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Beyond gross domestic product: multidimensional poverty and the Sustainable Development Goals

Report of the Secretary-General

Summary

In its resolution 61/16, the General Assembly decided that the Economic and Social Council should continue to promote global dialogue, including through a thematic discussion on a theme from economic, social and related fields informed by a report of the Secretary-General. In line with the main theme of the 2017 session of the Economic and Social Council, on eradicating poverty in all its forms and dimensions through promoting sustainable development, expanding opportunities and addressing related challenges, the present report in support of the thematic discussion of the 2017 session focuses on addressing multidimensional poverty in the context of the Sustainable Development Goals.

The 2030 Agenda for Sustainable Development calls for the eradication of poverty in all its forms and dimensions, reflecting the multifaceted challenges faced by people living in poverty. Poverty is widely considered as multidimensional in nature, reflecting deprivations across a broad range of dimensions. The present report highlights existing national approaches to multidimensional poverty that have been developed independently and that focus on specific dimensions of poverty, reflecting national contexts and priorities. Common dimensions of poverty addressed in approaches in most countries include health, education and living standards. The report underlines that there is further scope for countries to develop, apply and adapt existing approaches to country contexts. There is also space for collective work on multidimensional poverty to build on the commonalities among national approaches and link them to national efforts to implement the 2030 Agenda.

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I. Introduction

1. Poverty manifests itself in multidimensional ways. In the 2030 Agenda for Sustainable Development, Heads of State and Government recognized that eradicating poverty in all its forms and dimensions, including extreme poverty, is the greatest global challenge and an indispensable requirement for sustainable development. They further emphasized this challenge through Sustainable Development Goal 1, regarding ending poverty in all its forms everywhere and target 1.2 of reducing, by 2030, at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions. They also committed to a universal development path that leaves no one behind — a central premise of the 2030 Agenda.

2. The broad global landscape affecting the efforts towards the realization of the 2030 Agenda and the eradication of poverty in all its forms and dimensions is changing considerably. The nature of poverty continues to evolve, within the context of rising inequality. There is increased demand for more inclusive and equitable development, with greater accountability to all citizens, the rise of new development actors and a shifting balance of power in international relations. The protracted nature of crises in conflict-affected settings shows the growing importance of addressing multidimensional poverty simultaneously through conflict prevention, humanitarian action and sustainable development. Climate change remains an unequivocal threat. Such trends and challenges have an impact on reducing multidimensional poverty and on people's well-being in present and future generations.

3. In order to address those challenges and achieve the Goal of eradicating poverty in all its forms and dimensions, it is necessary to address poverty using multidimensional approaches. The Sustainable Development Goals and their targets and indicators as a whole offer the current framework for addressing poverty and well-being, within the principle of universalism. By concentrating on such areas as eliminating extreme poverty, ending hunger and highlighting the core issues of sustainability, the recently revised global Sustainable Development Goal indicators (see E/CN.3/2017/2, annex III) provide the means to assess and support progress. The use of the indicators and a multidimensional poverty analysis reflecting national circumstances can support each other in assessing progress.

4. The experience of persons living in poverty goes beyond a lack of income. A broader consideration of deprivations can offer an overall picture of progress in support of a holistic approach to eradicating poverty in all its forms and dimensions. While there is a shared understanding of poverty as a multidimensional challenge, there is a diversity of views on how to define multidimensional poverty, in terms of which dimensions to consider in analysis, measurement and policymaking. At the same time, there is a continued focus on the quality of poverty eradication and well-being outcomes that can be achieved through approaches that emphasize autonomy, capabilities, choices and human rights.

5. The present report is submitted to inform the thematic discussion of the Economic and Social Council at its 2017 session. It represents a discussion of existing approaches for reducing multidimensional poverty in the context of the 2030 Agenda and its Goals. The discussion explores the concept of multidimensional poverty, the evolution of normative approaches and experiences at the national and regional levels to analyse, measure and address poverty in its different forms and dimensions. The report also highlights comprehensive approaches to well-being and growth that integrate strategies for multidimensional poverty reduction into a broader development strategy.

6. The present report should be read in conjunction with the report of the Secretary-General on the main theme of the Economic and Social Council at its 2017 session, "Eradicating poverty in all its forms and dimensions through promoting sustainable development, expanding opportunities and addressing related challenges" (E/2017/64).

II. Multidimensional poverty reduction as a central policy objective

A. Poverty and the 2030 Agenda

7. The adoption by the General Assembly, in September 2015, of the 2030 Agenda for Sustainable Development and its Sustainable Development Goals marks a transformation in the global development paradigm (see resolution 70/1). The Agenda's overriding objectives are to eradicate poverty and complete the unfinished business of the Millennium Development Goals while advancing sustainable development. The Agenda brings together poverty eradication and the integration of the three dimensions of sustainable development — economic, social and environmental — into a unified and universal development framework.

8. In the context of the Sustainable Development Goals, efforts to realize both common and collective development challenges are highly integrated. Eradicating poverty in its various dimensions is a cross-cutting issue as well as a stand-alone goal. Goal 1 calls for ending poverty in all its forms everywhere, and one key focus is on the eradication of extreme poverty, defined by the $1.25 a day threshold in target 1.1 (and subsequently updated by the World Bank in October 2015 to $1.90 a day, to reflect updated price data).

9. As highlighted in Goal 1 and its targets, efforts to eradicate poverty also need to go beyond a focus on lifting household incomes above the $1.25 a day threshold. As set out in Goal 1, the international community commits to reducing at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions (target 1.2) and to implementing nationally appropriate social protection systems and measures for all (target 1.3). It further calls for ensuring that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources (target 1.4), as well as global action to build the resilience of the poor and those in vulnerable situations and reduce their vulnerability to climate-related extreme events and other shocks and disasters (target 1.5). Action to mitigate and adapt to climate change is thus also part of realizing Goal 1, as people living in poverty are the most vulnerable to climate change yet have little or no role in causing it.

10. In order to measure and analyse the achievement of the Goals, the Statistical Commission recently adopted the global indicator framework. The framework includes indicators for Goal 1 that reflect the multidimensional challenges of poverty eradication. For example, indicator 1.2.2 examines the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions, indicator 1.4.1 measures the proportion of population living in households with access to basic services, and indicator 1.a.2 measures the proportion of total government spending on essential services (education, health and social protection).

