to enter and remain in the labour market.

Policies to address high youth unemployment rates have included training or entrepreneurship support to young people, as in Morocco. Countries such as Algeria have provided subsidized work contracts or similar mechanisms to encourage employers to hire target populations: graduates or first-time

job-seekers, for example. Several Arab countries have also pursued educational reforms, continuous learning programmes and the promotion of technical and vocational education and training pathways to upskill their populations and better align capacities with labour market needs (see section on education below). However, persistent low economic growth conditions and social and cultural barriers have impeded the effectiveness of these policies.

Tripartism is making headway in the Arab region, signifying an increased willingness to engage employers and workers in labour policy. To date, 13 Arab countries have signed the Tripartite Consultation (International Labour Standards) Convention, 1976 (No. 144), including 5 (the Comoros, Mauritania, Somalia, the Sudan and Tunisia) in the past decade. All countries have social dialogue institutions and bodies, and all Arab League member States have adopted the Arab Action Agenda for Employment, which prioritizes social dialogue and encourages the creation of social and economic councils.

4. Health

Most Arab countries include the right to health in their constitutions and are extending the coverage of health insurance schemes to reach more people. Common approaches have included reviewing income levels under subsidized civil health insurance schemes and expanding coverage to migrants and refugees, older persons, the unemployed and, to a limited extent, the self-employed and informal sector workers.

The Gulf Cooperation Council countries offer nationals free or highly subsidized health insurance. Policy approaches are evolving to also secure coverage for migrants. For example, the 1999 Cooperative Health Insurance Law in Saudi Arabia requires all non-Saudis to be covered by mandatory health insurance.

Arab middle-income countries are extending health insurance coverage to the most vulnerable groups by subsidizing their contributions. For example, the Universal Health Insurance Law passed by Egypt in 2018 aims to provide coverage to everyone except military personnel, who are insured by different schemes. Those unable to pay their contribution fees receive free healthcare funded by the government.

Arab countries are strengthening primary healthcare delivery systems at the community level, including in underserved rural areas and refugee camps, to reduce the burden on public hospitals, increase access to comprehensive health services and achieve universal health coverage. Key efforts include infrastructure development, particularly the construction and renovation of primary healthcare facilities, and improved referral networks between primary healthcare centres and hospitals.

A family health model centred on multi-professional teams within primary care centres has been adopted, particularly in the least developed and some conflict-affected Arab countries, to enhance overall population health and alleviate the burden of high out-of-pocket expenditures.

Most Arab countries integrate sexual and reproductive health services within primary healthcare, including family planning and contraception, antenatal, childbirth and postnatal care, and child health. Less covered areas include cervical cancer prevention and control, early childhood development, adolescent health and violence against women.

To address the increasing burden of non-communicable diseases, many Arab countries have developed multisectoral strategies or action plans for various diseases and common risk factors, including unhealthy diets, sedentary lifestyles, smoking and alcohol consumption. In the Gulf Cooperation Council countries and some middle-income countries, the focus has been on the establishment of dietary guidelines, food labelling standards, unhealthy food marketing regulations, and media campaigns and counselling on healthy diets and nutrition.

Several Arab countries have developed a national digital health or e-health strategy or policy to institutionalize the use of information and communications technology for health and well-being. Many countries progressed in using digital health solutions as part of their responses to the COVID-19 pandemic. In the Gulf Cooperation Council countries, the digitalization of healthcare systems predates the COVID-19

pandemic and was already bringing substantial benefits, including improved health-care quality and physician performance, more accurate patient health monitoring, and better chronic disease management, diagnostics and preventive care. These technologies were instrumental in crisis management during the pandemic, enabling data-driven decisions and efficient resource allocation.

Most Arab countries continue to expand the capabilities of their health data collection and management systems. These efforts are critical in fighting communicable and non-communicable diseases and guiding evidence-based health programme planning and policymaking.

Over the past decade, recognizing the importance of mental health as a right, almost all Arab countries have developed a standalone policy or plan and/or legislation on mental health or have integrated mental health into policies for general health. Mental health services are mostly integrated into primary healthcare. Financing schemes for mental health are mainly limited to contributions and formal employment. They are mostly covered, like other health services, through a hybrid model of public, private and out-of-pocket payments.

5. Education

Nearly all Arab countries have established the legal right to education, with public provision of free and compulsory schooling. However, access and quality remain highly uneven, and the region continues to perform weakly on global measures related to proficiency in reading and mathematics, indicating that further efforts are needed in this regard.

To improve the quality of education, Arab countries have reformed curricula, increased teacher qualifications and professional development opportunities for instructors, and reduced pupil-to-teacher ratios. Curriculum reforms have encompassed a range of measures to strengthen learning outcomes, such as unifying national standards, emphasizing subjects deemed important for student success and introducing a focus on important life skills such as creativity and problem-solving. Tools such as qualification frameworks have been used to strengthen the consistency of education quality and student outcomes.

Arab countries have increased the use of technology in education. A growing emphasis on technological literacy and science, technology, engineering and mathematics (STEM) education is part of an effort to ensure that students are adequately equipped with skills to succeed in the twenty-first century economy. Accordingly, many Arab countries are introducing new programmes in STEM disciplines, dedicating more time to these subjects in the ordinary curriculum and strengthening technical and vocational institutions specialized in such topics. This increased focus on technology has included the expansion of e-learning programmes and tools to improve the flexibility, reach and resilience of education systems, a process accelerated during the COVID-19 pandemic.

Disability inclusion in education is a priority in most Arab countries. At least 17 Arab countries have established protections for the rights of students with disabilities, with many also taking steps to enhance the physical accessibility of learning environments to facilitate the inclusion of those students in the general educational system.

Higher education is a policy focus, with an emphasis on both the accessibility and quality of learning. In several Arab countries, access to public universities is free or nearly free of charge for national students. Governments offer a range of scholarships and housing and meal stipends to support students in accessing post-secondary education. Efforts to improve the effectiveness of higher education institutions have focused on establishing standards, facilitating strategic planning and governing accreditation.

Many Arab countries have responded to persistently high youth unemployment rates with a focus on technical and vocational education and training and partnerships with the private sector, seeking to ensure that skills acquired in school match employers' needs. Such policies can play a major role in facilitating learning-to-earning transitions that enable young graduates to obtain decent work, and in reducing the

sizeable population of young people who are not in education, employment or training. Arab countries have reinforced technical and vocational education and training learning pathways through a variety of measures, including modernizing curricula, diversifying programmes to meet labour market demands and enhancing cooperation with the private sector to better anticipate skills needed by employers. Further efforts have involved strengthening quality assurance mechanisms and extending professional development options for instructional staff.

Non-formal education is an increasingly significant part of the Arab region's educational landscape as a complement to formal education, particularly in countries affected by conflict such as Iraq, Lebanon and the Syrian Arab Republic, where it supports out-of-school and displaced children. Offered by non-governmental organizations, the private sector or community groups, the most popular offerings are those seen as improving employment prospects, including languages, computer skills and mathematics. Other non-formal education programmes launched with State support include courses in communities to combat adult illiteracy. Religious institutions play a significant role in delivery, frequently supporting literacy education and sometimes offering instruction in other subjects.

C. Policy lessons for the future

While a lot is being done in the Arab region, policy gaps and shortcomings persist. Key policy lessons and priority actions on the road to 2030 for the five social development policy areas are outlined in the paragraphs below.

A number of common lessons cut across the different policy areas:

- Social expenditures should increase to match global averages. Where social expenditure has improved in the region, and has been allocated efficiently, promising results in terms of reducing inequalities of outcome and opportunity are being seen.
- To ensure adequate implementation, detailed and resourced action plans should be drafted for social development policies that presently set ambitious targets but remain more aspirational than operational.
- Further efforts are needed to ensure that all SDG policies cater for the specific needs of vulnerable groups, to ensure they are not inadvertently pushed further behind. Better data and policy evaluation systems are greatly needed in that respect.
- Advocacy and educational efforts must be further leveraged to drive transformative change across various policy areas, including health and gender equality.
- Regional integration must be elevated to its full potential by adopting regional frameworks and mechanisms in multiple development areas. The region could learn from subregional success stories, for example in the area of labour mobility, fisheries management, prevention of sand and dust storms and cybersecurity.

1. Poverty and extreme poverty

Actions to end poverty and its root causes in the Arab region need to be bolstered by coherent and well-coordinated efforts to link macroeconomic planning with social development objectives and to foster whole-of-government approaches to complex challenges.

Universal, fairly financed, shock-responsive and adaptive social protection systems must be further extended to prevent poverty due to hardship resulting from life cycle risks and failed economic policies. Realizing the right to social protection within the Arab region will require overcoming challenges related to high levels of informality and addressing gender gaps caused by women not entering the labour market and thereby missing out on effective social insurance coverage.

In conflict-affected countries, the humanitarian-development-peace nexus needs to be fully operationalized to better align humanitarian efforts and national systems of social protection and prevent overlapping programmes. Recipient tracking needs to be strengthened to ensure better channelling of resources and services and better coverage.

Regional as well as cross-regional cooperation is needed to extend social protection systems to people living outside their countries of origin, including through a regional social security coordination agreement or bilateral arrangements to ensure the portability of social insurance claims. A global social solidarity fund could help to close the poverty gap in the least developed countries and guarantee a basic standard of living.

2. Inequality

The existing regressive tax systems must be reformed to alleviate the burden on the poor and the middle class, with personal income and corporate taxes contributing a greater share of total tax revenue. To help reduce inequality between Arab countries, a coordinated regional approach is urgently needed in the areas of tax policy, illicit financial flows and debt management and to harmonize positions regarding changes needed in the global financial architecture.

To tackle gender inequality, the mainstreaming of gender equality considerations needs to be expedited, both across sectoral development policies, in making them more relevant and responsive to the needs of all citizens, and in the work of different national institutions to ensure greater awareness and buy-in and active participation in change. While substantial legislative progress has been made towards combating violence against women and girls, most Arab countries need to develop complementary national plans or strategies and to make binding budgetary commitments to implement the existing legislation.

