

BACKGROUND PAPER

Poverty and vulnerabilities in the Global South



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BACKGROUND PAPER

Poverty and vulnerabilities in the Global South

Poverty remains a persistent challenge in the Global South, with significant disparities between regions, countries and population groups. Recent reports by UNDP and the World Bank underscore the urgency of integrated, context-specific approaches to poverty eradication.¹

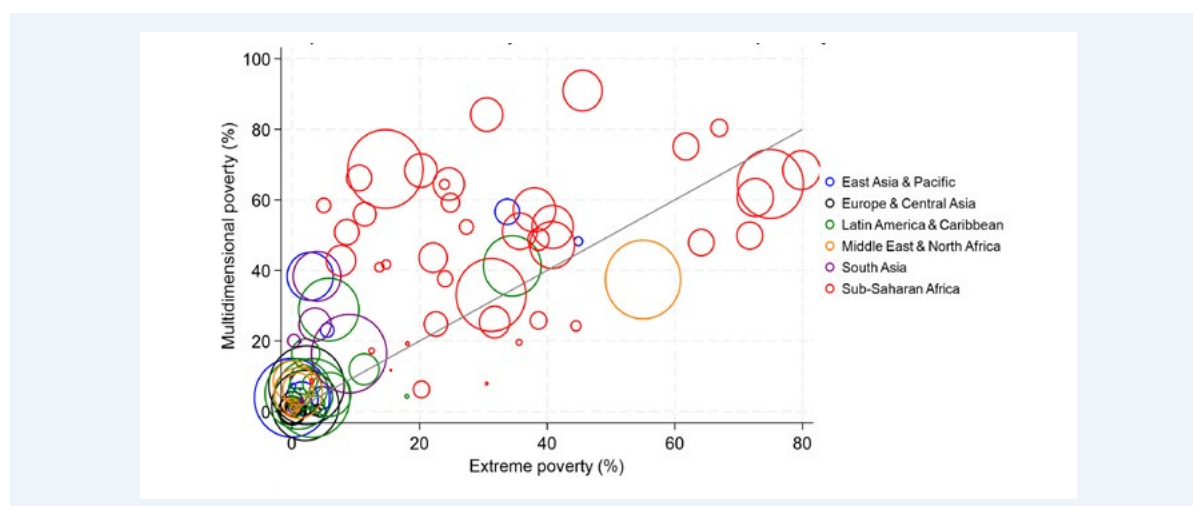
This brief is divided into the following sections: the current state of the Global South regarding multidimensional and monetary poverty, trends and challenges in poverty, a comparison between multidimensional vulnerabilities and multidimensional poverty, policy recommendations and the conclusion.

Multidimensional and monetary poverty in the Global South

The UNDP [Global Multidimensional Poverty Index \(MPI\) 2024](#) report identifies 1.1 billion people living in acute multidimensional poverty across 112 countries of the Global South (18.3 per cent of the total population of these 112 countries), with over 83 per cent in Sub-Saharan Africa and South Asia. In parallel, the World Bank [Poverty, Prosperity, and Planet Report 2024](#) highlights that at the time of the publication, almost 700 million people (8.5 per cent of the global population) lived in extreme poverty – on less than \$2.15 per day – with countries of the Global South accounting for the majority. As of 2024, Sub-Saharan Africa was home to two-thirds of the global extreme poor and 9 of the 10 countries with the highest extreme poverty rates in the world: Burundi, Central African Republic, the Democratic Republic of the Congo, Madagascar, Malawi, Mozambique, Niger, South Sudan and Zambia in Sub-Saharan Africa and Yemen in the Middle East and North Africa.

Multidimensional poverty is considerably higher than monetary poverty alone, especially in countries in Sub-Saharan Africa (figure 1).

Figure 1. Comparison of monetary and multidimensional poverty



Note: Bubble size is proportional to the number of poor people in 2022.

Source: Multidimensional poverty estimates are from the UNDP report [Global Multidimensional Poverty Index \(MPI\) 2024](#) and the monetary estimates are from the World Bank [Poverty, Prosperity, and Planet Report 2024](#).