B. Concept of multidimensional poverty

11. The concept of multidimensional poverty reflects a holistic understanding of poverty beyond income. While there has been broad agreement on the multidimensionality of poverty, as reflected in the 2030 Agenda, there is currently not a common understanding of the definition or the dimensions of poverty that should be included in approaches to address multidimensional poverty. Commonly cited non-income dimensions include deprivations in such areas as food and nutrition, health, education, living standards and employment.

12. It is generally agreed that income or other money-based dimensions are necessary and important, yet not sufficient, for measuring poverty. Deprivations in other dimensions also need to be considered; households facing several deprivations are likely to be in worse situations than income poverty measures suggest.[1] For example, individuals who face one or more deprivations may have earnings above the $1.90 a day threshold for extreme poverty. In some areas, markets may function imperfectly and households may not be able to access the same basket of goods and services as others with the same income.

13. By prioritizing multidimensional poverty reduction as a policy objective, the many aspects of poverty and well-being can be addressed in a more holistic and integrated manner. A multidimensional approach to poverty can support efforts to better identify those facing deprivations, including those who are vulnerable or marginalized groups. With respect to poverty and gender, non-income measures may better reflect the relative well-being of women and female-headed households. Similarly, indigenous people face multiple deprivations beyond those relating to income, such as a lack of access to basic services and to social and political participation. Persons with disabilities are at higher risk of facing multiple deprivations, particularly regarding access to employment and public services. Children are increasingly experiencing poverty in such areas as nutrition, health, education, protection and shelter. Addressing deprivations and identifying the people experiencing them is critical to breaking vicious cycles of poverty.

III. Approaches and tools for addressing multidimensional poverty

14. The work on normative approaches to multidimensional poverty has evolved over time as countries have sought to implement effective anti-poverty policies and measures. Several approaches have been developed on the basis of academic research, intergovernmental processes and the increasing role played by civil society and the private sector. They are interlinked and complementary in some aspects and have several commonalities, yet there are also differences. Efforts have been made to operationalize these approaches, leading to the development of tools for analysis and measurement.

A. Evolution of approaches

15. Since the early twentieth century, poverty measurement has primarily used individual or household income for the identification of the poor. In the 1950s, economic growth and macroeconomic policies dominated the development discourse and little attention was paid to the difficulties faced by persons living in

[1] United Nations Development Programme, *Human Development Report 2010: The Real Wealth of Nations: Pathways to Human Development*, (New York, Palgrave Macmillan, 2010), p. 94.

poverty. This began to change in the mid-1970s, when the "basic needs" approach posited that development concerns should be focused on providing people with their basic needs.

Capabilities-based approach

16. Since the 1980s, an extensive range of studies has shown that income as a measure of poverty is not necessarily representative of non-monetary deprivations. This was elaborated in the capabilities-based approach, developed in the 1980s by Amartya Sen. The approach is concerned with evaluating well-being and enhancing the capabilities of people to make choices, which are essential for improving their capabilities, expanding their opportunities and removing social, cultural or political barriers. Emphasis is placed on people's capability "to achieve outcomes that they value and have reason to value".[2] Deprivations in capabilities limit people's choices and undermine human development; poverty is thus understood as capability-deprivation.

17. In 1990, the United Nations Development Programme (UNDP), building upon the theoretical foundations of the capabilities-based approach, pioneered a multidimensional approach to analysing well-being through the development of its human development index. Efforts focused on advancing beyond economic indicators, highlighting the importance of considering and prioritizing standard of living over income.

18. The index captures a set of three essential capabilities: leading a long and healthy life (life expectancy); being knowledgeable and able to participate in the life of community and society (educational attainment); and having access to resources needed for a decent standard of living (income). The third dimension has a different status in the capability approach — it is a means to other ends and is instrumental in acquiring other capabilities to enlarge the choices in people's lives.

19. To further account for human development in a more holistic manner, UNDP also developed a gender-adjusted human development index, presenting disparities between women and men in health, knowledge and living standards. Other approaches include the Committee on Development Policy's economic vulnerability index.

20. The shift represented by the human development index was reflected at the World Summit for Social Development, held in March 1995 in Copenhagen. At the Summit, Heads of State and Government pledged to put people at the centre of development and make poverty eradication, full employment and social integration overriding objectives. The General Assembly and the Economic and Social Council were tasked with implementing and reviewing these and other pledges related to human well-being contained in the Copenhagen Declaration on Social Development and the Programme of Action of the World Summit for Social Development.

Human rights-based approach

21. At about the same time, a series of United Nations conferences in the first half of the 1990s linked democracy, human rights, sustainability and social development as interdependent variables. An elaboration of the link between human rights and development policy was put forward at the World Conference on Human Rights, held in 1993 in Vienna. The Vienna Declaration and Programme of Action supported a human rights-based understanding of development, focusing on the interdependence and mutual reinforcement of democracy, human rights and development.

[2] Amartya Sen, *Development as Freedom* (New York, Alfred A. Knopf, 1999), p. 291.

22. Underlying the adoption of a human rights approach is the idea that policies and institutions for poverty reduction should be based explicitly on the norms and values set out in international human rights law, specifically the Universal Declaration of Human Rights. Underpinned by universally recognized values and reinforced by legal obligations, international human rights provide a normative framework for the formulation of national and international policies, including poverty reduction strategies.

The Millennium Development Goals and the move towards an integrated approach

23. Since the year 2000, with the adoption of the United Nations Millennium Declaration and the Millennium Development Goals, the international community has stressed the importance of the reduction of extreme poverty, as set out in Goal 1, and of the implementation of the Goals within the broader United Nations development agenda. The Goals were reviewed through the annual ministerial review of the Economic and Social Council, between 2007 and 2015, leading to a deepened focus on the interconnectedness of poverty to other global development outcomes captured in the major United Nations conferences and summits.

24. The Millennium Development Goal targets embodied the development of new approaches to measure human deprivations, including those related to hunger, health, education and gender. Development actors saw increasing value in seeking to gain a greater understanding of whether individuals face multiple deprivations.

25. The United Nations Decades for the Eradication of Poverty, proclaimed by the General Assembly for the period 1997-2006, for the first Decade, and 2008-2017, for the Second Decade, created further impetus for holistic approaches to poverty eradication. Highlighting aspects related to the decent work agenda, social protection, health, education and other development goals, the General Assembly, in proclaiming the Decades, called for integrated and multidimensional policy approaches to poverty eradication at the national, regional and global levels.

