Forum: Economic & Society Council

Issue: Establishing frameworks to systematically combat poverty and promoting inclusive economic development in developing countries

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Introduction

Poverty remain one of the most pressing global socioeconomic challenges. Particularly in developing countries, poverty not only deprives hundreds of millions of people of basic needs (e.g., food, shelter, healthcare) but also undermines the global sustainable development of the global community as a hole. It manifests in multiple dimensions, severe income inequality, chronic hunger, lack of education, lack of health services, poor living conditions, and social exclusion. "Using the $12 per day PPP benchmark, about 4.7 billion people worldwide are not economically empowered—that's about 60 percent of the global population. About 4.4 billion of them live in low- and middle-income countries." (Mckinsey, 2024) Recognizing the complexity and diversity of poverty, economic growth alone is no longer sufficient to achieve a comprehensive eradication of poverty, and establishing frameworks to systematically combat poverty is necessary (UN, 2023)

Inclusive economic development is not only about meet the minimum living standard, but to ensure that people's mental health needs are met. Additionally emphasizing promoting economic growth while guaranteeing equitable access to resources and opportunities, reducing social inequalities and enhancing overall well-being (or living standard). Developing countries face multiple challenges, including rapid population growth, inadequate infrastructure, deficiencies in education and skills, and mostly failure to create enough quality jobs (UNCTAD secretariats, 2014), which intersect to exacerbate poverty. Simultaneously, external effects, such as climate change, global market volatility, and public health crises, further increase the vulnerability of poor groups. So that the establishment of a scientific and effective policy and

institutional framework that systematically coordinates social protection and inclusion.etc. is key to achieving the goal of sustainable and inclusive development.

Definition of Key Terms

Poverty

A state in which a person lacks money or material possessions that are usually socially acceptable. Can be considered as lack of essential services necessary for a decent standard of living. Absolute poverty refers to a condition where individuals cannot meet basic survival needs (minimum living standard), whereas relative poverty describes economic disparities within societies that leads to social exclusion and inequality. Can be fairly measured by UN's authoritative "Multidimensional Poverty Index(MPI)", refers to provide a more nuanced understanding of poverty by considering multiple factors that affect individuals' quality of life (e.g. health, education, living standards)

Inclusive economic development

Inclusive economic development refers to a development approach aimed at ensuring that the benefits of economic growth and progress are shared by all members of society—with equitable access to opportunities and resources, particularly vulnerable groups. This approach emphasizes reducing inequalities, foster social cohesion and sustainable livelihoods. Directly links to SDG 1 and 8.

Developing country

Refers to a nation with a lower level of industrialization, lower average income per capita, and generally lower investment on technology compared to developed countries. These countries often face challenges such as limited access to healthcare and education, and higher rates of poverty and unemployment.

Systematic combat of poverty

Systematic Combat of Poverty refers to long-term and practical method that might integrates policies, institutions, and other parties contribute to address the multi-dimensions and root causes of poverty. These approaches prioritize strategic planning, cross-sectoral coordination (e.g., social welfare, education, health, labor markets, infrastructure), ensure sustainability, and equitable impacts across different population groups.

Informal economy

The informal economy includes unregulated and tax-free economic activities that provide chance to earn, especially for those who cannot obtain in formal employment. According to the International Monetary Fund (IMF), the informal economy includes activities with market value that, if recorded, would contribute to taxation and gross domestic product (GDP). But lack of job security and can hinder economic development by reducing tax revenues

Background

The problem of poverty has long plagued the world, especially in developing countries, where economic and social inequality is particularly prominent. Despite significant progress in some regions, and the increase on GDP, some people are concerned that this growth is not inclusive, because many developing countries still facing lots of restrictions, such as increase in income inequality, lack of education, low productivity, and ends up failed to create enough job opportunities to attract new entrants into the labor market.(UNCTAD secretariats, 2014)