¹ The UNDP report [Global Multidimensional Poverty Index \(MPI\) 2024: Poverty amid Conflict](#) and the World Bank [Poverty, Prosperity, and Planet Report 2024: Pathways Out of the Polycrisis](#) provide complementary insights into the complex, multifaceted nature of poverty. While the former highlights acute deprivations in health, education and standard of living, the latter focuses on monetary poverty and environmental linkages.

Multidimensional poverty being higher than monetary poverty in Sub-Saharan Africa can be explained by several interrelated factors. While monetary poverty focuses solely on income thresholds, multidimensional poverty considers deprivations across health, education and standard of living. Factors that can explain the difference are:

(a) access to basic services

- ▶ **health.** Limited access to healthcare services and poor health outcomes are prevalent in Sub-Saharan Africa. High rates of undernutrition and child mortality (due to high prevalence of preventable diseases such as malaria or pneumonia and low coverage of immunization among other factors) contribute to multidimensional poverty;
- ▶ **education.** Many countries in Sub-Saharan Africa face low school enrolment, high dropout rates and poor quality of education. These factors lead to significant deprivations in years of schooling and school attendance; and
- ▶ **infrastructure deficits:**
 - › lack of access to clean drinking water and improved sanitation facilities; and
 - › limited access to electricity and clean cooking fuels, leaving many households reliant on coal and charcoal.

(b) structural barriers

- ▶ **conflict and fragility.** Many Sub-Saharan African countries are affected by armed conflicts, political instability and fragile institutions. These factors exacerbate multidimensional poverty by disrupting access to essential services and displacing populations. The UNDP 2024 report finds that 19 per cent of the 1.1 billion multidimensionally poor people live in war-affected countries and nearly 40 per cent live in countries experiencing war, fragility and/or a low level of peacefulness. The World Bank 2024 report notes that conflict exacerbates socioeconomic disparities and undermines progress on poverty reduction by destroying infrastructure and limiting access to essential services; and
- ▶ **climate vulnerabilities.** Droughts, floods and other climate-related shocks disproportionately affect rural livelihoods, especially those dependent on subsistence farming, leading to compounded deprivations.