26. The 2030 Agenda represents a recent milestone toward conceptualizing poverty as multidimensional and interconnected with other development outcomes. Poverty eradication is fully encapsulated in a web of indivisible Sustainable Development Goals that can only be achieved in an integrated manner.

B. Commonalities and differences in normative approaches

27. Several approaches go beyond the narrow view of human well-being, addressing the issue through different lenses. Those approaches, including the capabilities- and human rights-based approaches, proposed different rationales for poverty eradication yet are also complementary in some respects. Both of those approaches also have limitations with regards to applicability and operationalization.

28. The alternatives to consumption offered by the capabilities-based approach are in the form of capabilities. The objective of this approach to development is to expand peoples' capabilities and to broaden their choices in order for them to be able to lead the lives they wish to lead. Similarly, the human rights-based approach complements approaches to poverty reduction and sustainable development, looking not just at resources, but also at what is necessary for the enjoyment of an adequate standard of living and other fundamental rights.

29. In contrast to the capabilities-based approach, the human rights-based approach recognizes primarily the rights of the individual and the legal obligations of governments in advancing rights and sustainable development more generally.

Human rights can act as a framework for development policy as a result of the universal nature of human rights; the basic needs embodied in the approach refer to the fulfilment of fundamental economic and social rights, especially the right to food, health care and education. The main change brought about by a human rights-based approach is that one's basic needs are a right and not a matter of charity. It also goes beyond individual well-being by providing a framework to strengthen the rights of vulnerable groups.

30. An important limitation of the human rights-based approach has been in elaborating a common understanding of what such an approach entails for policymaking in various contexts. As all human rights are of equal priority, it has been challenging to link the indivisible objectives of the human-rights based approach to the specific experiences of people living in poverty.

31. Human rights-based approaches have been widely operationalized in policy programming, most notably by a range of United Nations system entities, including the United Nations Children's Fund (UNICEF) and UNDP. The approach can support policy formulation that is more transparent and increases accountability. A human rights-based approach can help formulate policy that determines the particular human rights to be addressed.

32. By contrast, one of the key limitations of the capabilities-based approach has been operationalizing and applying it to policymaking and poverty measurement. The selection and weighting of capabilities essential for well-being vary, as they depend on individual values and are challenging to quantify. Several approaches, including the human development index, have sought to operationalize the approach by identifying and quantifying a particular and limited set of capabilities.

C. Measurement tools and challenges

33. In seeking to operationalize approaches to multidimensional poverty, several tools and techniques have been developed. One approach is the composite indices approach, where thematic indices are converted into a single number, such as the human development index. Other approaches include the dashboard approach, which entails the tracking and analysis of a range of different indicators of poverty, as well as statistically technical measures.

34. Measures developed specifically to better monitor multidimensional poverty include the multidimensional poverty index, developed by UNDP, and the multiple overlapping deprivation analysis methodology, developed by UNICEF. These multidimensional measures have been used to inform the development of national approaches, as highlighted in section IV below.

Multidimensional poverty index

35. The multidimensional poverty index was introduced in 2010 to complement monetary measures of poverty by considering deprivations that are suffered simultaneously. At the national level, the index identifies deprivations of households in health, education and standard of living — the same three dimensions measured by the human development index. In the multidimensional poverty index, however, standard of living is often represented by access to particular goods and services, such as water, sanitation and electricity, as opposed to being represented by income.

36. At the country level, the multidimensional poverty index is based on data from national household surveys. Each person in a household is classified as poor or non-poor depending on the number of deprivations the household experiences. People are usually defined as multi-dimensionally poor if they suffer deprivations in

one third or more of the indicators. The results are often aggregated into a national measure. The index can also be deconstructed by region, ethnicity and other groupings. Several countries have adapted the index to their national contexts by choosing specific indicators and weights.

37. There has been an ongoing debate on the challenges surrounding the use of the multidimensional poverty index as a measure of multidimensional poverty. The qualitative selection of indicators and weights has been highlighted as requiring further elaboration, including by fostering stakeholder participation to ensure that indicators and weights accurately capture deprivations faced by persons living in poverty.

38. In addition, the multidimensional poverty index does not integrate a measure of intra-household inequality, which may be severe in poor households and would require a further disaggregation of data within the household. Current methodologies, based on household-level survey data, do not provide information on the multidimensional poverty experienced by the household's individual members, most notably women and children, or on unpaid care work and related issues.

Multiple overlapping deprivation analysis

39. The multiple overlapping deprivation analysis is a multidimensional child poverty measure designed to capture child deprivation. It provides an indication of where multiply deprived children are, where they live and which aspects of child well-being they are deprived of. The analysis relies on demographic, health and other surveys, with the child selected as the unit of analysis, rather than the household, since children experience poverty differently than adults.

40. The analysis applies a human rights-based approach, reflecting internationally accepted standards, such as the Convention on the Rights of the Child, as guiding principles for the construction of a core set of dimensions and thresholds that are essential to any child's development, irrespective of their country of residence, socioeconomic status or culture.

IV. National and regional approaches

41. Strategies, policies and measures for reducing multidimensional poverty have been developed at the national and regional levels. Lessons can be drawn by analysing existing approaches and experiences to multidimensional poverty that have been implemented in an increasing number of countries to inform the implementation of such approaches in other countries. Such national strategies can also be informed by the global indicator framework for the goals and targets of the 2030 Agenda, which specifies several indicators relating to multidimensional poverty (see E/CN.3/2017/2, annex III).

A. National experiences

42. Measures and policies are being developed and implemented independently in national development plans to address multidimensional poverty according to national definitions. A growing number of countries have adopted an official national multidimensional poverty index to provide information to guide new policies. Others that have not yet developed a country-specific multidimensional poverty index are using existing prototypes.

43. While a significant number of countries have introduced multidimensional poverty measurements, most have yet to comprehensively apply this analysis to policymaking. Applying the analysis includes the translation of findings from multidimensional poverty assessments into concrete and action-oriented policy approaches, such as using multidimensional measures as a planning tool in national development plans. The following analysis shows what a number of Governments have been undertaking in order to analyse, measure and address multidimensional poverty, highlighting experiences from countries that have been early adopters of approaches to multidimensional poverty in their respective regions.