Main challenge

One of the major challenges is the existence of the informal economy, where a significant portion of the population works without social protections or job security. This is associated with low productivity, reduced tax revenues, poor governance, excessive regulations, and poverty and income inequality. Additionally, gender inequality remains a critical barrier, with women greatly affected by poverty due to limited access to resources and opportunities, lack of decent job opportunity keep raising poverty (Shu Yu & Franziska Ohnsorge, 2019)

The recent economic difficulties have caused particularly severe impacts on some low-income developing countries. Inflation and Rising Public Debt restrict investment and economic reform, which exacerbate poverty in developed countries. "The World Bank's 2024 report, "Poverty, Prosperity and Planet," presents a sobering forecast for global poverty reduction efforts" which also stated that at the current rate, it may take more than a century to lift half the world's population out of poverty. The report reveals that nearly 40% of the global population lives below $6.85 a day. "The World Bank reports that 26 of the poorest countries are in their worst financial shape since 2006."Conflict zone continue to face the disruption of social services and the severe effect on economic resilience. These predicaments make it difficult for a stable development condition that people can acess, and significantly constrain global poverty reduction efforts.(Isabel Gallagher, 2024)

Moreover, infrastructure deficits in rural areas restrict access to markets, education - mainly have less focus on early childhood development and girls' education, technology and healthcare services. A youth advocate in Zambia notes that in Zambia, 60% of young people can't access to necessary digital resources, which limited their economic participation and access to information, therefore exacerbated existing inequalities, perpetuating cycles of poverty by remain unskilled. (UN, 2024)

Inclusive economic development

Inclusive economic development has emerged as a key concept to address these multifaceted challenges. It stresses the importance of creating economic opportunities for low-income and marginalized communities, economic growth benefits all segments of society, especially the most vulnerable group. For example, Amru Rice, a Cambodian agribusiness, purchases organic rice directly from 30,000 farmers, pays them a preferential price and provides training to increase production, which eventually raise farmers income and "strengthens their bargaining power and access to finance." (UN, 2025)

At the bottom of the economic pyramid, women are disproportionately represented and often face obstacles such as lower wages, unpaid caregiving work, and limited access to formal employment opportunities.(UN,2025) This is due to several reasons: first, women often work more in informal sector and self employment without access to social protection, such as

informal agriculture and domestic work, and often engage in work that mainly focused on part time jobs and flexibility (skill), leading to underemployment or unemployment during financial crises.Secondly, they continue facing many constraints (e.g. laws, culture, social norms) that limit their opportunities to enter the labor market, acquire productive assets, and obtain higher paying jobs, therefore they have less voice and representation in social dialogue.Inclusive enterprises can address these challenges by providing flexible work, fair compensation, and targeted training. (UNCTAD secretariats, 2014)

Necessity of framework establishment

The informal economy, gender inequality, and sovereign and household debt crises impact each other in ways that increase vulnerability and hinder inclusive development. Large informal sectors that are mainly characterized by low productivity, irregular incomes, and lack of social protection for workers in low living standards simultaneously limit government tax revenues, reducing public capacity to finance social services (welfare) like poverty reduction programs. Women are disproportionately represented in informal employment and often face unpaid challenges, which deepens gender inequality: limited access to formal jobs, credit, and assets which constrains women's earnings and living standards. Simultaneously, high public debt

burdens from external borrowing and domestic fiscal shortfalls force redirecting spending (away from social protection, education, and health) critical to reducing poverty and supporting informal workers. Together, these causes produce a cycle that constrained public resource, reduce support for inclusive policies, ultimately slowing structural transformation and inclusive economic growth.

Breaking this cycle requires policies and practical framework to strengthen and adapt frameworks to local contexts, ensuring that measures are both effective and inclusive.

Major Parties Involved

United Nations International Children Emergency Fund (UNICEF)

The United Nations International Children Emergency Fund established in 1953, fosters the idea to fill education gaps through accessible technologies. UNICEF is committed to ensure that economic-growth benefits marginalized groups such as children and women. Their collaborations with the World Bank, IMF, and UNDP, in order to tackle national poverty, are crucial for achieving a universal access.

