

Poverty, inequality, and development

Poverty, inequality, and development

There is a need to understand how progress towards development and equality can be achieved worldwide. The situation in many LMICs calls for urgent action, as they have been hit hard by multiple crises simultaneously: the global pandemic, climate crisis, ecosystem crisis, global political crisis and economic crisis. Thus, in line with the criteria for ODA funding, LMICs are a priority in this section.

Reducing poverty, inequality, and exclusion

Following the Covid-19 pandemic, and mostly in LMICs, approximately 120 million more people have been pushed into extreme poverty. The slow-down of economic activity has caused a significant increase in unemployment and brought years of progress to a halt.^[4] The Russian invasion of Ukraine is further affecting the global economy and value chains, with detrimental consequences (e.g. for fuel and food prices). How poverty is interlinked with trends on the local, national, and global level must be better understood. Developing and upscaling innovative solutions to promote poverty reduction by using new digital opportunities and new types of partnership should be explored. There is a need to understand how public-private partnerships can contribute to poverty reduction, without impacting negatively on the authority and accountability of international and national public actors engaged in development work. A key challenge is to effectively engage and include local communities in decision-making processes, and to ensure robust long-term results from the perspective of poverty reduction.

Inequality, both socioeconomic and gender-based, is of concern, since inequalities are increasing both between and within populations. Corruption, state capture, tax evasion and other forms of economic crime often exacerbate inequality and poverty and threaten democracy. Illicit financial flows from poor countries, and the use of tax havens, result in vast amounts of money being siphoned off instead of advancing economic development for the common good. There is a need to understand how these complex developments and trends, in addition to digitalisation and the expansion of new technology, create both risks and opportunities.

Education, skills and labour

Education with good learning outcomes is essential to reduce poverty, create new jobs, stimulate business, promote peace and democracy, and to achieve a just and green transition. The educational system plays a crucial role in nation-state building by shaping collective identities and framing history in ways that can mitigate or even prolong conflicts. The education of children and young people, especially that of girls and women, is at risk in conflict and crisis situations. Despite considerable progress in increasing educational access in recent years, millions of children still have no access to formal education and, where they do, learning levels often remain low. Knowledge is needed about how to improve learning outcomes and the quality of education, improve teacher education and ensure inclusive and equitable access to educational opportunities. We need knowledge about what works if we are to ensure quality learning for particularly vulnerable groups, such as migrant and refugee children, the disabled, minority populations etc.

Skills and the education of the workforce play an increasingly important part in countries' ability to compete for work in global value chains. New knowledge is needed to better understand the skills and competences needed for the labour markets in LMICs, to improve the quality and responsiveness of postsecondary vocational/professional higher education, especially for vulnerable groups, and to utilise the potential of the use of digital technologies in education. Furthermore, the education sector must enable lifelong learning, which is important if the adult population is to acquire new skills. The green transition and technological advances are expected to render many (but not all) labour-intensive jobs obsolete.

In many parts of the world, the unemployment rate is surging, particularly among youth. Research is needed on how to meet the urgent need for job creation, particularly for young people in the context of high population growth and increasing urbanisation in parallel to persistent, extreme, rural deprivation. Widespread discrimination against women, marginalised groups like LGBT+ people, the disabled, and numerous ethnic groups is prevalent in many labour markets. The Covid-19 pandemic has raised awareness of the significance of welfare provision for the poorest and most vulnerable, especially for workers in the informal economy that is not regulated or protected by the state, as well as a new understanding of macroeconomic support instruments in such conditions. More knowledge is needed about how new jobs with decent working conditions can be created, and how trends in the globalisation of trade, services, capital and information facilitate and constrain employment and income opportunities.

Peace, violence and state fragility

Violence and conflicts have an impact on security, on political and economic conditions, health and general law and order. Human rights violations are more widespread in times of armed conflict, and often persist long afterwards. The number of armed conflicts characterised by extreme brutality and complexity has increased in recent years. In addition, the majority of non-war, violence-related deaths occur in LMICs. Combined with natural and other disasters, and partly exacerbated by the consequences of climate change, these are immense challenges and create unprecedented needs for humanitarian assistance.

Armed conflicts, both inter-state and non-state conflicts, change people's lives, and women, men and children are affected in different ways and often long after the formal end of armed conflict. The underlying causes and dynamics of armed conflict and violence must be better understood and addressed, and knowledge about efficient conflict transformation should be increased. To reduce the impact of armed conflict, we need to know where it is most likely to erupt, and which conflicts have the potential to escalate into full-blown wars. There is a need to continue to deepen our understanding of the multiple ways in which conflicts affect development, and vice versa, and to identify the most effective tools to bring countries out of the conflict trap, e.g. the effect of extractive industries on conflict should be further examined.

There is also a need for further research on the most effective forms of armed conflict/violence prevention and on the conditions under which peace negotiations, agreements, and support operations are more likely to secure lasting and positive peace.

LMICs often suffer from one or more fragilities in core functions of the state, i.e. the state's ability to control violence, its ability to provide basic public services, and the state's legitimacy. Violence and conflicts, both within a country and in neighbouring countries, have the power to destabilise or even subvert governments and significantly weaken core state functions.

Food access and food security

Access to safe, nutritious and sufficient food is vital for everyone. However, food security is a major concern in an increasing number of countries and regions, especially in countries suffering from war and violent conflict. Identifying drivers of failures in food systems is essential to reduce undernourishment and malnutrition and improve system sustainability. Such drivers may be political, structural or economic. Technology, innovation, entrepreneurship and the establishment of functional markets are key parts of this complex. The international food security agenda has mostly focused on rural hunger and measures to increase production and support smallholder agriculture. However, food insecurity is a consequence of poverty and inequalities, and these factors also affect urban households and consumers. The food insecurity of urban populations has been of marginal concern to governments and the international community.

A well-functioning food system relies on sustainable natural resource management practices, and fair sharing of the benefits of natural resources. New knowledge is needed to

ensure climate-adaptive agriculture, warning systems and climate services, risk financing, and disaster risk management.

[4][Sustainable Development Report 2021 \(sdgindex.org\)](#)

[← Previous page](#)

Next page [→](#)

Messages at time of print 21 June 2025, 17:25 CEST

No global messages displayed at time of print.