Colombia

44. In 2011, Colombia announced a new national development plan with a focus on poverty reduction. Devised by the Ministry of Planning, it features a national multidimensional poverty index that is used to set specific targets and track progress using the household as the unit of analysis. Household members are considered to be deprived according to the status of all household members simultaneously. For example, a person is considered deprived in literacy if any fellow household member is deprived in literacy.

45. The 2015 national development plan placed a specific focus on this newly developed index, including targets for multidimensional poverty reduction, as well as income poverty and inequality. The Plan also has specific targets for each of the dimensions and indicators included in the index.

46. Colombia's national index is based on five dimensions: education, childhood and youth conditions, work, health, and public services and housing. It uses a weighting structure where each dimension has the same weight (20 per cent). Based on a consultation process in which alternative weighting structures were considered, this set of weights was selected to reflect the equal importance of each dimension as an integral element of quality of life. The poverty cut-off, which is the share of dimensions in which a person must be deprived in order to be considered multidimensionally poor, was set at one third of the weighted dimensions.

47. Analysing indicators over the past decade highlights significant progress in poverty reduction in urban and rural contexts, both of which have seen reductions in multidimensional poverty between 1997 and 2010. Multidimensional poverty in Columbia based on the national index equalled 21.9 per cent in 2014, with a goal to reduce it to 17.8 per cent by the end of 2018.

48. Colombia's index can be broken down to reveal the contribution of each indicator to overall poverty levels and allows for analysis of poverty among specific groups or regions. In using the index to shape policy, the index has been applied to geographically target 2.5 million families through the programme "Families in Action Plus". Selected families receive direct cash transfers when the education outcomes of the members of the household improve. The index is being used to tailor the coverage, implementation and total monetary value of the programme to the particular needs of each geographic region.

Mexico

49. Mexico has introduced a comprehensive and integrated strategy to address income and non-income dimensions of poverty. The General Law on Social Development of 2004 called for the establishment of a National Council for the Evaluation of Social Development Policy with the mission to measure and propose policy solutions to multidimensional poverty. The law established that poverty measurement needs to link social programmes to poverty eradication strategies to empower those who live in conditions of social and economic marginalization.

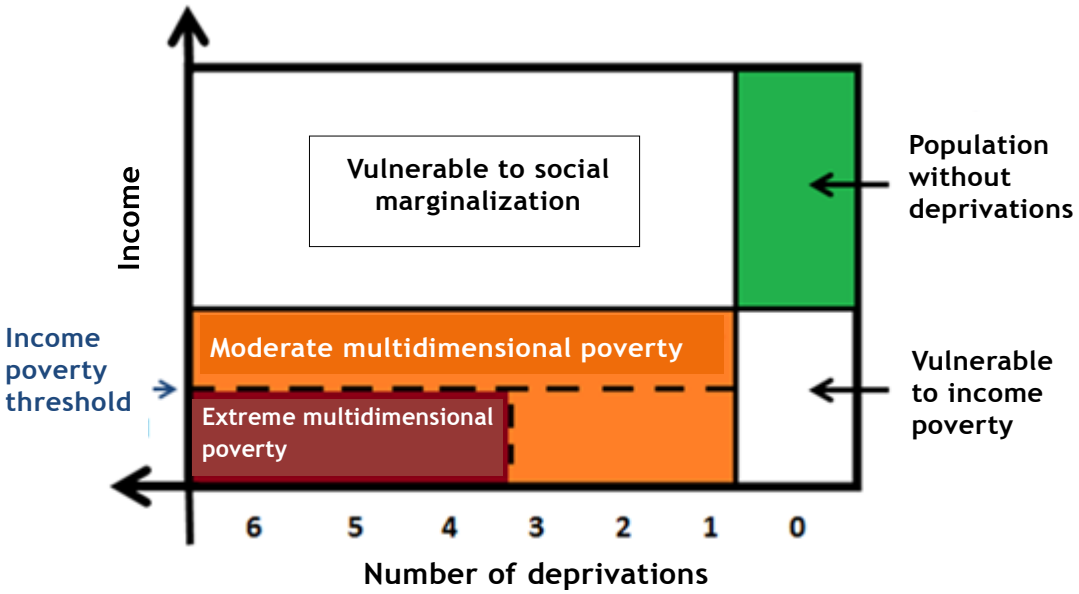
50. In order to integrate income and multidimensional strategies into a comprehensive approach, the Council has developed a model of poverty measurement and analysis, depicted in figure I below. The model integrates income aspects of poverty on the vertical axis and multidimensional deprivations on the horizontal axis to form a comprehensive picture of poverty across all dimensions — both income and non-income.

51. The six deprivations that are assessed as part of the model are educational lagging (defined as lacking the required level of education for the person's age group), access to health services, food, utilities, social security and quality housing. As figure I shows, individuals who fall below the income poverty threshold and face more than three deprivations are considered to be living under extreme multidimensional poverty; those who are just above the income threshold are viewed as living in moderate multidimensional poverty. The Council gathers data for each of the six categories of deprivation and uses disaggregated data for indigenous people, youth and the elderly to target policymaking to those most in need.

52. The approach has been a fundamental tool in the creation of two large social protection strategies in Mexico: the National Crusade against Hunger and the Universal Pension System. The National Crusade against Hunger focuses on eradicating extreme multidimensional poverty and provides over 7 million people with access to food. The Universal Pension System guarantees a minimum income for all Mexicans over the age of 65.

53. One of the main objectives of the Government's national development plan 2013-2018 is to create an "Inclusive Mexico" through ensuring effective access to social rights granted by the Constitution. The Plan includes indicators and goals that are based on the different dimensions of poverty as articulated in the national approach to multidimensional poverty.

Figure I
Approach to holistic poverty eradication elaborated by Mexico's National Council for the Evaluation of Social Development Policy



Source: Adapted from the National Council for the Evaluation of Social Development Policy (2015).

Mozambique

54. In Mozambique, efforts to measure and address multidimensional poverty have been spearheaded by the Ministry of Economy and Finance, in collaboration with United Nations system partners. Mozambique has presented national measurements of multidimensional poverty that have informed a national report on poverty and well-being. Its national index is calculated on the basis of four dimensions: education, health (including access to sanitation infrastructure and water), living conditions and durable goods.

