



# Understanding the multidimensional nature of poverty

## PROJECT PARTNERS

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**Collaborating research institutions:** Chronic Poverty Advisory Network (CPAN), Chronic Poverty Resource Centre (CPRC), Institute of Development Policy Management, HelpAge International, Institute of Development Studies, International Food Policy Research Institute, Overseas Development Institute (ODI), Oxford Poverty & Human Development Initiative, University of Manchester, University of Sussex

## Understanding and measuring poverty better provides poverty reduction strategies with an evidence-based approach to meet the Sustainable Development Goals' pledge to "leave no one behind".

Until the 1990s, poverty was measured in per capita income. It was assumed that economic growth (with appropriate demographic and political changes) would reduce poverty. Despite achievements in poverty reduction, 731 million people were still living in poverty in 2015, with a rate of 41% in sub-Saharan Africa.

The Millennium Development Goals (MDGs) pledged to halve the number of people living in poverty between 2000-2015. DFID funding in 2000 established the Chronic Poverty Resource Centre (CPRC) at the University of Manchester: a partnership between universities, research institutes, and non-governmental organisations. Its aim was to challenge the omission of almost a billion people (the remaining half) from the MDGs' poverty target.

### Recognising chronic poverty

The premise of the CPRC was that "those who are chronically poor are likely to be poor in several ways, not just in terms of income". The concept of 'chronic poverty' quickly gained currency. DFID's 2006 White Paper cited CPRC's flagship report, observing that progress in poverty reduction had been uneven and that social transfers were a means of addressing persistent, multidimensional poverty. Between 2001-2015, DFID provided £201 million per year in cash transfers.

### Reflecting the realities of the poor

Recognising chronic poverty also means focusing on the contexts that keep people poor. This requires a different approach to poverty-reduction policies based on new measures.

- Launched by the United Nations Development Programme (UNDP) in 1990 and based on Nobel-prize winning economist Amartya Sen's 'capabilities' approach to poverty, the **Human Development Index (HDI)** combined life expectancy, education, and per capita income indicators.

- The Institute of Development Studies' DFID-funded work on **Participatory Rural Appraisals (PRAs)** led to second-generation Participatory Poverty Assessments (PPAs), which included poor people's views in poverty analysis and poverty reduction strategies. By 1998, 42 PPAs had been carried out.
- Research at the Oxford Poverty and Human Development Initiative (OPHI) (co-funded by DFID), led to the Multidimensional Poverty Index (MPI). It included health, education, standard of living, empowerment, work, environment, safety from violence, social relationships, and culture. In 2018, the global MPI was integrated in the UNDP Human Development Report to align with the Sustainable Development Goals (SDGs).

### Changing understandings of poverty and pro-poor policies

In 2019, the Global MPI identified 1.3 billion people as multidimensionally poor – much higher than previously report. The influence of the MPI has been broad:

- Nearly 60 countries are building national MPIs
- The Women's Empowerment in Agriculture Index monitors the impact of 'Feed the Future' (2010), a programme covering 19 countries with commitments of over US\$20 billion from the G20.

**In changing how poverty is understood and measured, research has provided "an evidence-based approach to the eradication of chronic poverty" and influenced the direction and scale of poverty reduction strategies across the world.**