International Labour Organization (ILO)

ILO is eager to create framework that ensure decent work, and fair economic opportunities for all. Their Decent Work Agenda serves as a framework that includes employment creation, social protection and dialogue. Their close work with worker's unions and governments improves the implantation of economic policies which balance growth and fairness.

International Telecommunication Union (ITU)

The ITU, leads the global efforts of expanding digital connectivity. These efforts are taken through programs such as Partner2Connect, and ITU facilitates investment pledges. The agency, additionally, creates global standards for telecommunication, to ensure not only compatibility but also affordability in the digital infrastructure deployment. The involvement of the ITU is crucial in achieving universal access to broadband by 2030.

World Bank Group (WBG)

The WBG is a major financier of digital infrastructures in LEDCs with the goal of connecting rural and underserves populations. This is further supported by initiatives such as Digital Economy for Africa and Global Digital Development Partnership, which foster digital skills and regulatory reform. The WBG ongoing emphasizes digital inclusion as a pathway for economic growth and innovation. As the WBG offers financial and technical assistance, they support the lowering investment risks while supporting the building of sustainable infrastructure systems.

United Nations Development Programme (UNDP)

As a key player of promoting inclusive digital transformation the UNDP supports LEDCs by improving connectivity, governance and digital inclusion through initiatives such as the Digital Strategy 2022-2025. Despite being a key player, the program supports countries in policy design, capacity-building, and public service digitalization, which ensures technology benefits all citizens.

People's Republic of China

Through the Digital Silk Road, part of the broader Belt and Road Initiative (BRI), China has become a leading actor in financing and constructing of digital infrastructure in LEDCs. Companies such as Huawei and ZTE have built networks, data centers and mobile systems in Latin America, Asia, and Africa. Despite China's involvement having accelerates connectivity, it raises concerns regarding data privacy, geopolitical influence, and dependency.

African Union (AU)

The AU draws their focus on regional cooperations of building continental digital networks, through key initiatives such as the Digital Transformation Strategy for Africa 2020-2030. The AU acknowledges digitalization as a path towards economic integration and empowerment. They encourage shared policy making and infrastructure across all African nations. However, funding shortages in member states and political instability, challenges the AU's goals.

United States of America (USA)

The USA being a present superpower, boosts open, competitive, and secure digital systems, with initiatives such as the Digital Connectivity and Cybersecurity Partnership (DCCP). The State aim to support free internet principles and counter authoritarian digital models. Through working with private tech companies and allied governments, the U.S. provides training, funding, and cybersecurity expertise.

European Union

The EU advocates ethical and sustainable digital infrastructure development, with their Global Gateway Initiative. Their promoting of democratic governance and digital rights is seen in the funding of broadband, e-government, and green digital projects, while working with African and Asia-Pacific partners. However, these efforts are challenged by bureaucratic delays and competition with Chinese initiatives.

Timeline

September 2000 - Recognizing the access to technology as a key part in development by the Acquisition of the United Nations Millennium Development Goals

December 2003 - The World Summit on the Information Society hold in Geneve, resulted in a collective global vision on an inclusive information society.

November 2005- 2nd World Summit on Information Society was hold in Tunis and established the Tunis Agenda for the Information Society, which emphasizes digital capacity-building in developing countries.

May 2010 – Launch of the Broadband Commission for Digital Development launches which was cofound by UNESCO and ITU. The Commission emphasizes the access to universal broadband.

September 2015- The 2030 Agenda for Sustainable Development was adopted. It includes the SDG 9 on industry, innovation, and infrastructure, as well as the SDG 10 which focuses on reducing inequalities.

June 2017- Start of the World Bank's Digital Economy for Africa (DE4A) which focuses on digital empowerment across the African continent by 2030.

October 2019- Marks the release of the UN Secretary-General's High-Level Panel which looks a digital cooperation and includes several recommendations for a more inclusive digital future.

December 2021- The ITU Partner2Connect Digital Coalition was founded, which pumps billions in commitments for global connectivity.