55. By breaking down indicators to subnational levels, the index has allowed policymakers to address specific development challenges in different regions within the country. Measures of multidimensional poverty in rural and urban contexts have highlighted persistent gaps between these areas. Policy targeting has allowed for tailored approaches to different dimensions of poverty, as well as for mapping poverty over time, suggesting significant progress between 1996 and 2015 in reducing multidimensional poverty.

Philippines

56. The Government of the Philippines incorporated an official multidimensional poverty measure in its updated Philippine Development Plan (2011-2016). The multidimensional poverty indicator is adapted to the national context and priorities. The measure has been used to set a poverty reduction target in an effort to secure inclusive growth and improvements in quality of life.

57. The Development Plan serves as the Government's overarching guide and framework in formulating policies and implementing programmes towards inclusive economic growth. Targets on the reduction of multidimensional poverty have been integrated, with the target of reducing multidimensional poverty from 28.2 per cent in 2008 to 18 per cent in 2016. Its most recent update has highlighted continued progress in multidimensional poverty reduction, which was reduced at a faster rate than income poverty.

South Africa

58. South Africa has developed a multidimensional poverty index based on health, education, living standards and a fourth dimension on economic activity, using unemployment as the indicator. The index is intended to complement the income-focused measures already used in the country, including a food poverty line.

59. Census data collected in 2001 and 2011 were used to compute an index, allowing for an analysis of changes in multidimensional poverty levels over time. The analysis showed a significant improvement in multidimensional poverty levels over the decade, with a decrease from 17.9 per cent in 2001 to 8 per cent in 2011.

Viet Nam

60. In 2014, Ho Chi Minh City in Viet Nam launched the first city-wide multidimensional poverty index. The experience highlights how multidimensional poverty indices can be used at the subnational level to identify individuals living in conditions of poverty. The Ho Chi Minh City index is used to identify targets for poverty reduction and other social programmes and, in particular, to design specific policies and programmes. Results from the index will be used as inputs for the City to develop its sustainable multidimensional poverty reduction programme.

B. Commonalities in existing national approaches

61. The number of countries that have embraced multidimensional poverty assessments reflects the strong momentum towards the elaboration and adoption of holistic approaches to poverty that go beyond income. Notable commonalities in country-level approaches can be observed with regards to measurement and policy analysis. Most countries that have adopted approaches to multidimensional poverty have introduced a core set of common dimensions across which multidimensional poverty is measured, analysed and addressed.

62. The three dimensions of education, health and living standards can be found in nearly all countries that have adopted such approaches. Those dimensions have been a component of measurement as part of national indices as well as in policymaking. Middle-income countries, such as Colombia and Mexico, as well as several other developing countries, have included aspects of the dimensions in their national multidimensional poverty strategies.

63. All countries that have embraced multidimensional approaches consider education as a crucial dimension for reducing multidimensional poverty. Education is widely considered not only as a factor that can prevent income poverty over a person's lifetime, but as a fundamental right, the deprivation of which denies an individual a dignified social, political and economic life.

64. Approaches to education across countries are characterised by similarities in focus areas. As indicated in figure II, seven of the eight selected countries analysed share a focus on educational lagging and six share a focus on educational assistance.

65. Several countries have adopted comprehensive approaches to education that go beyond childhood education. As highlighted in figure II, seven of the eight countries have introduced adult education and illiteracy as indicators. Ecuador, for example, considers four areas of education: basic education, lags in childhood education, incomplete educational attainment and adult illiteracy. While the first two focus exclusively on youth between the ages of 5 and 17, the latter two indicators focus on the adult population. The indicator on adult illiteracy focuses specifically on the persons aged 65 and over.

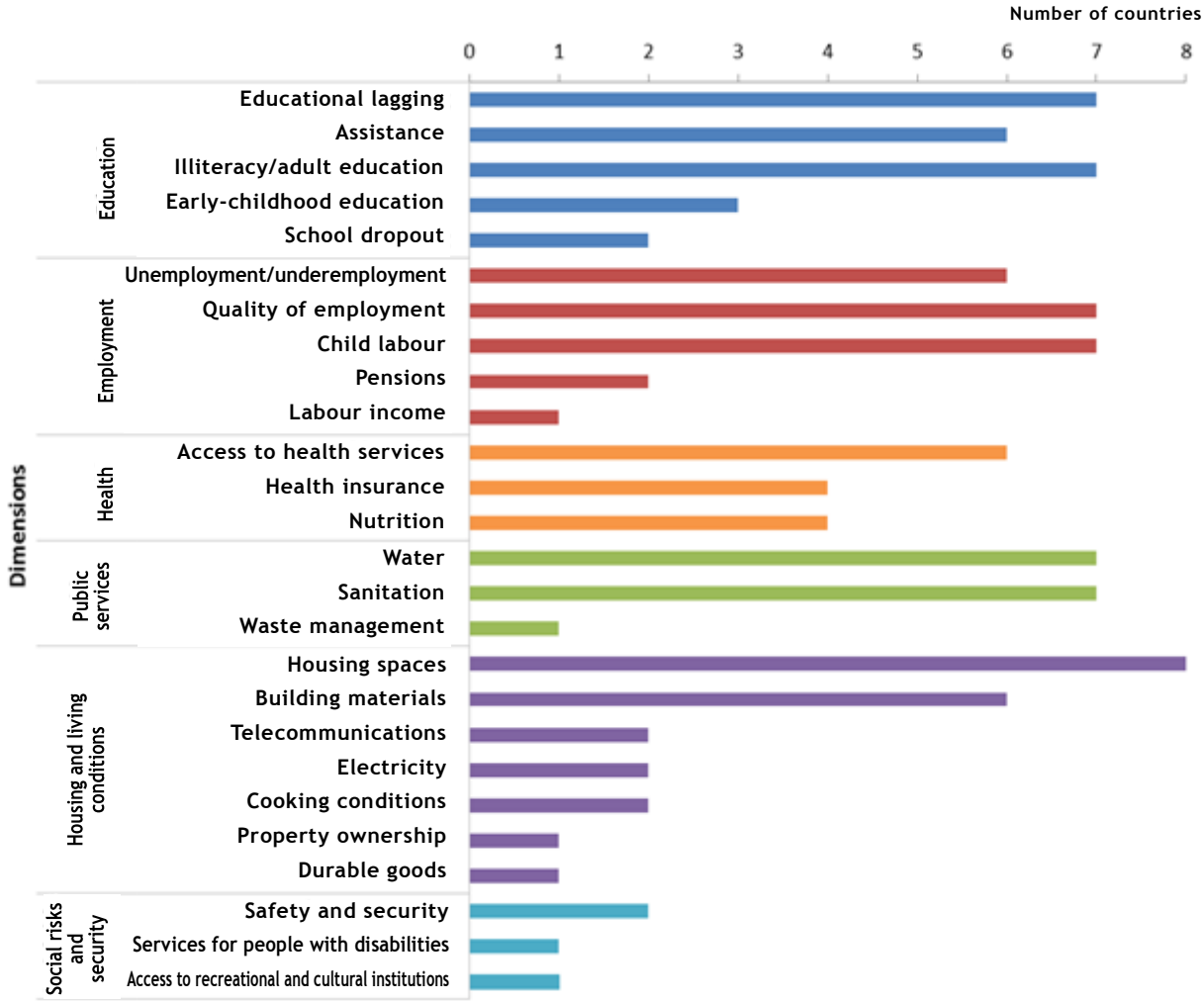
66. Health is another dimension that is widely embraced. Access to medical services and health insurance are two of several areas that countries have highlighted as priority areas. The focus that several countries have put on access to health services is also mirrored by indicators developed in the global Sustainable Development Goal indicator framework, which seeks to assess coverage of essential health services (indicator 3.8.1) and health worker density and distribution (3.c.1).