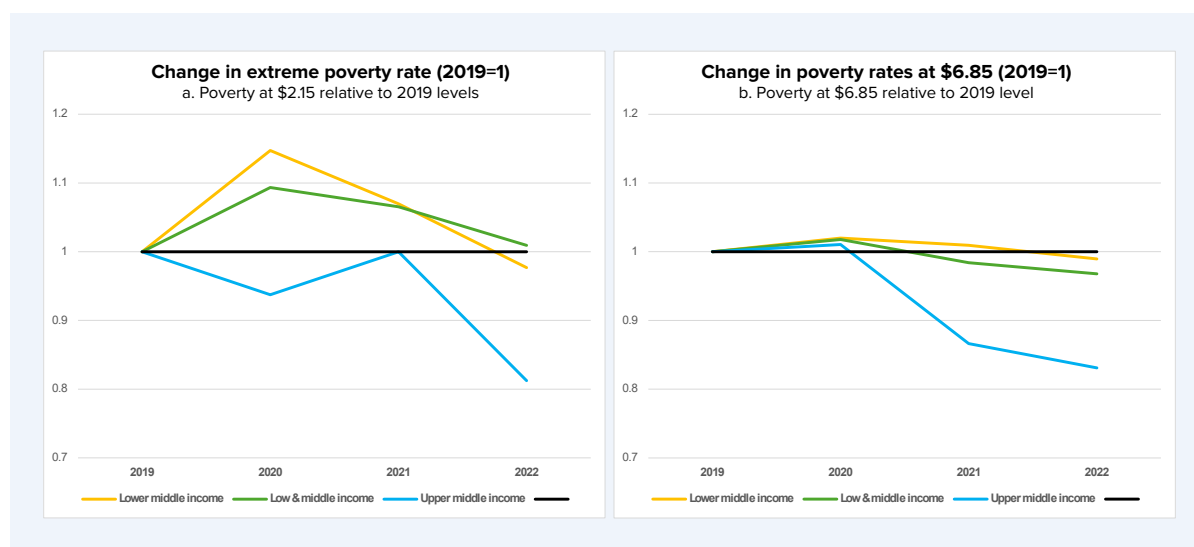
(c) demographics and population growth

- ▶ **high dependency ratios.** Sub-Saharan Africa has one of the highest fertility rates globally, resulting in large households and high dependency ratios. Children disproportionately experience multidimensional poverty owing to inadequate nutrition, healthcare and education; and
- ▶ **a young population.** A significant proportion of the population being children exacerbates multidimensional poverty indicators such as school attendance and malnutrition.

Trends and challenges

Poverty reduction has slowed significantly after the COVID-19 pandemic. The UNDP 2024 report notes that, of the 17 countries with trend data ending in 2021/2022 or later, 7 had no significant poverty reduction, 1 (Afghanistan) had a significant increase in poverty and only 9 experienced a significant reduction in MPI value, with Benin and Cambodia showing the fastest reductions. Poverty increased significantly in Afghanistan, and an additional 5.3 million Afghans became multidimensionally poor.

The World Bank 2024 report highlights that the poorest countries still have higher poverty rates than before the pandemic. In low-income countries, the extreme poverty rate rose in 2020 and 2021 and has not fallen much since. In 2024, 43 per cent of people in low-income countries were living in extreme poverty. Lower-middle-income countries managed to recover from the COVID-19 shock only in 2022 (figure 2a). In contrast, upper-middle-income countries continued to make progress against poverty in 2021 and 2022 (as measured against the \$6.85 poverty line, which is more relevant in these settings) (figure 2b). According to the World Bank 2024 report, "low-income countries have shown less resilience, as the compounded effects of the pandemic and rising food and energy prices have led to poverty rates remaining higher than in 2019."

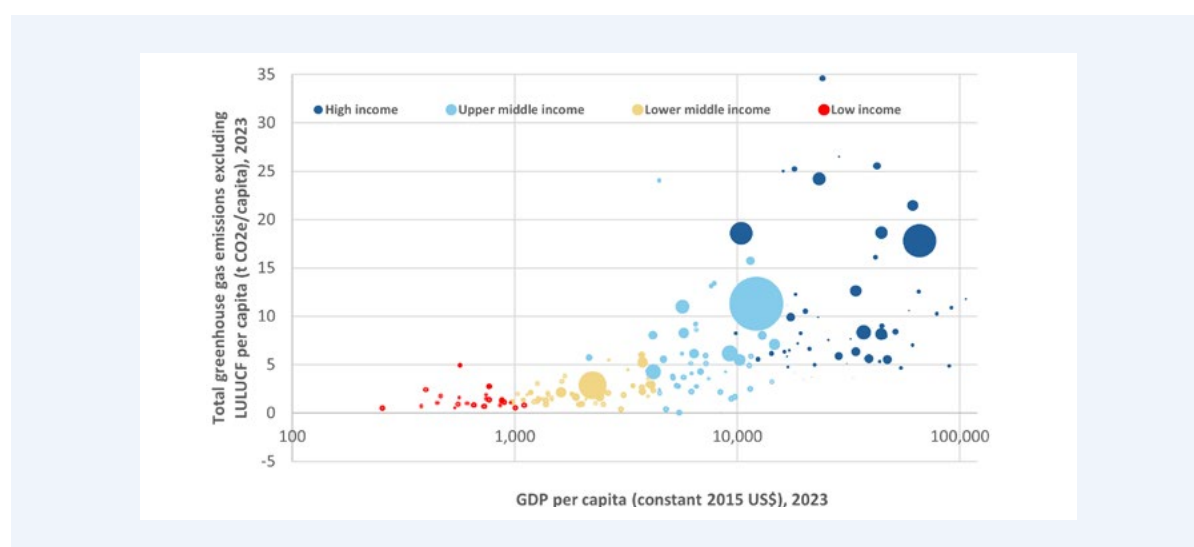
Figure 2. Poverty is still above pre-pandemic levels in the poorest countries

Note: Poverty rates are shown relative to 2019 levels for the \$2.15 and \$6.85 per-person per-day poverty lines (expressed in 2017 purchasing power parity dollars). The line for low-income countries is not displayed because data covered less than 50 per cent of the population of that group between 2019 and 2022.