While most Arab countries are taking important steps to modernize their production capacities and advance digital transformation, further attention must be paid to the upskilling and reskilling of older employees, an issue not yet widely addressed in the region that risks increasing inequality between generations. In some countries, agricultural modernization programmes need to cater for the needs of traditional smallholder farmers and fishers to prevent pushing them further into poverty.

Given the region's number of migrants and their level of vulnerability, more efforts are needed to facilitate regular migration pathways, address irregular migration and protect migrants while securing their access to health, education and digital connectivity. Stronger regional cooperation on migration management, remittances and the protection of migrant rights is also greatly needed.

3. Labour inclusion

Employment policies in Arab countries must be reformed and complemented with efforts to diversify their economies and stimulate long-term private sector investments. Largely ineffective fiscal and tax incentives to attract foreign direct investment and multinational corporations need to be reconsidered. The region needs to support the development of high-value sectors through strategic investment in industries that maximize job creation, boost local value chains and offer high export potential. Countries also need to increase public and private investment in research and development and mobilize regional and global transfers of knowledge and technology to improve innovation and competitiveness.

Social, cultural and logistical barriers that are impeding the labour force participation of certain groups must be dismantled, especially those that affect women. Countries need to develop and enforce measures to penalize gender discrimination and criminalize sexual harassment in the workplace and to strengthen social insurance coverage for maternity and childcare benefits.

Similarly, efforts to facilitate youth learning-to-earning transitions, including reforms to technical and vocational education and training, need to be better coordinated and evaluated, and further data must be collected to allow for designing and implementing targeted policies and programmes.

Many of the region's countries still have work to do to ensure the proper enforcement of ratified labour conventions, including those relating to collective bargaining and unionization, equal pay and the prohibition of child labour.

4. Health

Arab countries need to place stronger emphasis on universal social coverage to close coverage gaps, reduce patients' out-of-pocket spending during healthcare provision and ensure that those who are better off pay their fair share into comprehensive risk pooling arrangements. To enable the extension of health insurance coverage beyond the most vulnerable groups, expanding subsidization of health insurance contributions to the "missing middle" is urgently needed. Sustainable financing is also required to improve the infrastructure of primary healthcare centres in rural and remote regions and refugee camps, ensure the availability of medical treatments and supplies and offer incentives to qualified health workers to deploy to them.

Countries could gain from supporting the more integrated delivery of sexual and reproductive health programmes and services and enhancing coordination mechanisms among different providers, such as governments, the private sector, development partners and civil society. Plans, strategies and programmes on family planning and other reproductive rights need to be supported by adequate legal frameworks, including, for example, guarantees of access to contraceptives.

Many countries need to adopt policies that comprehensively cater to the sexual and reproductive health needs of adolescents and young people, notably young women, young people in rural areas and young people with disabilities. Moreover, the integration of sexual education in school curricula must be expedited to address sociocultural norms and taboos among adolescents and young people.

While significant progress has been achieved in the area of mental health, with more policies recognizing it as a right, adequate funding and robust monitoring systems are needed for those policies to become effective. More advocacy and educational activities are also needed to end the stigma that exists around mental health, including among healthcare professionals.

Regarding non-communicable diseases, more needs to be done to strengthen policy responses, including enforcement efforts and multisectoral action that involves education, food, transport, urban planning and finance. For example, more attention needs to be paid to advocacy and educational programmes that promote healthy diets and lifestyles and limit the marketing of unhealthy foods to young people.

5. Education

Greater emphasis should be placed on critical thinking and skills acquisition in curricular reform in the Arab region, so that students are equipped for success in school, work and life, based on foundational literacy and numeracy, problem-solving, technical and vocational competencies and other key life skills.

Efforts are also needed to further integrate values related to gender equality, human rights, tolerance and engaged citizenship into curricula to create a cultural shift towards sustainable development.

In most countries in the region, spending on education needs to be increased to match international benchmarks and made more efficient. Educational policies must be augmented by better data and evaluation systems to inform evidence-based resource allocation and address underlying inequalities.

Further investments are needed to bridge digital divides and train teachers on effectively using e-learning tools to increase the reach and flexibility of education systems and their resilience to crises.

Access of students with disabilities to quality education requires additional efforts to address negative attitudes towards disability; difficulties accessing transportation; shortfalls in accessibility in learning environments; low levels of funding for inclusion initiatives; and insufficient training on disability for teaching and support staff.

Regional cooperation opportunities could further be leveraged, including the development of a common framework for skills development and credential recognition, and strengthening cooperation across educational institutions for student exchanges and joint research.

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CHAPTER V

United Nations Economic Commission for Europe (UNECE) region¹

¹ The United Nations Economic Commission for Europe (UNECE) region has a membership of 56 countries, spanning North America, Europe, Asia and Israel. See [online] <https://unece.org/member-states> for details.

A. Main social development challenges

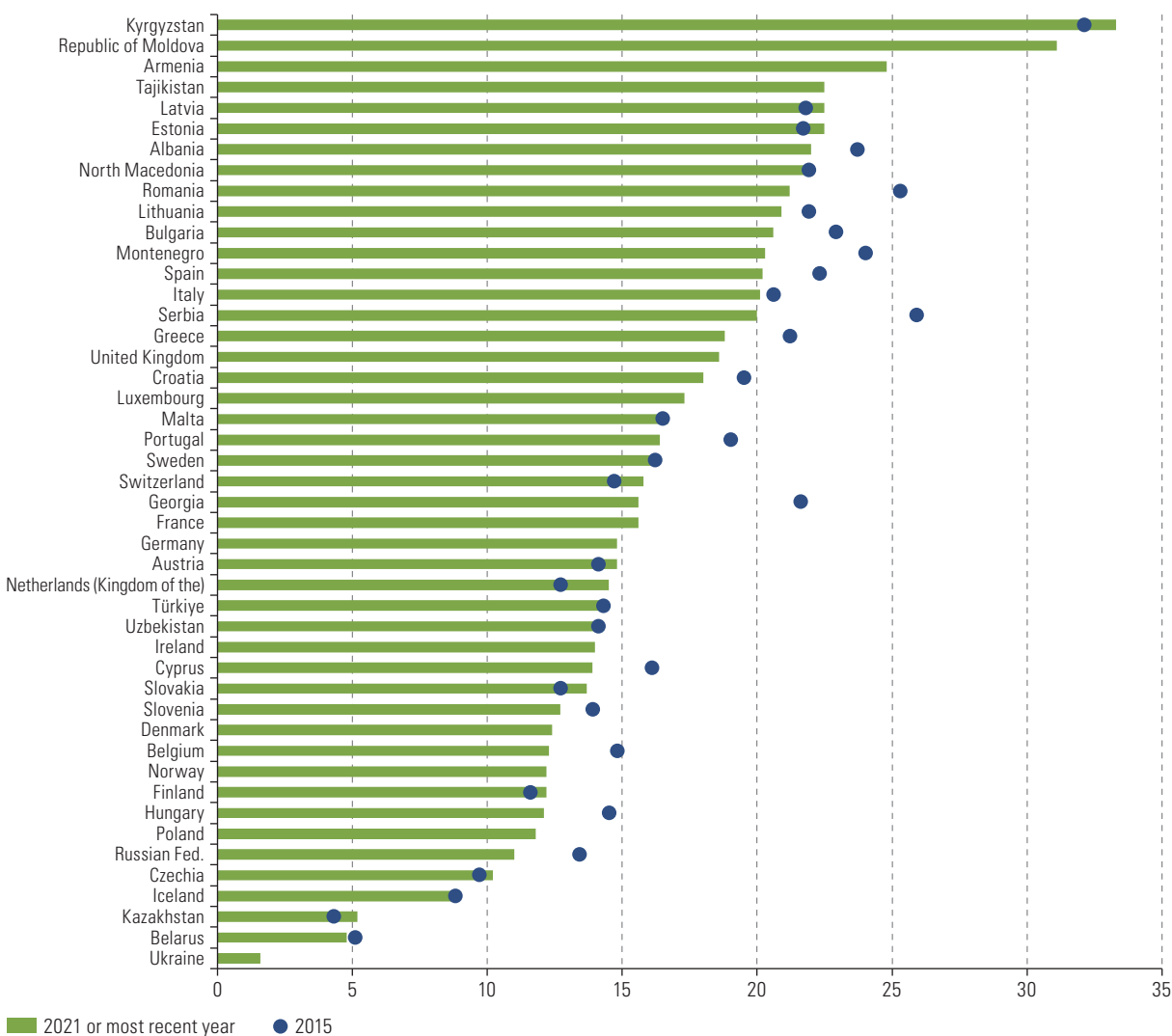
1. Poverty and extreme poverty

The 2024 UNECE Sustainable Development Goals (SDGs) progress report indicates that the region is currently on track to achieve just one of the eight poverty-related targets set for Goal 1 (UNECE, 2024a).

While extreme poverty is rare in the region, at least 1 in 10 people live below the national poverty line in almost every UNECE country (SDG indicator 1.2.1; see figure V.1). In several countries in the Balkans region, Eastern Europe and Central Asia, as well as in Italy and Spain, 20% or more of the population live below the national poverty threshold. Progress towards eradicating poverty has been slow, with only small decreases or even slight increases during the last 15 to 20 years in most countries where data are available.

Figure V.1

Proportion of population living below national poverty line, 2021 or most recent year and 2015 (when available) (SDG Indicator 1.2.1) (Percentages)



Source: United Nations, Global SDG Indicators Database [online] <https://unstats.un.org/sdgs/dataportal/database> [accessed on 5 August 2024].

Note: National poverty thresholds vary. Most recent data are from 2017 for Iceland and the United Kingdom of Great Britain and Northern Ireland; from 2019 for North Macedonia; from 2020 for Albania, Belarus, Türkiye and Ukraine; and from 2022 for Armenia, Belgium, Bulgaria, Estonia, Finland, Georgia, Kazakhstan, Latvia, Poland, the Republic of Moldova, Slovenia, Spain, Sweden, Tajikistan and Uzbekistan. Early data are from 2013 for Uzbekistan; from 2016 for Albania; and from 2018 for Belgium and Kazakhstan.