67. Living standards are also widely considered to be a core dimension. Living standards capture several aspects of well-being, with countries choosing specific indicators according to national circumstances. Common aspects include housing and access to building materials. Some countries, as highlighted in figure II, also consider access to electricity and durable goods, as well as property ownership, as key indicators.

68. Issues relating to employment and work have also been selected by several countries. Employment indicators include unemployment, child labour and categories for both informal and formal labour. El Salvador, for instance, assesses four focus areas in the sphere of employment: unemployment, underemployment, labour stability and access to social security.

Figure II

Dimensions and focus areas of multidimensional poverty approaches in eight selected countries, for which detailed data are available



Countries: Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Mexico and Paraguay.

69. Commonalities in national approaches can also be observed with regard to measurement. Several countries, particularly several middle-income countries, have elaborated national multidimensional poverty indices over the past five years, adapting dimensions and indicators. Owing to the adaptability of tools to national contexts, multidimensional poverty measurements have become an important aspect of poverty reduction efforts in those countries.

70. Geographic location and mapping, in particular, has been a crucial component of measurement. Several countries have used multidimensional poverty measurements to map poverty in all its dimensions across a wide range of categories, including by region, geographical zone, sex and age, as well as disaggregating by specific poverty condition. The disaggregation and mapping of poverty indicators enables countries to focus policies on specific areas and conditions that require increased attention so as to ensure that no one is left behind. As mentioned earlier, in Colombia the mapping of multidimensional poverty in the area of education has supported more targeted delivery of the “Families in Action Plus” programme.

71. In efforts to map and locate people living in poverty, national approaches to poverty eradication have mirrored efforts in the context of the Sustainable Development Goal indicator framework to foster data disaggregation by geographic location, sex and age. Indicator 1.3.1, for instance, seeks to measure the proportion of population covered by social protection floors/systems, by sex, distinguishing children, unemployed persons, older persons, persons with disabilities, pregnant women, newborns, work-injury victims and the poor and the vulnerable. A similar approach is reflected in several national multidimensional poverty strategies, which measure poverty in all its dimensions across a range of disaggregated measures of well-being, including persons covered by social security systems.

72. Commonalities can also be observed in how multidimensional poverty strategies have been adapted to national contexts. In Ecuador, the construction of a national approach to multidimensional poverty is guided by a human rights-based approach and the concept of *buen vivir*, which is incorporated into the country's Constitution. Modifications to dimensions have been carried out to make the approaches consistent with the Constitution, including with regard to the selection of dimensions and weighting of indicators (see also paras. 89, 95 and 96 below, on the related concept of *vivir bien*).

73. Mexico's multidimensional poverty strategy is also founded on a human rights-based approach, aligning poverty measurement with mandates set out in the Constitution and the General Law on Social Development. This approach has provided guidance for addressing methodological questions, including on the selection of dimensions and weighting of indicators. Since all social rights are deemed equally important, equal weights have been assigned to all social dimensions.

Key features of national multidimensional poverty indices (countries selected on the basis of available information)

Country	*Dimensions included in the index*	*Responsible institution(s)*	*Year of introduction*
Bhutan	Education, health and living standards	National Statistics Bureau	2010
Chile	Education, health, labour and social security, housing and local environment, networks and social cohesion	Ministry of Social Development	2015
Colombia	Education, childhood and youth conditions, work, health, public services and housing	Department for Social Prosperity	2011
Costa Rica	Education, health, housing, employment, social protection and equity	Social Inclusion and Human Development Ministry and National Institute of Statistics and Census	2015

Country	*Dimensions included in the index*	*Responsible institution(s)*	*Year of introduction*
Ecuador	Education, work and social security, health, water and food, habitat, housing and healthy environment	National Institute of Statistics and Census, Ministry of Social Development Coordination and National Secretary of Planning and Development	2016
El Salvador	Childhood and adolescence, housing, access to work, health and food security, and habitat	Ministry of the Presidency	2015
Honduras	Health, education, employment and living standards	Ministry of Government Coordination	2016
Iraq	Education, nutrition and health, standard of living, employment and basic services	Ministry of Planning	2013
Malaysia	Education, health and living standards	Economic Planning Unit, Prime Minister's Department	2015
Mexico	Income, educational lagging, deprivations linked to access to health services, social security, housing quality and spaces, access to utilities in households and food access	National Council for the Evaluation of Social Development Policy and Secretariat of Social Development	2010
Mozambique	Education, health, living conditions and durable goods	Ministry of Economy and Finance	2016
Nigeria	Education, health and living standards	National Bureau of Statistics	2012
Pakistan	Education, health and living standards	Ministry of Planning, Development and Reform	2016
Philippines	Education, health and living standards	National Economic and Development Authority	2013
South Africa	Health, education, living standards and economic activity	Statistics South Africa	2014
Viet Nam (Ho Chi Minh City)	Income, assets, education, health and access to social services	Ministry of Labour, War Invalids and Social Welfare	2014

Source: Oxford Poverty and Human Development Initiative, Department of Economic and Social Affairs.