Source: World Bank, Poverty and Inequality Platform. Accessed on 30 April 2025. Available at <https://data.worldbank.org/indicator/SI.POV.DDAY>.

Multidimensional vulnerabilities and multidimensional poverty

Climate change and environmental degradation are emphasized in the World Bank 2024 report as significant drivers of poverty in the Global South, particularly in vulnerable regions such as Sub-Saharan Africa and South Asia. Figure 3 shows the relationship between GDP and greenhouse gas (GHG) emissions, both in per capita terms. According to the World Bank, the 74 lowest-income countries emit only 10 per cent of GHG emissions yet endure the most severe climate impacts (see background paper on [climate change](#)). The World Bank report calls for international cooperation “to enable the transition toward more sustainable, low-carbon, and resilient economies” (p. 161).

Figure 3. Poorer countries suffer the most from climate change and environmental degradation

Note: The size of the bubbles indicates total greenhouse gas emissions. The horizontal axis uses a logarithmic scale. Income group refers to the fiscal year 2025 classification.

Source: UNOSSC, using data from World Bank, “DataBank: World Development Indicators”. Available at <https://data.worldbank.org>. Accessed on 14 May 2025.

The Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States noted the following:

“On the frontline of multiple world crises – including climate change and debt - the most vulnerable countries face chronic structural challenges that are becoming more interconnected and intense over time.

They rely on external financing to help prepare and recover from these crises. For some, such as SIDS [small island developing States], response to disasters is more expensive. Debt is more expensive to service. Infrastructure is more expensive. Overseas Development Assistance from partner countries does not stretch as far.

Most SIDS are not the poorest nations: but their costs are so much greater – and accessing financing is more difficult.

Their relative income makes them ineligible for the cheaper finance set aside for lowest income countries.”

“These small island nations have repeatedly said that traditional measures of development insufficiently capture their vulnerabilities. For example, GNI per capita measures the income of a country but that does not tell us how much it costs to handle major threats like catastrophic sudden weather events or the cost of servicing old debts.

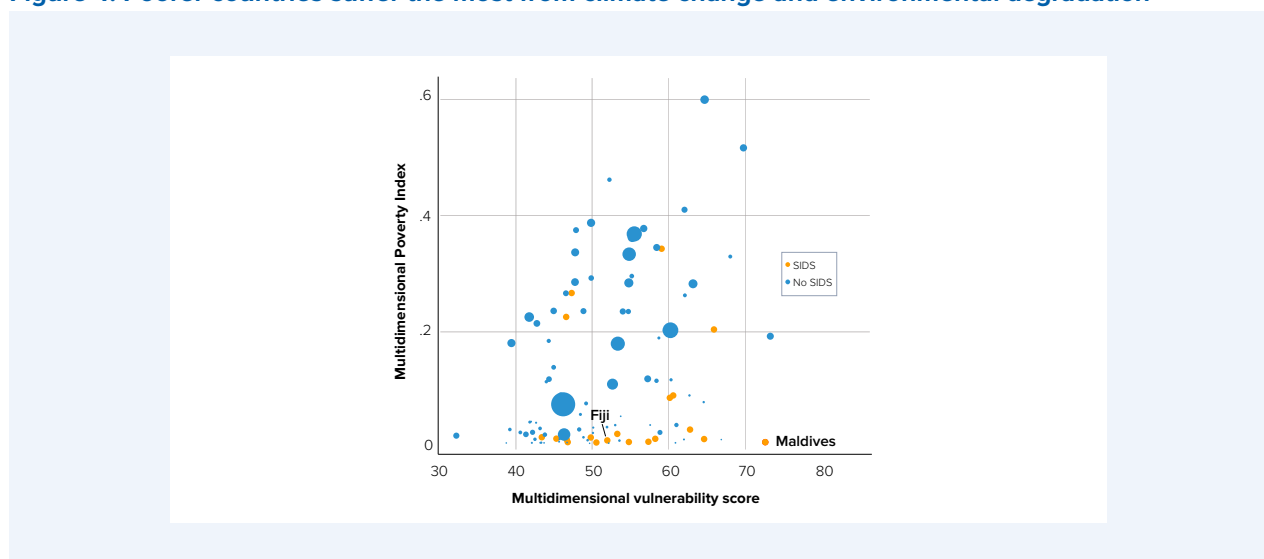
SIDS have the smallest carbon footprint but find themselves in the biggest trouble. SIDS are responsible for only 0.2% of the global carbon emission and yet suffer most from the impact of climate change.”²