Income-based measures of poverty do not capture all aspects of socioeconomic disadvantage. In many countries in the UNECE region, multidimensional poverty (SDG indicator 1.2.2) is measured according to the concept of “at risk of poverty or social exclusion”. The measure considers three dimensions of poverty and labour market exclusion: risk of income poverty, severe material and social deprivation and low employment intensity in the household. Individuals in one of those three situations are considered at risk of poverty or social exclusion. More than 1 in 10 people are at risk of poverty or social exclusion in all countries with data; at least one in five people are at risk in half of countries with data (European Union, 2024a).² The share of people at risk of poverty or social exclusion across countries with data has decreased only slightly during the last decade, and progress has slowed since 2020, reflecting the impact of the multiple crises affecting the region.

Women, migrants, persons with disabilities, older persons and minority groups continue to experience multiple and intersecting disadvantages in economic and social life in the UNECE region. Poverty and social exclusion remain common in many countries in the UNECE region, disproportionately affecting children, young adults, older persons, women of all ages, and Roma and other ethnic and racial minorities.

Across countries with data, nearly one in four children under age 16 are at risk of poverty and social exclusion. Among those aged 16 and older, women are more likely than men to face poverty and social exclusion, and gender gaps increase with age. More than one in four women aged 75 and older across countries with data are at risk of poverty or social exclusion, reflecting the cumulative impacts of lifetime inequalities in employment and earnings for women.

Evidence from several countries indicates that ethnic and racial minorities and foreign-born populations are more likely to experience poverty and social exclusion.

2. Inequality

(a) Income inequality

Income inequality varies across UNECE countries. With Gini coefficients below 25, Belarus, Slovakia and Slovenia are among the countries in the world deemed to have the most equal income distributions (World Bank, 2024a).³ The average Gini coefficient for the region is 31.3, indicating moderate income inequality in most UNECE countries (World Bank, 2024a).⁴ As measured by the Gini index, income inequality in the region has changed little during the last decade, decreasing or increasing only slightly (by less than 10%) in most countries with data. There are exceptions, however. The Gini coefficient has decreased by 10% or more since 2014 in Albania, Armenia, Belarus, Cyprus, Montenegro, the Kingdom of the Netherlands, Poland and Serbia (World Bank, 2024a).⁵

Another measure of economic inclusion is the share of the population living below 50% of the country’s median income level (SDG indicator 10.2.1). While the share of the population with such low incomes is 15% or less in most countries with data, upward trends in several countries in Western and Southern Europe indicate worsening economic inequality in parts of the region (United Nations, 2024a).

(b) Gender equality

The 2024 UNECE SDG progress report indicates that the region is currently on track to achieve just one of the nine gender equality targets under Goal 5 (UNECE, 2024a). In important areas such as women in leadership (target 5.5), unpaid care and domestic work (target 5.4) and discrimination against women and girls (target 5.1), progress has been slow, with some setbacks related to the coronavirus disease (COVID-19) pandemic.

² Based on most recent year available, which is 2023 for most countries.

³ Data are from 2021 for Slovakia and Slovenia and from 2020 for Belarus.

⁴ Simple average of most recent value for 49 countries with data. Data were unavailable for Andorra, Azerbaijan, Bosnia and Herzegovina, Liechtenstein, Monaco, San Marino and Turkmenistan. Most recent data are from 2015 for Tajikistan; 2017 for Iceland; 2019 for Canada, Germany, North Macedonia and Norway; 2020 for Albania, Belarus, Malta, Switzerland, the Russian Federation and Ukraine; 2022 for Armenia and Uzbekistan; and 2021 for all other countries.

⁵ Most recent data are from 2020 for Albania, 2022 for Armenia, and 2021 for all other countries.

The proportion of managerial positions held by women in the UNECE region (SDG indicator 5.5.2) has increased slowly during the last 20 years from a median value of 29% in 2002 to 36% in 2022 (United Nations, 2024a).⁶ The share of seats in parliament held by women has almost tripled since 2000, increasing from a median value of 11% in 2000 to 31% in 2023 (United Nations, 2024a).⁷ Despite upward trends in most countries, the median value for the region (31%) is still well below parity.

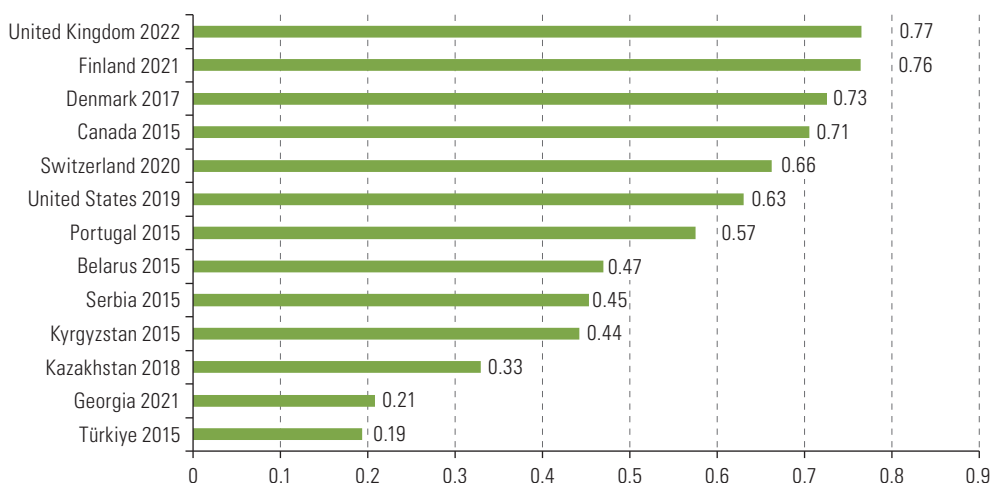
Gender gaps in the labour force and pay are narrowing, but disparities persist in all countries. The share of women participating in the labour force has grown from a median value of 63% in 2000 to 72% in 2022 for women aged 15 to 64 (ILO, n.d.).⁸ Still, the share of men participating in the labour force is on average 17% higher than the share of women across the region (ILO, n.d.).⁹ The gap in female employment between heterosexual couples with and without children remains large in some countries, pointing to ongoing challenges for families in balancing work and family life, especially for parents of young children. Couples with young children are less likely to both work full-time than those with older children or those without children.

The gender pay gap (the percentage difference in average monthly earnings between women and men) has been narrowing in most countries across all subregions. Between 2000 and 2021, it fell by an average of 31% across countries with data (UNECE, n.d.).¹⁰ Pay gaps of 20% or more remain in 15 countries with data, and recent upward trends in some countries are a reason for concern: the pay gap increased between 2015 and 2021 in Belarus, Estonia, Finland, Israel and Kyrgyzstan.

Despite increases in labour market participation, women continue to spend more time than their male counterparts on unpaid care and domestic work, and they often spend more total time working (paid and/or unpaid work) than men (Charmes, 2019) (see figure V.2). The situation was further aggravated during the COVID-19 pandemic. While time spent on care and domestic work increased for both men and women during this period, working mothers with school-age or younger children were disproportionately affected (OECD, 2021a).

Figure V.2

Time spent on unpaid domestic and care work, selected countries and years (SDG indicator 5.4.1)
(Male-to-female ratio)



Source: Economic Commission for Europe (UNECE), UNECE Statistical Database [online] <https://w3.unece.org/PXWeb2015/pxweb/en/STAT/STAT> [accessed on 5 August 2024] (for Belarus, Denmark and Kyrgyzstan); United Nations, Global SDG Indicators Database [online] <https://unstats.un.org/sdgs/dataportal> [accessed on 5 August 2024] (for the remaining countries).

⁶ Median values for 46 countries with data.

⁷ Median values for 54 countries with data.

⁸ Median value for 52 countries with data.

⁹ The data reflect the average percentage difference in the labour force participation rate between women and men aged 15 to 64 in 2022 across 52 countries with data.

¹⁰ Unadjusted gap in average monthly earnings of women and men, reflecting differences in time worked and type of work performed.

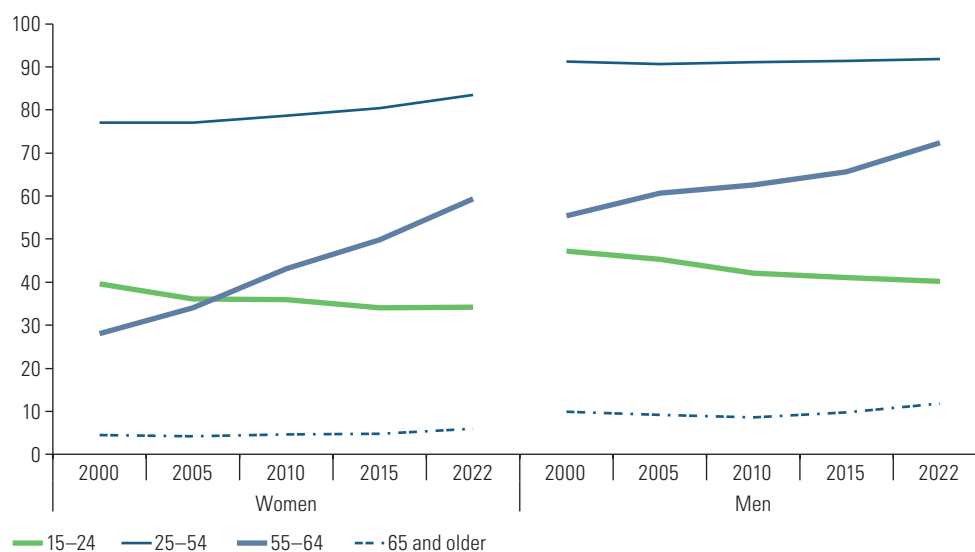
The UNECE region exceeds the global average for the adoption of legal frameworks that promote, enforce and monitor gender equality (SDG indicator 5.1.1) (United Nations, 2024a).¹¹ Nonetheless, harmful gender norms and practices continue to impede progress towards gender equality across the region. Gender-based violence affects women in all countries in the UNECE region and concerning trends in attitudes towards violence against women in some countries stand in the way of achieving gender equality. In half of the countries in the region with data, the share of individuals believing it is justifiable for a man to beat his wife has increased over time. Violence against women intensified during the pandemic, creating a shadow pandemic during which victims were locked down with abusers and access to support services was restricted (UN-Women, 2021).