74. There are also notable differences among national approaches. Most countries have adapted their approaches to national contexts and development priorities. As highlighted, countries have chosen different dimensions, as shown in the table above, based on the specific context and national realities of people living in

poverty. As illustrated in figure II, some indicators are specific to national approaches, including waste management, property ownership and services for people with disabilities, which are each considered by only one country in the sample.

75. Aspects relating to social risks and personal security are considered in two countries in the sample of eight countries in figure countries, reflecting a specific national focus on those aspects of well-being. One country in the sample (Mexico) has integrated income into the national approach.

76. Differences can also be noted in institutional responsibilities. As highlighted in the table above, different ministries and other stakeholders, including statistical offices, have been spearheading efforts in multidimensional poverty measurement.

77. Efforts to disaggregate data have also differed from one country to another. While some countries focus on disaggregation by population group and by age, others have considered geographic location to measure regional differences as well as to make rural-urban gaps visible. The example of Ho Chi Minh City and its index as a measurement tool on the municipal level shows how approaches can be adapted to local contexts, reflecting subnational and local development challenges.

C. Cross-country networks and regional experiences

78. There have also been efforts beyond the national level to advance the understanding of, and develop approaches to, multidimensional poverty. As countries have elaborated and implemented approaches independently, there is ample scope for intergovernmental discussion and exchanges of experience as well as a collective approach to researching the technical aspects of how multidimensional poverty can be analysed, measured and addressed. A few such efforts have begun at the cross-country and regional levels.

Multidimensional Poverty Peer Network

79. The Multidimensional Poverty Peer Network is a platform in which countries discuss the development of national multidimensional poverty strategies. The network supports policymakers in developing measures of multidimensional poverty and adapting them to national contexts according to national development priorities. Currently, 53 countries are members of the network.[3]

80. The aim of the Network is to design and elaborate effective policies to reduce poverty in all its dimensions. The Network enables early adopters of such measures to share experiences and lessons learned directly with policymakers from other countries by way of South-South exchanges, including on the design of measures and the political processes and institutional arrangements to sustain them.

81. The number of countries in the Network reflects the strong interest in the development and elaboration of national approaches and strategies to address multidimensional poverty. There is continued scope to develop national multidimensional poverty strategies for countries engaged with the Network that have not yet implemented such an approach. The agreed revisions to the global

[3] Afghanistan, Angola, Antigua and Barbuda, Argentina, Bangladesh, Bhutan, Bolivia (Plurinational State of), Botswana, Brazil, Burkina Faso, Chad, Chile, China, Colombia, Costa Rica, Cuba, Djibouti, Dominican Republic, Ecuador, Egypt, El Salvador, Grenada, Guatemala, Honduras, India, Iraq, Jamaica, Malaysia, Mexico, Mongolia, Morocco, Mozambique, Nepal, Nigeria, Pakistan, Panama, Paraguay, Peru, the Philippines, Rwanda, Saint Lucia, Saint Vincent and the Grenadines, Senegal, Seychelles, South Africa, the Sudan, Tajikistan, Tunisia, Turkey, Uganda, United Republic of Tanzania, Uruguay and Viet Nam.

Sustainable Development Goal indicator framework can provide further momentum to national efforts to measure and address poverty in all its dimensions.

Organization of Eastern Caribbean States

82. Several development partners in the Caribbean, including the Organization of Eastern Caribbean States and UNDP, have collaborated on the development and implementation of an annual multidimensional poverty index as a part of broader efforts towards an expanded measure for the subregion. In 2014, a pilot process was outlined and agreed in addition to the dimensions and indicators for a multidimensional poverty index in the region.

83. The basic index consists of four dimensions — living standards, employment, education and health — and is computed based on data from the labour force surveys, carried out in several countries of the subregion. The measurement embraces the four dimensions that are reflected in most country-level multidimensional poverty approaches and measurement tools.

Economic Commission for Latin America and the Caribbean

84. The Economic Commission for Latin America and the Caribbean (ECLAC) and the Regional Office of UNICEF for Latin America and the Caribbean have developed a measure of multidimensional child poverty to close the gap created by many approaches that have focused on the household level, as the issue of child poverty was seen as requiring dedicated attention and specific tools to make deprivations faced by children visible. Since 2010, ECLAC and UNICEF have developed a guide to estimating child poverty in order to provide countries with the theoretical and methodological framework for assessing multidimensional child poverty, as well as practical examples and exercises to assist in measurement.

85. The set of indicators considered in the joint ECLAC and UNICEF methodology upholds the principal rights of children through the dimensions of adequate nutrition, clean water, acceptable sanitation services and health, as well as access to housing, education and information technologies. While those dimensions are also considered in multidimensional poverty strategies in several countries, the approach specifically focuses on children in order to measure their exposure to such deprivations.

V. Holistic strategies and approaches to growth and well-being

86. In parallel to the holistic approaches focusing on multidimensional poverty, strategies have also been developed that take a broader view of well-being, integrating multiple social, environmental and economic aspects. Such approaches have sought to elaborate measures that assess a country's social and economic well-being beyond the narrower monetary measure of gross domestic product (GDP).

87. The Commission on the Measurement of Economic Performance and Social Progress, created by the Government of France in 2008, is one initiative that sought to advance understanding on this issue. The Commission was tasked with identifying the limits of GDP, to consider more relevant indicators of social progress and to assess the feasibility of using alternative measurement tools. Key findings included that measurement approaches needed to shift emphasis from measuring economic production to measuring people's well-being, and that measures of well-being should be put in the context of sustainability.[4] The Commission also

[4] Joseph F. Stiglitz, Amartya Sen and Jean-Paul Fitoussi, "Report by the Commission on the Measurement of Economic Performance and Social Progress" (2009).

highlighted that measures of well-being needed to be multidimensional, including dimensions such as health, education, the environment and employment, thus mirroring dimensions used in several multidimensional approaches to poverty.

88. In the outcome document of the United Nations Conference on Sustainable Development, held in Rio de Janeiro, Brazil, in 2012, the international community echoed the call for broader measures of progress to complement GDP in order to better inform policy decisions (see General Assembly resolution 66/288, annex). In the 2030 Agenda for Sustainable Development, the international community reiterated its commitment to developing broader measures of progress to complement GDP.

89. At the national level, several countries have developed normative frameworks and strategies to holistically address human development, well-being and participation in the formulation of national strategies and priority setting. Specific strategies that have played an integral role in countries' national development plans include the gross national happiness approach pioneered in Bhutan and the normative framework of *vivir bien* in several Latin American countries.