Therefore, a High-level Panel defined the conceptual framework for the Index of Multidimensional Vulnerabilities (MVI) which captures two pillars or domains of vulnerability: (i) structural vulnerability, related to a country’s exposure to adverse external shocks and stressors, and (ii) lack of structural resilience, which is associated with the lack of capacity of a country to withstand such shocks.³

Figure 4 presents a comparison of the Multidimensional Poverty Index (MPI) with the Multidimensional Vulnerability Index (MVI) and illustrates that while most SIDS are not classified as poor, they experience varying degrees of vulnerability.

This comparative approach underscores critical differences, such as variations in resilience among SIDS, providing valuable insights for crafting targeted policy recommendations to enhance their stability and adaptive capacities. For instance, while both Fiji and Maldives exhibit very low levels of multidimensional poverty, Maldives faces significantly higher vulnerabilities compared to Fiji, highlighting a potential area of collaboration between the two.

Figure 4. Poorer countries suffer the most from climate change and environmental degradation



Note: Bubble size is proportional to the number of poor people in 2022.

Source: United Nations, [High-level Panel on the Development of a Multidimensional Vulnerability Index](#), Final Report, February 2024 and UNDP report [Global Multidimensional Poverty Index \(MPI\) 2024: Poverty amid Conflict](#).

² Ibid.

³ United Nations, High-level Panel on the Development of a Multidimensional Vulnerability Index, Final Report, February 2024, p. 9. Available at https://www.un.org/ohrls/sites/www.un.org.ohrls/files/final_mvi_report.pdf.

Policy recommendations

The following policy recommendations aim to accelerate poverty reduction through context-sensitive, evidence-based strategies. They highlight the importance of integrated and child-centric approaches, targeted support in conflict-affected areas, and enhanced international cooperation. Closing data gaps is essential to inform effective action, especially in regions facing multidimensional and overlapping deprivations.

(a) Integrated approaches

- ▶ Design holistic policies that address both monetary and non-monetary deprivations, such as health, education and living conditions.
- ▶ Promote climate-resilient infrastructure and adaptive social safety nets in regions highly vulnerable to climate change.

(b) Focus on conflict-affected regions

- ▶ Prioritize peacebuilding and reconstruction efforts in fragile States to break the poverty-conflict cycle.
- ▶ Expand data collection in conflict zones to ensure accurate assessment and targeted interventions.

(c) Child-centric policies

- ▶ Invest in education and nutrition programmes for children, particularly in rural areas and fragile States.
- ▶ Ensure equitable access to education, especially for marginalized groups such as girls in Afghanistan.