3. Labour inclusion

Across UNECE countries, the age and gender composition of the labour force is changing. In recent decades, labour force participation among young people aged 15 to 24 has decreased and, among those aged 55 to 64, it has increased (see figure V.3). The share of women participating in the labour market has also risen. The largest increase has been among women aged 55 to 64, whose median participation rate more than doubled from 28% in 2000 to 59% in 2022. Despite increases for people aged 55 to 64, the median labour force participation rate is 25% lower among people in this age group compared with people aged 25 to 54. Women are less likely than men to be in the labour force at all ages in all countries in the region. Gender gaps are largest among those aged 55 to 64.

Figure V.3

Labour force participation rate, by age group and sex, UNECE median, 2000–2022
(Percentages)



Source: International Labour Organization (ILO), ILOSTAT [online] <https://ilostat.ilo.org> [accessed on 13 August 2024].

Note: Data reflect median value for 52 countries with data. Data unavailable for Andorra, Liechtenstein, Monaco and San Marino. Labour force participation refers to the share of the working age population 15 years and older actively engaged in the labour market, either by working or looking for work. Most recent data available for Ukraine are from 2021.

Unemployment rates (SDG indicator 8.5.2) have returned to or fallen below pre-pandemic levels across the region, but certain groups risk being left behind when it comes to access to decent work. In nearly every country with data, unemployment rates for young people aged 15 to 24 are at least twice as high as for

¹¹ The simple average for 48 UNECE countries with data exceeds the global average, as reported in the Global SDG Indicators Database, across four domains: overarching legal frameworks and public life, violence against women, employment and economic benefits, and marriage and family. Data were unavailable for Andorra, Belgium, Liechtenstein, Monaco, the Russian Federation, San Marino, Tajikistan and Turkmenistan. For more information on data collection, see SDG metadata for indicator 5.1.1

workers aged 25 and older (ILO, n.d.).¹² People with a disability, who are nearly four times more likely to be unemployed than those without a disability, are among the most disadvantaged (ILO, n.d.).¹³ Gaps in unemployment between women and men are small in most of the region's countries, but unemployment rates do not capture those individuals who have stopped seeking work or who work fewer hours than they would like to, and they may underrepresent individuals working in the informal sector.

In parts of the UNECE region, informal employment represents a significant share of total employment (SDG indicator 8.3.1): 45% in Central Asia, 30% in Western Asia, and 19% in Eastern Europe (ILO, n.d.).¹⁴ Informal employment is most common in the agricultural sector in these subregions and represents a large share of agricultural employment in several countries. In the majority of countries with data, informal employment represents a larger share of women's employment than men's employment. Where age-disaggregated data are available, informal employment tends to be more common among younger workers (under age 25) and older workers (age 65 or over). In several Northern and Western European countries, relatively high informal employment rates among persons aged 65 and older compared to rates for the overall population indicate continued economic activity beyond retirement age.

Men and women are staying in the labour force longer. In the last 20 years, the average effective labour market exit age across the region has risen: from 60.2 years to 63.7 years for men and from 58.5 years to 62.8 years for women between 2000 and 2022 (OECD, n.d.-a).¹⁵ While men continue to work longer on average across countries, the gender gap is narrowing, and the average effective labour market exit age is increasing faster among women than among men.

4. Health

People in the UNECE region are living longer, healthier lives. SDG targets on maternal mortality (3.1), child mortality (3.2) and non-communicable diseases (3.4) are on track to be achieved in the region by 2030 (UNECE, 2024a). Life expectancy at birth has increased steadily, reaching 81.9 years for women and 75.6 years for men in 2023. In some countries in Eastern Europe and the Caucasus, the gaps in life expectancy between men and women remain large. In Belarus, Georgia, the Republic of Moldova, Latvia, Lithuania, the Russian Federation and Ukraine, life expectancy is at least nine years higher for women than for men (United Nations, 2024b). Disparities between subregions also persist. Life expectancy for men across Eastern Europe, the Caucasus and Central Asian countries (67.9 years) is more than 10 years lower than life expectancy for men in the European Union (78.8 years).

At age 65, inhabitants of the UNECE region can expect to live for another 19 years, though this figure varies across countries and by gender. Though gender gaps are narrowing, women tend to retire earlier and live longer than men (UNECE, 2022a).¹⁶ In most of the region's countries, healthy life expectancy at birth is 65 years or more, and healthy life expectancy at age 60 is 12 years or higher in all countries with data (WHO, n.d.).¹⁷

The infant mortality rate for the UNECE region as a whole has more than halved since 2000, falling from 13.9 deaths per live 1,000 births to 6 deaths per 1,000 live births in 2023 (United Nations, 2024b). In all but six countries, the infant mortality rate is below 10 deaths per 1,000 births, and in more than half the countries the rate is below 5 deaths per 1,000 births.

¹² Based on most recent year available for 52 countries with data.

¹³ Based on median values for most recent year available for 36 countries with data.

¹⁴ Values for 2024. Western Asia includes Armenia, Azerbaijan, Cyprus, Georgia, Israel and Türkiye.

¹⁵ Data reflect median values for 36 countries with data: Austria, Belgium, Bulgaria, Canada, Croatia, Czechia, Cyprus, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Kingdom of the Netherlands, Latvia, Lithuania, Luxembourg, Malta, Norway, Poland, Portugal, Romania, Russian Federation, Slovakia, Slovenia, Spain, Sweden, Switzerland, Türkiye, United Kingdom and United States.

¹⁶ For measurement purposes, life expectancy at age 65 is used. Retirement age varies among UNECE countries, with ranges of between 52 and 68 years for men and of between 49 and 68 for women.

¹⁷ Data for 2019.

Despite widespread access to antenatal care and skilled attendance at birth in most countries, gaps remain for the most disadvantaged. In most countries with recent data, rural women, women with less than secondary education and women in low-income households are less likely to receive four or more antenatal-care visits.

Maternal mortality (SDG indicator 3.1.1) in the UNECE region declined from an average of 22 deaths per 100,000 live births in 2000 to an average of 12 deaths per 100,00 live births in 2020 (United Nations, 2024a).¹⁸ Progress at the regional level has slowed recently, with the maternal mortality ratio increasing between 2015 and 2020 in 18 of 52 countries with data. The lifetime risk of maternal death is more than three times higher in countries in Central Asia (1 in 1,200) and North America (1 in 2,900) than in Western Europe (1 in 9,800) (WHO and others, 2023). In some UNECE countries, maternal mortality varies by social and ethnic group, with migrants and ethnic minorities among the most disadvantaged. In the United States of America, the maternal mortality ratio among Black women in 2021 (69.9 deaths per 100,000 live births) was 2.6 times higher than that among White women (Hoyert, 2023). Across eight UNECE countries with permanent surveillance systems—Denmark, Finland, France, Italy, the Kingdom of the Netherlands, Norway, Slovakia and the United Kingdom—the maternal mortality ratio was at least 50% higher among foreign-born women or ethnic minorities compared with native-born and White women (Diguisto and others, 2022).

5. Education

The 2024 UNECE SDG progress report indicates that progress must be accelerated to achieve most education-related targets under Goal 4 by 2030. Across UNECE countries, the majority of young people complete upper secondary education. The upper secondary completion rate among individuals just beyond school-leaving age (SDG indicator 4.1.2) increased from a median of 81% in 2000 to 87% in 2020 (United Nations, 2024a).¹⁹ At least three quarters of young people have completed upper secondary education in all UNECE countries with data except for Iceland, where the completion rate is 65%. Young women are more likely than young men to complete upper secondary education. In 2020, the median upper secondary completion rate was 89.2% for women, compared to 85% for men (United Nations, 2024a). Disparities by place of residence and socioeconomic status persist. Students living in rural areas are less likely to complete upper secondary education than students in urban areas, and those in the lowest income group are still the least likely to complete their upper secondary education.

In nearly every country with data, student performance in mathematics and reading has declined since 2012. As measured by the Organisation for Economic Co-operation and Development (OECD) Programme for International Student Assessment (PISA), average math and reading performance scores were lower in 2022 than in 2012 in 34 of 36 countries with data (OECD, n.d.-b). Gender gaps exist in both directions: girls outperform boys in reading and boys outperform girls in math. However, gaps between boys and girls are relatively small compared to disparities by immigration status and socioeconomic status, with first-generation students and students of lower socioeconomic status performing worse than their native-born and high socioeconomic status peers (see figure V.4).

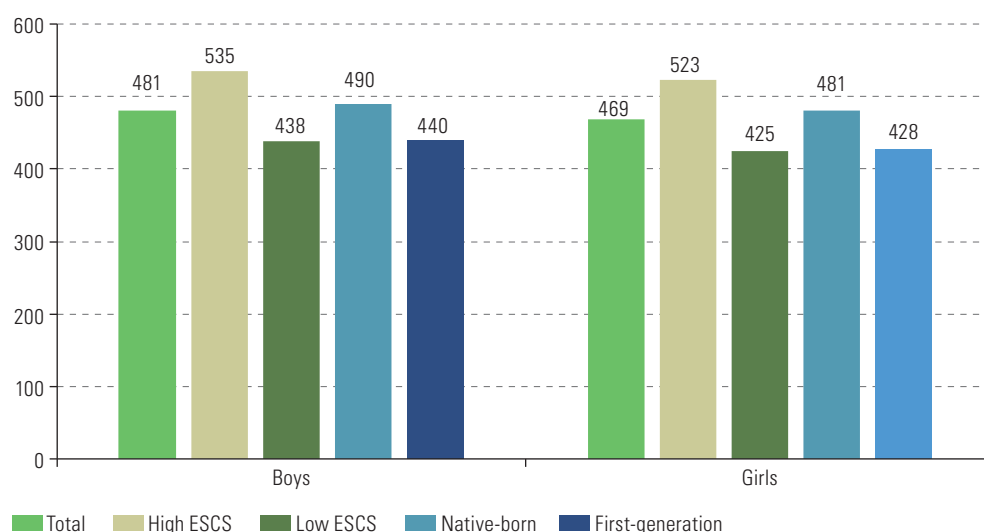
Participation in education and training across the life course improves access to decent work at all ages and supports active and healthy ageing. The share of adults aged 25 to 74 participating in formal education or training has increased since 2015 across the UNECE region (European Union, 2024b). The largest increases have been for adults aged 45 to 64, suggesting older workers are increasingly seeking opportunities to retrain and upskill. Nonetheless, participation in education and training remains uncommon, with less than 10% of adults aged 55 to 74 participating in education or training in nearly every country with data (European Union, 2024b). Among those aged 65 to 74, less than 5% participate in education or training in most countries with data (European Union, 2024b). Participation varies by gender and across countries. At all ages, a larger share of women than men participate in education and training.