June 2022- The Global Gateway Initiative by the European Union was established, mobilizing over 300 billion to invest in sustainable infrastructure.

September 2024- The ITU World Telecommunication Development Conference (WTDC), reflected and evaluated on the progress towards the universal connectivity targets by 2030.

Previous attempts

World Summit on the Information Society (WSIS) – December 2003 & November 2005

It brought an establishment of an inclusive information society and aims to increase awareness and commitment to policies; however, it lacks concrete funding and implementation mechanisms.

General Assembly Resolution 56/183 (December 2001) – World Summit on the Information Society (WSIS)

The General Assembly Resolution 56/183 aimed to discuss UN efforts which look at ICT for development. The resolution serves as a foundation for an international communication though offers only limited hand on solutions.

ECOSOC Resolution 2009/7 (July 2009) – Science and Technology for Development

It encourages member states to focus on the ICTs when discussing national development strategies, which might helped mainstream ICT policies in many LEDCs, however lacked enforcement power.

Broadband Commission for Digital Development (May 2010)

Highlighting the need for a neutral and exclusive broadband access by 2030, the commission showed improvement in collaboration between governments and private companies was achieved, but the progress remains uneven across different regions

UN General Assembly Resolution 70/125 (December 2015) – Outcome Document of the WSIS + 10 Review

The Resolution showed a significant improvement in global commitment through using ICTs to achieve the 2030 Agenda for a Sustainable Development. Despite the improvement, it did not generate enough new funding for several infrastructure projects.

World Bank's Digital Economy for Africa (DE4A) Initiative (June 2017)

The World Bank's Initiative aims the digital enablement for every government, business, and citizen on the African continent by 2030. While the initiative shows positive outcomes in policy reforms and digital literacy, physical infrastructure gaps remain.

ITU Partner2Connect Digital Coalition – December 2021

The Coalition is an ongoing attempt, which aims to mobilize $40 billion into commitment for the expansion of the digital access in developing countries, it yet shows progress in financing and multi-stakeholder collaboration.

European Union's Global Gateway Initiative (June 2022)

The Initiative guarantees €300 billion towards sustainable infrastructure globally, and strengths global partnerships while facing competition with other development models.

Possible solution

1. **Creation of a Global Framework for Digital Infrastructure Development**

   - Encouraging of the UN for establishing an international framework through agencies such as UNCTAD and the World Bank, which coordinates investment and policy alignment across LEDCs.

   - Framework could outline principles for adorability and digital sovereignty, with promoting cooperation along public and private stakeholders

2. **Financing and Investment Mechanisms**

- LEDC's often lack the capital for building digital networks.

- Establishment of a Digital Infrastructure Bond by national development banks which secures a long-term financial sustainability.

- Consideration of a financing models which prevent corruption and secure equitable resource distribution.

3. **Capacity – Building and Digital Education**

- Balancing human capacity with the physical infrastructure, which results in an exploration of frameworks for digital literacy programs and STEM education

- Focusing on the training of women and youth, who are often underrepresented in the digital workforce.

- Goal of self-sustaining local innovation rather than depending on foreign expertise, through capacity building.

4. **Promotion of Regional Cooperation**

- Digital networks cross nations boarders which lead to regional collaboration being essential.

- Advocating for regional connectivity hubs which can be supported by several organization such as ASEAN or the African Union.

- Fostering of data protection through regional partnerships which protect laws and boost cross-border digital economies.

5. **Encouraging Sustainable and Green Technologies**

- Expansion of the digital infrastructure should consider environmental impact.

- Support of renewable energy powered data centers and energy-efficient technologies which promote the SDGs.

- Contribution of the digital development to economic progress and environment sustainability and climate resilience.

6. **Calls upon the implementation of capacity-building programmes**

- Collaboration and connectivity hubs supported and established by organizations such as ASEAN, the African Union, and the European Union.

- Emphasizes on the launch of a regional data protection framework to harmonize legal standards and safeguarding privacy.

-   Recognition of digital networks transcending nation boarders, making regional collaboration crucial for a sustainable development.

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