(d) Global cooperation

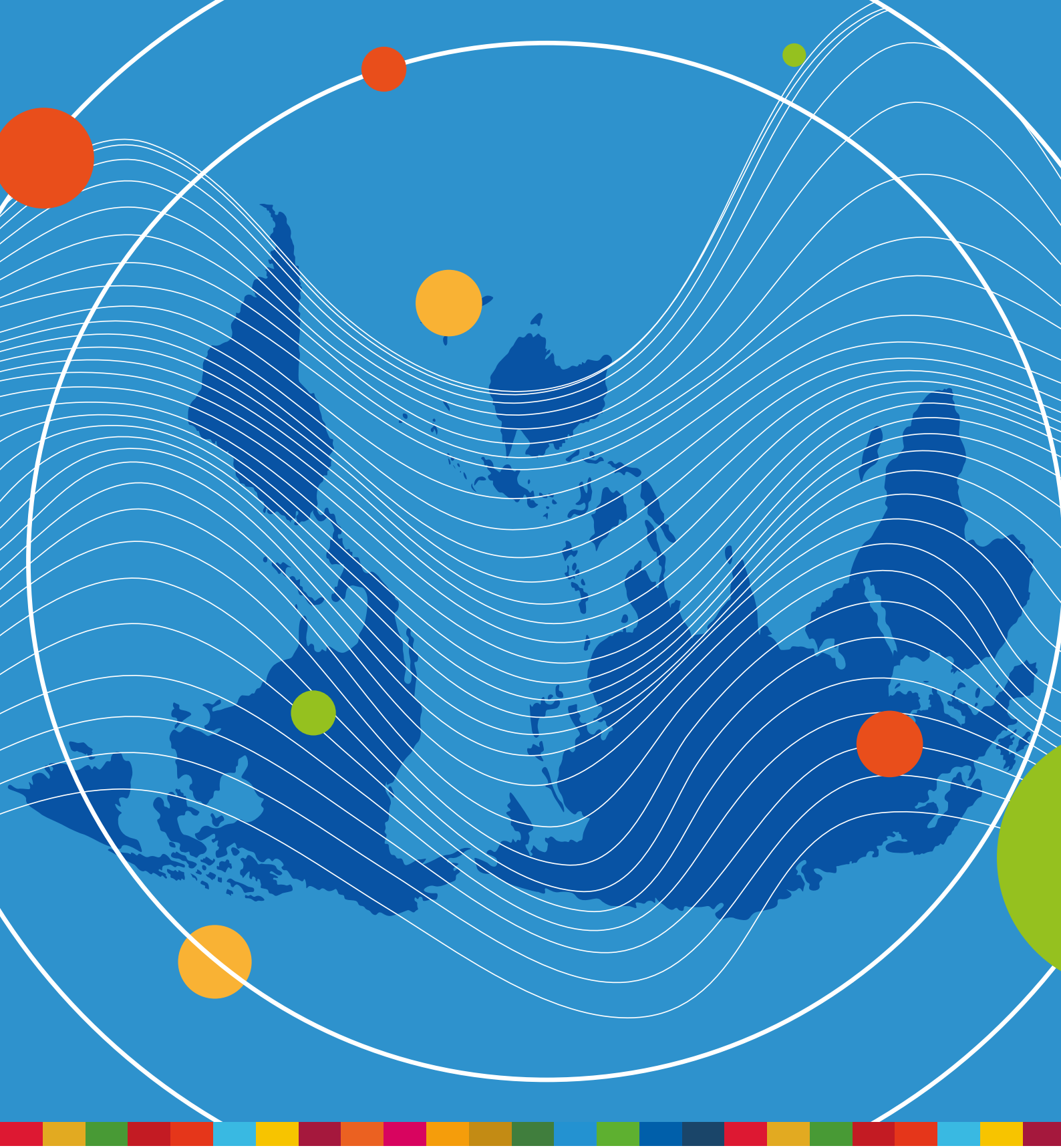
- ▶ Mobilize international resources to address poverty in the Global South, particularly in low-income and lower-middle-income countries where the majority of the poor reside.
- ▶ Strengthen South-South and triangular cooperation to share successful poverty eradication strategies.

(e) Data and monitoring

- ▶ Close data gaps, particularly in low-income and conflict-affected countries, to better understand and address the nuances of poverty.

Conclusion

Poverty in the Global South is a multidimensional challenge, shaped by income inequality, conflict and environmental vulnerabilities. To achieve Sustainable Development Goal 1, eradicating poverty in all its forms everywhere, Governments, international organizations and development partners must adopt comprehensive, localized and collaborative strategies. By combining the insights from the UNDP and World Bank reports, stakeholders can better target their efforts to ensure that no one is left behind.



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