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What is multidimensional poverty?

Briefing

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Poverty has multiple dimensions

The capabilities approach

There is now a broad consensus in international development policy that poverty is multidimensional, as reflected in the first Sustainable Development Goal (SDG) to 'End poverty in all its forms, everywhere'.¹ This explicitly recognises that poverty can look different in different places. It is also just one goal, complementing 16 others that tackle a range of diverse needs that must be met for people and communities to enjoy decent lives and for places to progress.

A multidimensional analysis of poverty recognises people's breadth of needs and the different forms poverty can take that cut across different areas, or dimensions, of our lives – from health outcomes to political freedoms. This approach can enable a better understanding of how best to support people to escape – or not fall into – poverty. It can facilitate better targeting of interventions that consider where people face specific and reinforcing deprivations and their immediate, as well as longer term, needs.

The basis for a multidimensional lens can be found in the capabilities approach to human development, as articulated by Amartya Sen. Capabilities are defined as "the various combinations of functioning (beings and doings) that the person can achieve".² Poverty is therefore understood as capability deprivations; the absence of freedoms necessary to achieve capabilities that are fundamentally valuable for minimal human dignity.

This conceptualisation of poverty is reinforced by the legal frameworks, obligations and moral values associated with fundamental human rights, which are themselves multidimensional. Human rights encompass the right to a reasonable standard of living, food, housing, health, education and social security, as well as the right to take part in cultural, civil and political life, including rights to freedom of association, assembly and expression.³

Adopting the capabilities approach, therefore, not only introduces a range of dimensions to target but also highlights how delivery of anti-poverty strategies can contribute to the realisation of rights and changes to other dimensions of poverty. Meaningful participation of people living in poverty in the development process can fulfil people's right to self-determination. Supporting transparent budgetary and other governmental processes are consistent with the freedom to seek, receive and impart information. Development interventions can impact multiple dimensions of poverty; dimensions that should be better understood to maximise their impact for the people being left furthest behind.

Economic poverty

A multidimensional approach should not detract from recognising the centrality of economic factors when understanding poverty faced by individuals and communities. When poverty is discussed as a social problem it is closely associated with economic constraints; this has formed the basis of a common international narrative that means, for example, that a person who has poor health or social outcomes, but a high income, would not be considered to be living in poverty.⁴

The extreme poverty line, commonly used as the go-to measure for poverty, is on the surface a purely monetary threshold which determines whether someone can be categorised as poor. Poverty is calculated as the proportion of people living below the extreme poverty line,⁵ which has been increased in 2022 from US\$1.90/day to US\$2.15/day (purchasing power parity [PPP]).⁶ We estimate that in 2021 there were [698 million](#) people living in extreme poverty.⁷

Beneath that surface, however, is the understanding that people have a basket of needs, and income or consumption serves as a proxy measure to understand whether those needs can be met. The extreme poverty line was calculated based on the cost of basic necessities, including food and shelter, in a low-income country – the minimum expenditure or income required for survival. Two more poverty lines, which reflect the costs of higher basic needs in more developed countries, are also used internationally: US\$3.20 and US\$5.50 per person per day.⁸ Furthermore, we know that individuals' economic outcomes correlate strongly with other important outcomes, from life expectancy to level of education.⁹

Economic measures of poverty can also include:

- Relative consumption or income indicators that provide information on how people's available resources compare to others in their community
- Measures of wealth that quantify the assets and debts that can provide financial security in times of crises or need, or can be invested in the future
- Resources, such as a person's access to public or communal goods and services, which enable a person to meet their basic needs.

However, there is much that even these broader economic measures do not tell us about people's lives. Individuals and households are more than economic units; they have fundamental human rights, health, social and political needs.

The need for complementarity

Multidimensionality at the nexus

Understanding how economic, social, health and political dimensions interact can be invaluable in informing the design of interventions that take these reinforcing dimensions of poverty into account. The importance of recognising the multidimensionality of poverty cuts across the development and humanitarian sectors and can provide an entry point for working at the nexus between the two.¹⁰

Humanitarian assistance has traditionally focused on meeting a narrow range of immediate, short-term needs, such as food and shelter. In many cases, economic support in the form of [cash transfers](#) can effectively enable people to identify a range of their own needs and prioritise their spending accordingly to best meet these needs.

Beyond responding to short-term emergencies, however, there has been increasing recognition of the importance of complementary support to meet the longer-term development needs of vulnerable populations, particularly as conflicts become more protracted. This includes interventions that focus on building resilience, promoting sustainable livelihoods and addressing issues such as education, health, infrastructure and employment. For example, the New Way of Working (NWOW) calls on humanitarian and development actors to work collaboratively towards 'collective outcomes' that reduce need, risk and vulnerability over multiple years. It identifies a broad range of deprivations that go beyond the dimensions of immediate humanitarian need traditionally recognised and supported by agencies.

Diversity and flexibility

Adopting a person-centred and context-specific understanding of poverty

While there are dimensions of poverty – such as a basic level of income – that will matter to every person, it is also important to recognise the diversity of contexts in which poverty occurs and how that relates to the values and cultures of different individuals, families and communities. As described in *Voices of the Poor*, “[p]overty is experienced at the local level, in a specific context, in a specific place, in a specific interaction.”¹¹ What matters to one person, therefore, will be different to another.