Gross national happiness

90. The gross national happiness index of Bhutan is generated to reflect the happiness and general well-being of the Bhutanese population more accurately than a monetary measure, such as GDP. The index presents the current levels of human fulfilment in Bhutan and how these vary across districts and across time. It also informs Government policy.

91. The Government's Centre for Bhutan Studies and Gross National Happiness Research released a gross national happiness index in 2008 and revised and updated it in 2011. At its foundation are four pillars: environmental conservation; good governance; preservation and promotion of culture; and sustainable and equitable socioeconomic development. The four pillars are further elaborated into nine domains and 33 indicators. The domains articulate the different elements of the index in detail and form the basis for measurement, indices and screening tools. The domains are: psychological well-being; standard of living; good governance; health; education; community vitality; cultural diversity and resilience; time use; and ecological diversity and resilience.

92. The index weighs the nine elements equally. The nation's well-being is measured directly by starting with each person's achievements in each indicator. It identifies four groups of people — unhappy, narrowly happy, extensively happy and deeply happy — using graded happiness cut-offs.

93. Project-screening and policy-screening tools are used to provide a systematic appraisal of the potential effects of the proposed activities on gross national happiness. This policy lens requires that the policy consequences on all relevant dimensions be considered prior to their implementation. The results of the index are also tracked over time to evaluate interventions. An important innovation is the ability to track results across districts. The stated goal is that all government projects and policies work together to maximize gross national happiness.

94. Bhutan's multidimensional poverty approach is similar to the gross national happiness philosophy and has been measuring poverty using a national multidimensional poverty index since 2012. The national multidimensional poverty index includes the three major dimensions of education, health and living standards, represented by 13 indicators with varying weights. The Government has targeted the reduction of multidimensional poverty from 25.8 per cent in 2010 to less than 10 per cent in 2018.

Vivir bien

95. *Vivir bien* is an approach to development that designates the quest for human development as the priority policy objective in achieving economic and social development. The objectives include promoting equality, strengthening the capacities of citizens, improving quality of life, guaranteeing sovereignty and peace and supporting political participation. Development plans focusing on *vivir bien* contain platforms for meeting human development objectives, including reducing poverty and inequality, strengthening human capacities, improving the population's quality of life and education, and building and strengthening public spaces.

96. Bolivia (Plurinational State of) and Ecuador are the two countries in which the *vivir bien* development paradigm has been fully developed and applied, integrating *vivir bien* into policymaking and legislative and constitutional frameworks. Elements of *vivir bien* have also been introduced and applied in several other Latin American countries. The approach has become an integral part of many national development plans, guiding policymaking with regard to human development and well-being. Lessons learned from country experiences continue to be shared among countries adopting *vivir bien* policies (see also para. 72 above, on the related concept of *buen vivir*).

Organization for Economic Cooperation and Development inclusive growth framework

97. The Organization for Economic Cooperation and Development inclusive growth framework is a normative and analytical framework that conceptualizes multidimensional aspects of well-being and economic growth. It identifies policies and provides practical proposals for improving inclusive growth measures and using them to monitor and benchmark countries' performance. It also highlights public policy recommendations and elaborates on the effects of existing policies on growth and inclusiveness. As part of this emphasis on public policy, the framework links policies to multidimensional outcomes by modelling and assessing the impacts of policies on multiple dimensions of well-being.

98. The framework includes a measure of multidimensional living standards to track societal welfare and analyse the extent to which growth in a given country and over a given time period translates into improvements in people's well-being. The framework includes an income dimension, measured as average household real disposable income adjusted for inequality. It also includes the non-income dimensions of health and unemployment, chosen on the basis of empirical work on the most significant determinants of subjective well-being.

VI. Key findings

99. Realizing the 2030 Agenda for Sustainable Development and its Sustainable Development Goals is key to the eradication of poverty in all its forms and dimensions and in promoting well-being for everyone.

100. An increasing number of countries have introduced multidimensional poverty strategies into national development plans, adapting existing approaches to national contexts and development priorities. This has led to a diversity of approaches across countries, including in the dimensions of poverty considered and in policy priorities, as well as in institutional responsibilities, to measure, analyse and address multidimensional poverty at the national level.

101. While there is broad agreement on the importance of multidimensional poverty as a development challenge, there is currently a broad diversity of views on its

definition and the dimensions of poverty that should be included in approaches to address poverty in all its forms and dimensions.

102. While countries have developed different approaches, some commonalities can be observed, particularly the universal identification of three dimensions — health, education and living standards — as key aspects of national strategies. Another commonality is that several countries have adapted poverty strategies to national legislative contexts so as to ensure conformity with national laws and the constitution.

103. There is further scope for countries to develop, apply and adapt existing approaches to country contexts. The strong momentum for a multidimensional understanding of poverty can support the diffusion of such multidimensional approaches to poverty eradication.

104. There is also space and a need for collective work on multidimensional poverty, building on the commonalities in national approaches and linking the approaches to national efforts and strategies to implement the 2030 Agenda.

105. The recently revised global Sustainable Development Goal indicators and a multidimensional poverty analysis reflecting national circumstances can support each other in assessing progress.

106. Further analytical work by the United Nations development system could contribute to closing gaps in the translation of multidimensional poverty measurement and analysis into concrete policy action on Goal 1 and the other Sustainable Development Goals.

107. International platforms for the exchange of experiences, lessons and ideas could assist in guiding policymaking at the national level, as well as in the elaboration of best practices in multidimensional poverty measurement, including those aspects related to the gathering and disaggregation of data by population group, age, sex, geographic location and other characteristics relevant to national contexts.

108. The global Sustainable Development Goal indicator framework, recently agreed by the Statistical Commission, can provide a valuable contribution to approaches for the measurement of multidimensional poverty, the key dimensions of which, such as health and education, mirror those in the indicator framework.

109. The United Nations system and other development partners should provide support to countries to strengthen the development of statistical capacity, including in improving the availability, quality, timeliness and disaggregation of data to measure progress towards the achievement of the Sustainable Development Goals and multidimensional poverty.

110. Existing national approaches to well-being that seek to go beyond GDP have successfully integrated multidimensional approaches to poverty into broader development strategies, underlining the complementarity of poverty eradication efforts with broader approaches to well-being, economic growth and sustainable development.