¹⁸ Data reflect simple average for 52 countries with data. Data unavailable for Andorra, Liechtenstein, Monaco and San Marino.

¹⁹ Data reflect median value for 40 countries with data. Data unavailable for Albania, Andorra, Armenia, Azerbaijan, Bosnia and Herzegovina, Canada, Georgia, Israel, Kyrgyzstan, Liechtenstein, Monaco, Republic of Moldova, San Marino, Turkmenistan, Türkiye and Ukraine.

Figure V.4

Average PISA mathematics performance score, UNECE median, 2022



Source: Organisation for Economic Co-operation and Development (OECD), PISA 2022 Database [online] <https://www.oecd.org/en/data/datasets/pisa-2022-database.html> [accessed 9 September 2024].

Note: Data reflect the median value for 30 countries with data: Austria, Belgium, Canada, Croatia, Cyprus, Czechia, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Israel, Italy, Kazakhstan, Malta, Montenegro, Netherlands (Kingdom of the), Norway, Poland, Portugal, Slovenia, Spain, Sweden, Switzerland, Türkiye, the United Kingdom and the United States. The index of economic, social and cultural status (ESCS) is a measure of socioeconomic status.

6. Pensions

In the UNECE region, most people above retirement age receive some form of old-age pension. Across Europe and Central and Western Asia, more than 96% of older persons receive a pension, and in Northern America coverage is universal. In most of the region's countries, income in retirement is provided through a combination of contributory and non-contributory schemes. Informal employment is less common in the UNECE region than in other parts of the world, and the share of the working-age population covered by contributory pensions schemes (active contributors) is higher in Europe and Central Asia (49%) and Northern America (59.2%) than in any other region. In many countries in the region, a basic income is legally guaranteed for older persons through non-contributory schemes. However, in some of the region's countries, including Armenia, Azerbaijan, Kazakhstan, the Russian Federation, Turkmenistan and Türkiye, the level of income provided by non-contributory old-age pensions is below the national poverty line (ILO, 2021a).

The gender pension gap remains significant: in one third of countries with data, fewer women than men above retirement age receive pensions (ILO, n.d.).²⁰ In a majority of countries with data, pensions received by men replace a higher share of earnings than those received by women (European Union, 2024c). In countries that rely mainly on contributory schemes, pension coverage and adequacy tend to be lower for women than men owing to lower labour market participation and earnings (ILO, 2021a).

7. Social protection coverage of households and children

On the basis of data from 2020–2023, in 38 UNECE countries with data, 70% or more of the population is covered by at least one form of social protection (ILO, n.d.). Regarding cash benefits for households with children, coverage varies significantly within the UNECE region. In half the countries of the UNECE region, all children are covered by child and/or family cash benefits. In 17 countries, however, fewer

²⁰ Most recent data are from 2022 for most countries.

than half of children are covered by child and/or family cash benefits. In 10 countries, less than one quarter of children are covered: Albania (24.6% in 2021), Andorra (12.2% in 2022), Azerbaijan (10.3% in 2023), Bosnia and Herzegovina (14.6% in 2021), Czechia (16.3% in 2022), Kyrgyzstan (16% in 2022), North Macedonia (22.6% in 2021), Republic of Moldova (22.9% in 2022), Tajikistan (15.6% in 2021) and Turkmenistan (14.5% in 2021) (ILO, n.d.).

B. Recent policy developments and best practices to respond to the challenges of social development

1. Poverty and extreme poverty

Progress towards eradicating poverty in UNECE countries has been slow, and recent spikes in the cost of living continue to represent a significant challenge for the region. Following the Russian Federation's invasion of Ukraine in February 2022, consumer prices in the region increased sharply and annual inflation reached record highs, with emerging and developing economies in Europe and Central Asia hit especially hard (European Commission, 2023; World Bank, 2023). While inflation returned to more typical levels in 2023 and 2024, the impact on purchasing power is still being felt by many households. Despite these pressures, poverty and social exclusion rates have remained relatively stable thanks to both new and existing social assistance programmes that have mitigated the impact of high inflation (European Commission, 2023).

In response to the cost-of-living crisis, governments in the region implemented measures to address high energy costs specifically and to bolster household income more broadly, often through existing social benefit systems (World Bank, 2023). All European Union member States introduced measures to address energy poverty and to cushion the impact of high inflation, at least for certain groups. Common measures to improve energy affordability included vouchers, allowances, deductions towards energy bills, caps on prices and decreased taxation on energy. To mitigate the impacts of inflation more generally, countries used income support measures such as subsidies and vouchers for food and public transport as well as increases to or indexation of wages and existing social benefits. While most measures aimed at the cost-of-living crisis were temporary, some countries—including Austria, Greece and Romania—introduced the permanent indexation of certain social benefits during this period (European Commission, 2023). Countries outside the European Union have also acted to prevent poverty and social exclusion. Uzbekistan, for example, established the National Agency for Social Protection in 2023 to design, coordinate and monitor the implementation of social protection programmes across the government (World Bank, 2024b).

Children, young people and older persons—especially older women—remain disproportionately at risk of poverty and social exclusion in the UNECE region. Adopted in 2021, the European Union's European Child Guarantee aims to ensure children in need have access to essential services. It seeks to break the cycle of poverty and social exclusion that can affect children throughout their lives by encouraging countries to allocate resources towards access to healthcare, education, early childhood education and care, decent housing and healthy nutrition (European Council, 2021). In addition to efforts to strengthen social protection systems for families, countries in the region are taking targeted action to address childhood poverty.

Progress towards eradicating old-age poverty has been made with recent reforms to pension systems. Between 2021 and 2023, Canada, Estonia, France, Italy, Lithuania, Spain, Sweden and Türkiye increased basic pensions, minimum pensions and/or targeted benefits. In 2022, Hungary implemented a thirteenth month payment and, in 2023, Poland introduced a fourteenth month payment. Automatic enrolment (already in place in Lithuania, Poland, Türkiye and the United Kingdom) was introduced in Slovakia, and the Kingdom of the Netherlands lowered the minimum age when workers can enter a pension scheme, extending pension coverage in both countries (OECD, 2023a). The 2024 regional review of progress towards the implementation of the Beijing Declaration and Platform for Action identified some positive developments in addressing poverty among older women, who are more likely to be excluded from social protection

systems and who often receive less pension income than men. In Spain, a 2023 law mandates that the pension gender gap supplement is indexed annually and provides for an additional increase in the supplement during 2024–2025 (Spain, 2024). To improve income security for low-income pensioners in Canada—most of whom are single women—the government enhanced earnings exemptions for its Guaranteed Income Supplement programme so that older persons who continue to work can keep more of their benefits (Canada, 2024).

2. Inequality

Addressing inequalities requires a holistic approach that cuts across many policy domains. In the UNECE region, Roma and other ethnic minority groups, migrants and refugees, and persons with disabilities are among the most disadvantaged. In addition to policies and programmes to improve access to quality education, decent work and adequate income for all, countries have implemented cross-cutting strategies to promote social inclusion of the most vulnerable and marginalized groups. In 2020, the European Commission adopted a new 10-year plan to support Roma in the European Union, defining minimum targets for Roma equality, inclusion and participation for 2030 and calling on European Union member States to submit national strategies and report on progress every two years (European Commission, 2020). European Union countries have adopted their own strategic frameworks or integrated sets of policy measures for the inclusion of their Roma populations. In line with the European Commission Strategy for the Rights of Persons with Disabilities 2021–2030 and the United Nations Convention on the Rights of Persons with Disabilities, many countries in the region have also adopted national strategies and/or action plans on the inclusion of persons with disabilities, spanning education, employment, housing and independent living, social services and benefits, health and non-discrimination.

UNECE member States continue efforts to address gender inequalities at home and in public life and to eradicate violence against women. Acknowledging care responsibilities as a key obstacle to women's labour force participation and financial security across the life course, countries in the region have implemented measures to expand leave entitlements for employees with care responsibilities, to support men's role in care by expanding paternity leave and equalizing leave entitlements for women and men, to extend maternity leave benefits and to improve accessibility and quality of childcare services (UNECE, 2024b).

A variety of measures have been implemented in the region to promote female participation in the labour force and address discrimination and sexual harassment in the workplace. Albania, Greece and Republic of Moldova have recently ratified International Labour Organization (ILO) Violence and Harassment Convention, 2019 (No. 190), and Armenia and Romania have made changes to national legislation on violence and harassment at work to align with this international framework. The Employment Strategy of the Republic of Azerbaijan for 2019–2030 includes specific measures to enhance employment opportunities for non-working women aged 30 to 40. Since 2021, Azerbaijan, Kazakhstan and Uzbekistan have reformed their labour codes to remove restrictions on women working in certain occupations such as industrial or hazardous jobs (World Bank, 2024b). A list of prohibited professions still exists in the Russian Federation but has been shortened. Several countries, including Azerbaijan, Canada, the Republic of Moldova, Spain, Sweden and Türkiye, have introduced measures to support women who are self-employed or entrepreneurs.²¹

Countries in the UNECE region have undertaken a range of measures to reduce the gender pay gap. These include pay transparency legislation (for example in France, Lithuania, Iceland, Portugal and the United States) pay transparency reports (for example in Belgium, Denmark, France, Germany and the United Kingdom), equal pay audits (for example in Finland, Germany, Spain, Sweden and Switzerland), employee's rights to request information on pay (for example in Norway), and digital tools to enhance pay transparency (for example in Austria, Germany, Luxembourg and Switzerland) (ILO, 2022). In 2023, European Union countries adopted a new pay transparency directive in 2023, which represents an important step towards combating

²¹ Measures reported in Beijing+30 national reviews available [online] <https://unece.org/gender/events/beijing30-regional-review-meeting>.

pay discrimination and closing the gender pay gap in its member States. It requires European Union companies to share information about how much they pay women and men for work of equal value and to take action if the gender pay gap exceeds 5%. The new directive, which entered into force in June 2023, also provides for compensation for victims of pay discrimination (European Union, 2022).