A multidimensional approach enables wider aspects of life to be factored into an analysis of poverty; aspects that may not be considered by an analyst crunching standardised numbers in a multilateral institution. While [our guide](#) presents certain standardised multidimensional poverty measures designed to be internationally comparable, it also explores some of the tools and resources that can enable a more participatory approach to understanding and measuring the different dimensions of poverty that matter to people in different places. This includes asking people directly about their lives, with questions on life satisfaction, or happiness,¹² which implicitly asks the responder to evaluate all dimensions of life that are important under a wellbeing approach, rather than developing a pre-defined weighting of how important different dimensions are to each individual.

A flexible approach to multidimensionality can be a powerful way to ensure meaningful inclusion in the data process, where people are not just the subjects of poverty diagnostics but have a voice and a stake in the data itself. This inclusion is central to the transformative promise of Agenda 2030 to leave no one behind.

Multidimensional inequality

Information about people's personal characteristics and identities is necessary for poverty to be disaggregated by variables such as sex, age, disability status and geography. This is true regardless of which dimensions of poverty are measured and how that data is aggregated and presented. Disaggregation tells us which individuals or groups are more likely to face certain deprivations, highlighting where exclusion or discrimination are potential root causes of poverty and enabling a more targeted approach to interventions that leave no one behind.

Understanding inequalities and the intersecting characteristics that can intensify experiences of exclusion and discrimination is just as important as considering the multiple dimensions of poverty that people face.¹³

For a complete understanding of poverty and inequality, multiple indicators for the different dimensions of poverty should be analysed by the multiple intersecting variables that can identify inequalities. As such, it can be extremely data intensive and challenging to make sense of the data available on all the dimensions of poverty that matter for different individuals and groups. To support policymakers and practitioners to navigate this data, [our guide](#) reviews a selection of data and approaches that measure multidimensional poverty. We describe the strengths, weaknesses and applications of different multidimensional measures, as well as some of the core determinants of the quality of the underlying data such as its ownership and sustainability. We also consider the potential for this data to be disaggregated in a way that identifies who is left behind according to different and multiple dimensions of poverty.

Notes

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- ¹ Sustainable Development Goals, Goal 1: End poverty in all its forms everywhere. Available at: <https://www.un.org/sustainabledevelopment/poverty/> (Accessed 11 Aug 2022)
- ² Sen, A., 'Inequality re-examined', 1992, Clarendon Press, Oxford
- ³ OHCHR and the human rights dimension of poverty. Available at: <https://www.ohchr.org/en/poverty> (Accessed 11 Aug 2022)
- ⁴ United Nations, 2004. Human Rights and Poverty Reduction: A Conceptual Framework. Available at: <https://www2.ohchr.org/english/issues/poverty/docs/povertye.pdf>
- ⁵ Ritchie, Roser, Mispy, Ortiz-Ospina, 2018. Measuring progress towards the Sustainable Development Goals. Available at: <https://sdg-tracker.org/no-poverty#targets> (Accessed 11 Aug 2022)
- ⁶ The World Bank, 2 May 2022. Fact Sheet: An Adjustment to Global Poverty Lines. Available at: <https://www.worldbank.org/en/news/factsheet/2022/05/02/fact-sheet-an-adjustment-to-global-poverty-lines#:~:text=The%20new%20global%20poverty%20line,in%20this%20situation%20in%202017.> (Accessed 11 Aug 2022)
- ⁷ Development Initiatives, 2021. Poverty trends: global, regional and national. Available at: <https://devinit.org/resources/poverty-trends-global-regional-and-national/> (Accessed 11 Aug 2022)
- ⁸ Chapter 3 from The World Bank, 2018. Poverty and Shared Prosperity 2018: Piecing together the poverty puzzle. Available at: https://openknowledge.worldbank.org/bitstream/handle/10986/30418/9781464813306_Ch03.pdf
- ⁹ Development Initiatives, 2022. A guide to multidimensional poverty measures and frameworks to leave no one behind. Available at: <https://devinit.org/resources/multidimensional-poverty-measures-frameworks-leave-no-one-behind/>
- ¹⁰ <https://devinit.org/resources/development-actors-nexus-lessons-crises-bangladesh-cameroon-and-somalia/>
- ¹¹ Narayan-Parker, Deepa, 1999. Voices of the poor. Vol. 1, Can anyone hear us?: voices from 47 countries. Available at: <https://welcomecollection.org/works/kts4ekt> (Accessed 11 Aug 2022)
- ¹² See, for example, the World Happiness Index, which ranks countries based on answers to the happiness question. Available at: <https://worldhappiness.report/ed/2022/trends-in-conceptions-of-progress-and-well-being/> (Accessed 11 Aug 2022)
- ¹³ See Development Initiatives, 2022. Inequality: Global trends. Available at: <https://devinit.org/resources/inequality-global-trends/> (Accessed 11 Aug 2022)

Development Initiatives (DI) applies the power of data and evidence to build sustainable solutions.

Our mission is to work closely with partners to ensure data-driven evidence and analysis are used effectively in policy and practice to end poverty, reduce inequality and increase resilience.

While data alone cannot bring about a better world, it is a vital part of achieving it. Data has the power to unlock insight, shine a light on progress and empower people to increase accountability.

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