Women remain underrepresented in leadership and decision-making positions in the region. Nearly half of the countries in the UNECE region have introduced legislated candidate quotas to improve the gender balance in parliaments (International IDEA, n.d.). In several countries, certain political parties have introduced voluntary gender quotas beyond the legislated threshold or in the absence of mandated quotas (International IDEA, n.d.).

To promote gender balance in leadership, countries have introduced legislation setting a minimum quota for women on boards and/or legal requirements to disclose the gender make-up of company boards and/or senior management. Other non-binding approaches include comply-or-explain provisions on gender in corporate governance codes and the encouragement of voluntary targets for gender diversity on boards and among senior management (OECD, 2020). Progress in European Union member States is expected to accelerate thanks to a new European Union Directive passed in 2022 that requires that large, listed European Union companies reach 40% of the underrepresented sex among non-executive board members or 33% among all directors by 30 June 2026 (OECD, 2023b).

Violence against women impedes gender equality in the region, depriving women and girls of fundamental human rights, access to opportunities and bodily autonomy, and threatening the democratic and economic integrity of societies (UNECE/UNFPA, 2023). Several countries in the region—including Azerbaijan, Belgium, Bosnia and Herzegovina, Latvia, Malta, Serbia, Spain and Romania— have recently instituted wide-reaching strategies to address gender-based violence.²² In April 2023, Uzbekistan became the fifth country in Eastern Europe and Central Asia to criminalize domestic violence as a separate criminal offence, joining Georgia, Kyrgyzstan, the Republic of Moldova and Ukraine (Amnesty International, 2023).

3. Labour inclusion

In the context of demographic change, increasing the labour force participation of women, young people, older persons, persons with disabilities and other groups that are traditionally excluded from the formal labour market can mitigate the impacts of a shrinking working-age population.

Countries in the UNECE region are taking action to make labour markets more inclusive and to improve access to decent work for all. Approaches include providing free or subsidized access to training and education, legal protections for older workers and persons with disabilities, monetary support for individuals to pursue self-employment activities, economic incentives and subsidies for employers, and public-private partnerships.

The European Union's Youth Guarantee and Youth Employment Initiative are the main regional frameworks for youth employment and training. The strategies promote access to education, training, apprenticeships and employment for all young people under age 30 and aim to strengthen the quality of vocational training and the availability of opportunities for apprenticeships (European Commission, n.d.). European Union member States have been operationalizing these frameworks at the national level since the Youth Guarantee was first introduced in 2013 with positive results on the share of youth not in employment, education or training. Recently, countries in other parts of the UNECE region have introduced measures to tackle inactivity among youth.

Increased longevity and population ageing present opportunities for longer working lives. Recognizing the contributions of older workers as well as their right to remain economically active, countries in the region have taken action to improve employment prospects for older persons, including through

²² As reported in ECE/UNFPA (2023) and Beijing+30 national reviews available [online] <https://unece.org/gender/events/beijing30-regional-review-meeting>.

investing in skills development, promoting age management at the workplace and age-friendly working conditions, and addressing ageism and discrimination in the labour market. Through investments in lifelong learning, countries are providing opportunities for older workers to retrain and upskill in line with labour market demands. Several countries have recently adopted lifelong learning and digital skills and inclusion strategies that identify older persons among target groups. The inclusion of older persons in employment, vocational and entrepreneurial training initiatives has also received significant attention. Countries are working to manage the impact of changing age structure on labour markets and promote age-friendly working environments. Services aim to promote age-appropriate work, equal opportunities (especially for women) and diversity in hiring by providing advice on topics such as recruitment and human resources management challenges and practices.²³ Many countries have implemented awareness-raising campaigns to tackle ageism in the labour market and change attitudes towards older workers.

Persons with disabilities face significant barriers to decent work in the region. To address this challenge, the European Commission Strategy for the Rights of Persons with Disabilities 2021–2030 was adopted in March 2021 and includes a package to improve labour market outcomes of persons with disabilities.²⁴

4. Health

For countries experiencing population ageing in the UNECE region, developing systems and infrastructure to facilitate healthy ageing is both a significant development challenge and a public policy imperative. Member States have engaged in a broad range of policy initiatives to advance healthy ageing in areas including age-friendly environments and safety at home, health promotion, preventive and integrated healthcare, long-term care systems and dementia.

Among a long list of developments, the following activities provide an indication of the diverse measures being taken in the region to build societies in which people can age healthily.²⁵ To ensure the safety of older persons at home and in transport, Finland adopted in 2020 the Programme for the Prevention of Home and Leisure Injuries 2021–2030 “Safely at All Ages”, with measures to prevent falls, poisoning, road traffic accidents, burns and drownings occurring at home and within care service centres. Several countries have developed guidelines and launched initiatives to promote physical activity and health nutrition among older persons. In the United States, for example, Dietary Guidelines for Americans, 2020–2025, adopted in 2020, included nutrition guidance by life stage for the first time since these guidelines have been published. Many countries have taken steps to integrate health and social care systems to help individuals maintain the highest possible level of health and functional capacity for as long as possible. Albania, for example, has adopted a Strategy on the Development of Primary Health Care Services in Albania 2020–2025, which for the first time provides for the integration of social and health service in primary healthcare centres.

Providing access to quality long-term care amid population ageing is a growing challenge in the region. In recent years, countries across the region have taken steps to develop and strengthen various aspects of long-term care systems. Measures implemented aim to expand long-term care systems and improve the efficiency of their administration, enhance the use and availability of data on long-term care, encourage ageing in place and strengthen the role of home care as a part of long-term care, improve quality standards of long-term care, safeguard the affordability and financial sustainability of long-term care, strengthen the long-term care workforce, and acknowledge the role of family members and other informal caregivers.

Dementia is a leading cause of dependency and disability among older persons in the European region (WHO, 2023). Over the last several years, a considerable number of UNECE member States have adopted or updated dedicated strategies or action plans to improve the quality of life of persons with dementia

²³ See [online] <https://www.ams.at/unternehmen/personal--und-organisationsentwicklung/impulsberatung-fuer-betriebe>.

²⁴ See more information [online] <https://ec.europa.eu/social/main.jsp?catId=1484&langId=en>.

²⁵ All examples were reported by member States and are from UNECE (2022a).

and their caregivers. The key focus areas of those strategies have included prevention, early diagnosis, awareness-raising, reduction of stigma, dementia-friendly environments and communities, participation, autonomy, ethical treatment and research (UNECE, 2022a).

Some of the region's countries continue to face challenges providing universal access to essential antenatal and maternal healthcare. In countries across the UNECE region, recent strategies and legal frameworks on sexual and reproductive health have focused on addressing inequities in access to care by paying attention to groups living in vulnerable situations or with unique needs. In Sweden, the National Strategy for Sexual and Reproductive Health and Rights identifies five groups for whom targeted efforts are required to strengthen access to care and improve outcomes: people with low socioeconomic status, migrants, people with disabilities, LGBTQI+ persons, and young people (Sweden, 2021; Public Health Agency of Sweden, 2022). In the Republic of Moldova, the main objective of the National Programme on Sexual and Reproductive Health and Rights 2018–2022 was to ensure equitable access for all groups to sexual health services (Republic of Moldova, 2020). Resources have also been allocated to improve physical access to institutions providing sexual and reproductive health services for women and girls with disabilities. With evidence indicating that the single most important factor in access to maternal healthcare services in European Union countries is affordability, numerous European Union member States have focused on expanding access to universal health coverage (European Commission, 2014; Make Mothers Matter, 2021). In Cyprus, progress towards addressing inequalities was made in 2020, with the integration of public and private health systems, which now provide universal population coverage, including to refugees and asylum seekers (OECD/European Observatory on Health Systems and Policies, 2021).

5. Education

Countries in the UNECE region are taking steps to address worsening educational performance, including investing in teacher training and certification, implementing and revising educational standards and supporting the digitalization of teaching and learning. Armenia, for example, has recently implemented a voluntary certification programme that provides teachers who pass a certification test with a 30–50% salary increase. The number of teachers who passed the certification doubled between 2022 and 2023 (Republic of Armenia, 2024). In Georgia, a recent general education reform aims to enhance the quality of education by establishing new standards (Georgia, 2024). Efforts to recover from the COVID-19 pandemic in Poland include the implementation of projects to equip schools with new technologies, to develop digital educational resources and information technology tools to support the digitalization of educational processes, and to train staff in digital tools for teaching (Poland, 2023).

Socioeconomic disparities in the region begin in schools with persistent and growing gaps in educational achievement between advantaged and disadvantaged students. Roma and foreign-born students are often left behind, and many countries have intervened to improve educational outcomes among these populations. In Croatia, the Keep Step project carried out in 2019–2020 was designed to give Roma students a better starting position in the early stage of their education and to engage parents in their learning (Croatia, 2023). In North Macedonia, scholarships for Roma students have proven successful, with a secondary school dropout rate of less than 1% among Roma students receiving scholarships (North Macedonia, 2020). The Irish Migrant Integration Strategy has set out several actions aimed at improving access to, and outcomes in, education since 2017, including monitoring of the numbers of non-English-speaking children in schools, reviewing teacher training on managing diversity and tackling racism, and reviewing the adequacy of language supports in schools (Ireland, 2020).

During a time of rapid digitalization, information and communications technology (ICT) skills are key for access to decent work and social inclusion. Addressing digital divides by age, gender, and place of residence through quality education and lifelong learning is a priority for countries in the UNECE region. For older persons, technology can enable a longer working life, support active ageing, mitigate social exclusion and reduce isolation and loneliness. The 2022 Rome Ministerial Declaration calls on

UNECE member States to work towards age-friendly digitalization, enhance digital skills and literacy among older persons and ensure rights to access information and services through digital devices (UNECE, 2022b).

Notable initiatives towards these objectives include the Digital Angel project in Germany, aiming to empower older persons to confidently use technologies, with a team of experts touring the country and providing training as well as technical support. To increase the quality of information technology training programmes in Austria, training of adult education instructors was promoted through the Digital Fitness Programme, focusing on digital literacy and education of older adults. In Lithuania, intergenerational digital literacy projects trained young persons in transmitting digital skills and competences to older persons, including the use of e-health and e-government. A network for digital inclusion was established in Denmark, made up of citizen organizations, relevant private organizations and local and central authorities to identify the challenges older citizens experience in a digital environment and support the development and implementation of initiatives.

C. Policy lessons for the future

Despite advances in many areas, progress towards inclusive and equitable societies in the UNECE region has been uneven and several gaps remain. Future opportunities for social development will be shaped by the unique and diverse demographic and economic characteristics of the region and its emerging challenges.

The UNECE region is experiencing three large-scale transformations simultaneously, each of which presents challenges and opportunities for social development: demographic change, the green transition, and widespread digitalization and adoption of new technologies. Together, these shifts will impact many aspects of society, including labour markets, education, social protection and health systems.

An illustration of the interconnectedness of the social, economic and environmental pillars of sustainable development, the energy transition from fossil fuels to low-carbon technologies has implications for social development in the UNECE region. In addition to the impact on the number and types of jobs that are available, changes to energy production and availability may affect households' energy costs as well as mobility patterns and access to affordable transport, particularly for those in rural areas (Boehm and Kläffling, 2024). Prioritizing certain policy actions can support inclusive transformations and just transitions, safeguarding economic and social progress and improving the prospects of those currently being left behind.

Demographic shifts and the green and digital transitions will affect both the demand for and the supply of labour. Population ageing will lead to a decrease in the size of the working-age population in many countries, while the green and digital transitions will change the profiles of many jobs and the distribution of employment across sectors. Investments in human capital development across the life course are key for inclusive social development. Ensuring access to quality education, lifelong learning and opportunities for reskilling and retraining enables everyone—regardless of age, gender or other characteristics—to participate in quality, paid work. Education systems will need to adapt to rapidly evolving technology, equipping students with the digital skills and literacy required in a rapidly evolving world of work. Additional efforts to address digital divides by age, gender and place of residence and to improve digital skills and literacy are necessary to support access to employment and social inclusion, with special attention for the growing number of older persons in the UNECE region. Active labour market policies should be used to target workers in industries affected by green and digital transitions and—in the context of shrinking working-age populations—to enable women, young people, older persons, persons with disabilities and other underrepresented groups to join and remain in the labour force.

The changing nature of work and the relative decrease in the size of the working-age population require rethinking of social protection systems. The emergence of the platform economy, the increase in non-standard contracts and the high levels of informality seen in some parts of the region pose challenges

for employment-based and contributory social insurance schemes. Old-age pensions are the most important tool for poverty prevention in the region. In many countries, however, demographic shifts mean contributions by workers are inadequate to cover national pension obligations, putting pressure on public finances (ILO, 2021b). To safeguard the long-term coverage and adequacy of pensions, countries must engage in strategic foresight and ensure the long-term sustainability of their social security systems.

Population ageing has also put pressure on health and long-term care systems, with rising costs for individuals and governments in many countries in the region. Investments in healthy and active ageing across the life course to support healthy lifestyles, tackle non-communicable disease and maintain functional ability in older age are important tools for reducing healthcare expenditure in the long run. Ensuring access to long-term care services and providing support for informal carers addresses the care needs of the growing population of older persons in the region and reduces the negative impact on the labour market participation and well-being of informal caregivers, the majority of whom are women.

Recent progress in the UNECE region has highlighted the need for whole-of-government approaches to address social challenges that impact many aspects of society. An integrated and holistic vision of people with diverse needs supports the development of policies that enable every human being to fully realize their potential throughout their life course.

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CHAPTER VI

Issues,
recommendations
and guidelines in
preparation for the
Second World Summit
for Social Development

A. Persistent obstacles and new challenges for inclusive social development

As the preceding chapters have illustrated, 30 years after the first World Summit for Social Development, key challenges for inclusive social development remain and new ones have emerged. From structural problems such as poverty, extreme poverty and hunger, to deficits in labour inclusion and rising inequalities, emerging trends and matters of global concern have arisen. These include profound transformations and transitions (demographic, technological, climatic, energetic and so on), as well as mounting conflicts and economic instability that threaten peace and prosperity. These challenges are well reflected in the fact that only 17% of the targets of the Sustainable Development Goals (SDGs) are on track to be achieved (United Nations, 2024a).

Inclusive social development policies need to be strengthened and tailored to prepare for and address a risk structure that is undergoing a profound reconfiguration, in order to ensure that no one is left behind. Inclusive social development may be understood as the process oriented towards a life free of poverty and a high and universally guaranteed level of well-being. It presupposes the full realization of economic, social, cultural and environmental rights, the development of human capacities, and participation and recognition within societies for women and men of all ages (ECLAC, 2024a). This includes addressing social inequalities, gaps in access to basic areas of well-being and obstacles for social mobility from a universalist perspective that is sensitive to differences (ECLAC, 2017). However, up-to-date figures show a significant shortfall from that goal.

Both global extreme poverty and hunger increased significantly between 2019 and 2022 as a consequence of the coronavirus disease (COVID-19) pandemic and the various crises that ensued. Although labour market indicators recovered in 2023, employment does not assure access to social protection and income security. In 2023, 6.9% of workers lived in extreme poverty: a total of 241 million, up about 1 million since 2022 (ILO, 2024b); at the same time, 58% of the global labour force worked in the informal economy, including a disproportionate share of women. It is estimated that 4 billion people lacked access to essential services in 2021. These facts were recognized in the G20 Rio de Janeiro Leaders' Declaration, and one of the main initiatives that emerged from the latest Group of 20 meeting in November 2024 was precisely the Global Alliance Against Hunger and Poverty.¹ Moreover, progress towards universal access to quality education is limited. By 2019, only 58% of students worldwide had reached a minimum level of proficiency in reading, and the COVID-19 pandemic has widened gaps in this area (United Nations, 2024a).

Significant gaps in social protection systems require urgent attention. The pandemic revealed the enduring gaps in social protection systems worldwide. Although the responses among regions were highly heterogeneous (Gentilini and others, 2022), increases in hunger and poverty reflect their shortcomings to prevent severe human development losses. While more than half of the global population (52.4%) is covered by at least one social protection entitlement, 3.8 billion people remain unprotected. The global figures conceal acute inequalities: 85.9% of the population in high-income countries are protected, whereas only 9.7% in low-income countries are covered. Worryingly, less than a third of children (28.2%) are covered by social protection (ILO, 2024a). Gender inequalities in social protection coverage, adequacy and comprehensiveness persist globally: in 2023, only 50.1% of women had access to at least one social protection entitlement, compared to 54.6% of men, and lifetime inequalities mean that women often receive lower pension entitlements than men (Staab and others, 2024). Universal, comprehensive, sustainable and resilient social protection systems are urgently needed, with strengthened preparedness, prevention, mitigation and adaptation capacities to sustain the human capabilities required for inclusive social development.

¹ See [online] <https://globalallianceagainsthungerandpoverty.org/>.

Inclusive social development is not only at play on the social field: progress in the economic, productive transformation and environmental dimensions is key. As the economy continues to slow down, labour productivity, which was growing at more than 1.5% per year before the pandemic, stagnated between 2022 and 2023, jeopardizing future economic growth (United Nations, 2024a). Increasing productivity and accelerating productive transformation will be crucial to address development traps and ensure inclusive social development. Productive diversification and sophistication and digital transformation with adequate employment protection are key measures to be fostered (ECLAC, 2024b; ILO, 2024b). Debt management is also critical, as high debt levels are curtailing countries' ability to invest in inclusive social development policies. At the same time, climate hazards have exacerbated vulnerability and poverty. Preventive actions are required to enhance resilience such as livelihood support and diversification and the strengthening of links between an environmentally sustainable economy, green decent jobs and social policies (ILO, 2024a).

Globally, inequality levels declined until 2020, when the pandemic reversed the downward trend observed since 2000. More than 12% of the global population still lives on less than half the median income, with significant regional disparities, particularly in sub-Saharan Africa and Latin America (United Nations, 2024a; World Bank, 2024). Inequality is related to uneven productivity levels within countries and among regions. It is also the consequence of unequal and segmented access to universal quality health and education, and of the historical discrimination and human rights violations suffered to a greater extent by most excluded population groups (ECLAC, 2024c). Furthermore, although there has been some progress in gender equality, the world continues to fall behind in this dimension, with a large gap in the labour force participation rates of women and men, and with women holding only 26.9% of parliamentary seats and 27.5% of managerial positions in 2023. Globally, women still spend 2.5 times more hours on unpaid care and domestic work than men, while discriminatory legal systems and gender-based violence both persist (UN-Women/DESA, 2024).

B. From the “whats” to the “hows”: 10 strategic guidelines on the road to the Second World Summit for Social Development

Strengthening and rethinking inclusive social development strategies is required to address a complex global context and far-reaching trends and transformations. Inspired by the call to revitalize multilateralism and cooperation, the Second World Summit for Social Development provides a unique opportunity to agree on global and regional priorities and to develop concrete institutional mechanisms to advance towards a compact for inclusive social development. Inclusive social development gaps and changing risk structures demand progress towards universal, comprehensive, sustainable and resilient social protection systems as well as more dynamic and balanced productive development policies.

1. A world free from hunger and poverty is possible: social protection systems are fundamental

The long-sought aspiration of eradicating poverty, hunger, food insecurity and malnutrition is an achievable goal through comprehensive action that involves universal social protection systems, including quality social services, inclusive growth and labour inclusion. The Global Alliance against Hunger and Poverty offers an exceptional opportunity to commit global policy efforts towards that aim. Furthermore, promoting interregional cooperation and exchanges on best practices at the Second World Summit for Social Development will be crucial.

Strengthening social protection systems requires assuring income protection through the social security guarantees established in the International Labour Organization Social Protection Floors Recommendation, 2012 (No. 202), as well as expanding contributory access for workers who remain uncovered. The situation of children, adolescents and young people requires special consideration, owing to their higher risk of

poverty, the large social protection gaps that affect them and the long-term impact of poverty on their well-being over the course of the life cycle. Equally, achieving universal coverage of older persons in pension systems is fundamental, particularly in view of the current demographic shifts towards ageing populations.

Likewise, a better connection between current policies and those aimed at expanding human capacities will be essential. Improving the momentum of labour markets and labour inclusion forms a key part of this policy agenda. Policies should also include appropriate measures to address the challenges posed by climate change and the labour transition towards an increasingly digitalized and environmentally sustainable economy. Workers and their families must be protected with appropriate measures during these processes and events.

2. Inequality is the elephant in the room: reducing it requires comprehensive policies

Inequality poses a significant barrier to social, economic and environmental development as it hinders the realization of human rights, the acquisition of human capacities, access to equal opportunities and increased productivity. It threatens social cohesion, heightens political instability within societies (ECLAC, 2024c) and is associated with lower economic growth (Ferreira, 2023; Ostry, Berg and Tsangarides, 2014). As such, addressing inequality is integral to effective development strategies. Reducing inequality is a priority for achieving inclusive social development, which requires comprehensive policy approaches. Developing a multidimensional measure of inequality could support this objective.

Efforts to reduce inequalities must be addressed through multiple channels. These include policies to dynamize productive transformation and increase productivity levels, to improve the design of public transfers and advance towards more progressive tax systems in order to achieve more robust redistributive impacts, and to address major obstacles to equality of opportunity from early childhood through old age. Fostering quality, integrated early childhood policies and universal education and health systems is crucial to eradicate those barriers. Inclusion policies that address the multiple axes of social inequality across the life course are essential for decreasing inequality and improving social mobility.

3. Care policies must be built into the design of social protection systems as a way of moving towards gender equality

Gender inequalities remain a key obstacle to inclusive social development. As stated in the Pact for the Future (United Nations, 2024c), addressing them requires removing legal, social and economic barriers, ensuring women's full and effective participation and increasing investments to close the gender gap, including in the field of the care and support economy. The prevailing social organization of care deprives many women of adequate access to labour inclusion and social protection. Thus, the design and implementation of care policies that address both the needs of persons requiring care and those of caregivers themselves should be strengthened as key dimensions of social protection systems. As population ageing progresses in many regions of the world, these policies will become increasingly urgent in responding to the increasing demand for care, in addressing the caregiving burden experienced by women throughout their lives and its impact on their labour inclusion opportunities, and in relieving women of those tasks after retirement.

4. Transforming education and vocational training systems is required for multiple productive, well-being and social objectives

The Transforming Education Summit held in September 2022 (United Nations, 2022) identified several priorities to improve education systems and support students in a context of significant global challenges and transformations, underlining the pressing need to develop multidimensional skills (cognitive, digital, and socioemotional). The Summit defined five thematic tracks for action: (i) inclusive, equitable, safe

and healthy schools, (ii) learning and skills for life, work and sustainable development, (iii) teachers, teaching and the teaching profession, (iv) digital learning and transformation, and (v) financing education so countries have significantly greater and more sustainable financing to achieve Goal 4, allocating and monitoring the use of these resources equitably and effectively.

5. Universal health coverage is a key public good

The COVID-19 crisis demonstrated that universal access to health services that cover the full continuum of essential health services from health promotion to prevention, treatment, rehabilitation and palliative care across the life course is essential for inclusive and resilient social development. Primary healthcare plays a central role by linking health to social protection, rooted in its strong community and local presence. It strengthens key public health functions, such as promotion of health and prevention of diseases, and integrates social and health services (ECLAC/PAHO, 2024). In view of the impacts of the climate crisis and the associated epidemiological and nutritional transitions, reinforcing the preparedness of health systems and promoting lifestyle changes is essential. Building resilient health systems demands investing in health infrastructure and in workforce capacity to secure equitable access to health care, including during crises. This also includes strengthening global health governance and multilateral cooperation (United Nations, 2024d).

6. Integrated employment and labour inclusion strategies to overcome poverty and reduce inequalities

Overcoming poverty and reducing inequalities will not be possible without dynamic labour markets that foster sustained labour inclusion and decent work. Such markets depend on dynamic productive transformation and economic growth: a better future for work cannot be built without at the same time building a better future for production. In addition to traditional active labour market policies, current challenges require addressing concerns related to labour and skills shortages (ILO, 2024b) and improving opportunities for reskilling and the development of new skills that allow workers to adjust to a world of work in transformation. Resilient productive development policies are also urgently needed to mitigate losses in employment due to the impact of climate change on key employment sectors such as agriculture and tourism. Lifelong learning schemes will play a key role in this context, as will stronger linkages between income protection and active labour market policies. Of special concern are the situations of young persons, particularly those not in education or paid employment, many of whom are young women with care responsibilities, and older persons, who increasingly seek opportunities to remain active in the labour market. Countries must receive support in increasing investment in education and development of skills across the life course, including those required for digital inclusion and access to technical and vocational schemes, as well as labour inclusion policies to support young workers in their school to work transitions and strengthened comprehensive care policies to improve the labour inclusion of women of all ages.

7. An inclusive digital transformation

As established by the Pact for the Future, Global Digital Compact, and Declaration on Future Generations (United Nations, 2024d), the elimination of the digital divide is crucial to accelerate progress towards the SDGs. This includes reducing inequalities in connectivity, digital literacy and skills by promoting investment in public digital infrastructure and digital public goods. Digital inclusion and the benefits of the digital economy must be promoted, within a fair, inclusive and secure digital environment that respects human rights. Lastly, global commitments must be established to improve the governance of artificial intelligence. This includes addressing potential biases in algorithms and avoiding discrimination in their design and application. The role of multilateralism in establishing legal frameworks that secure access to digital markets and a human-centred approach within artificial intelligence technologies is a key challenge for the present and future generations. Digital social protection will require addressing all these challenges to leave no one behind in inclusive social development.

8. Strengthening institutional capacities and frameworks for social policy is essential to implement inclusive social development policies

The role of capable, sound and resilient social institutions and institutional frameworks is essential. This requires strengthened technical, operational, political and prospective (TOPP) capabilities in institutions for social development (ECLAC, 2024b). Critical factors include the consolidation of comprehensive information systems (social registers), policy evaluation, system thinking skills and the ability to improve the effectiveness of social spending. These capabilities enable countries to undertake transformative action in each policy area and to manage coordination with different actors, using social dialogue as a tool for coordination, persuasion and conflict management, while strengthening planning and foresight capabilities to contribute to the effective governance and management of the transformations required (Salazar-Xirinachs, 2023).

9. Efforts to secure progress towards inclusive social development demand global, regional and national commitments

Recent political declarations and global reports reflect a broad agreement that multilateralism and global cooperation are fundamental to sustain progress towards the SDGs and for the implementation of the Pact for the Future (United Nations, 2024b). While globalization has been acknowledged as a catalyst for economic and social transformation, it is also a driver of disruptions and potential inequalities. Hence, calls have been made for a renewed global partnership focused on long-term strategies. This includes repositioning multilateral governance to improve financing for development and the necessary alignment between global financial, fiscal and monetary systems as well as reforms in multilateral institutions and development banks (United Nations, 2024c and 2024d). As acknowledged by the recently adopted Pact for the Future, multilateralism is crucial in fostering inclusive social development by promoting solidarity to leave no one behind.

The priorities expressed at the global level also apply at the regional level through agreements that can mobilize further transformative action leading to accelerated progress towards achievement of the SDGs. Examples are the *Regional Agenda for Inclusive Social Development* (ECLAC, 2020), the *Action Plan to Strengthen Regional Cooperation on Social Protection in Asia and the Pacific* (ESCAP, 2020), the *Ministerial Forum Declaration. The future of Social Protection in the Arab Region: Building a vision for a post-COVID-19 reality* (Arab Regional UN Issue-based Coalition for Social Protection, 2021), and strategies to support inclusive social development for population groups such as the European Child and Youth Guarantees (European Union, 2020 and 2021) or the *Regional Implementation Strategy of the Madrid International Plan of Action on Ageing* (UNECE, 2002). Similar efforts can be found at the national level and shared across regions.

10. Financing for development: the role of global and national fiscal compacts

Efforts to mobilize significant financial resources are critical given the context of a low growth scenario for the world economy, high debt and high cost of financing, limited fiscal space, increased resource mobilization needs to address the impacts of climate mitigation and adaptation and the deteriorating economic situation of the most vulnerable countries. On average, countries allocate 12.9% of their GDP to social protection (excluding health), but this figure varies widely among regions. For instance, it has been estimated that low-income countries face an estimated financing gap of 52.3% of GDP to achieve a social protection floor (ILO, 2024a). Yet, highly indebted developing countries are at particular risk of quickly running into financial and development distress owing to their current economic conditions (ILO, 2024b). International support is necessary to meet immediate needs and build universal and sustainable social protection systems over time (ILO, 2024a).

National standards for investment in social protection and social development policies may be deemed highly desirable to address this context. Beyond the domestic options to create fiscal space, financing strategies may include carbon taxes (ILO, 2024a) and debt swaps for climate adaptation or biodiversity conservation. As underlined in the Pact for the Future and the recent G20 Declaration, the urgent need to mobilize additional financial resources will imply global and fiscal compacts, an active role from multilateral development banks and progress towards reforming the international financial architecture (United Nations, 2024d). The Fourth International Conference on Financing for Development, to be held in Spain in July 2025, offers a major opportunity to take further positive steps in these directions.

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This joint document of the five regional commissions will serve as input for the preparatory process of the Second World Summit for Social Development, which is to be held in 2025. It provides a diagnostic overview of social development issues across the regions using a unified framework, comprising an analysis of the main social development challenges, a comprehensive review of policies and best practice examples in each region for addressing inclusive social development, and a synthesis of policy lessons for the future from a regional perspective. The chapters focusing on the specific regions are followed by a concluding chapter with recommendations in preparation for the upcoming World Summit.

The first World Summit for Social Development was held in Copenhagen in 1995. Although significant progress has been made in these areas of social development in the past three decades, it has been slow and uneven. The transition to inclusive social development, a concept that has gained prominence in global and regional development discussions, broadens the concept of social development, recognizing that equity and inclusion are fundamental elements in ensuring the sustainable well-being of the entire population. The Second World Summit for Social Development will generate spaces to forge agreements that drive the profound transformations required to advance on this path.