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# Dimensions of Poverty Sida's Conceptual Framework

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# Preface

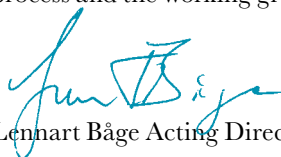
To reach the ambitious goal of the 2030 Agenda, to end poverty in all its forms everywhere, will require a concerted and historic effort. Poverty is multifaceted and complex, affecting women, men, girls, and boys in different ways at different times. Understanding and acting on this complexity is the major challenge to achieving the Sustainable Development Goals agreed upon in the 2030 Agenda.

*Dimensions of Poverty* is part of Sida's contribution to this historic challenge. This document defines and describes Sida's approach to multidimensional poverty. Development and poverty reduction must be understood holistically as part of a complex interplay of different forces that combine to enable or prevent change. *Dimensions of Poverty* defines a shared understanding of poverty that reflects the current realities of poverty, as well as the goals of today's international and Swedish development cooperation, and hence contributes to more effective and relevant development cooperation.

Swedish development cooperation takes as its starting point poor people's perspectives on development and the rights perspective. In addition, three thematic perspectives; conflict, gender equality, and environmental and climate change, are prioritized. *Dimensions of Poverty* aligns these perspectives with the overall goal of Swedish development cooperation "to create preconditions for better living conditions for people living in poverty and under oppression".

Furthermore *Dimensions of Poverty* contributes to the dialog on how social, political, economic and environmental dimensions can be combined within the 2030 Agenda for an inclusive and sustainable development.

The process, resulting in the updated concept, has been driven by a working group with members from a range of thematic areas within Sida, and has been conducted with a participatory and iterative approach including Sida colleagues at Embassies and at the Sida Stockholm office. True Schedvin, Lead Economist in the Chief Economist Team, has led the process and the Multidimensional Poverty Committee, under Sida's management group, including Eva Lövgren Acting Head of the Department for International Organisations and Thematic Support, Joachim Beijmo Chief of Staff, and Torbjörn Pettersson Head of the Africa Department, has guided the process and the working group.



Lennart Båge Acting Director-General

# Table of Contents

<b>1 Introduction</b> .....	5
<b>2 Points of departure</b> .....	7
2.1 The five perspectives .....	7
2.2 The 2030 Agenda for sustainable development .....	8
2.3 Developments since 2000 .....	9
<b>3 The dimensions of poverty, and vulnerability</b> .....	13
3.1 Who is poor and in what way? .....	13
3.2 Poverty and vulnerability.....	15
3.3 The four dimensions of poverty .....	16
<b>4 The development context</b> .....	18
<b>5 Analysis of multidimensional poverty in the strategy process</b> .....	21

# 1 Introduction

The overall objective of the Swedish development cooperation is *“to create preconditions for better living conditions for people living in poverty and under oppression.”* The policy framework for Swedish development cooperation and humanitarian aid states that this objective applies to all development cooperation, regardless of whether it is bilateral, regional, thematic, or channelled through multilateral organisations including EU.<sup>1</sup> All development cooperation shall contribute to results that benefit people living in poverty and under oppression.<sup>2</sup> Achieving this objective requires understanding who is living in poverty, how that poverty is experienced and the underlying causes.

Swedish development cooperation takes a multidimensional view of poverty; implying that poverty not only means lack of material resources but also lack of power and voice and respect for human rights, lack of opportunities and choice, as stated in the policy framework.<sup>3</sup> This document develops these four dimensions of poverty and defines Sida’s understanding of multidimensional poverty. Sida’s earlier policy document, *Perspectives on Poverty (PoP)*,<sup>4</sup> defines multidimensional poverty as something that:

*“...deprives people of the freedom to decide over and shape their own lives. It robs them of the opportunity to choose on matters of fundamental importance to themselves. Lack of power and choice and lack of material resources form the essence of poverty.”<sup>5</sup>*

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- 1 Regeringens skrivelse (2016/17:60) *Policyramverk för svenskt utvecklingsamarbete och humanitärt bistånd*, p.54.
  - 2 Regeringens skrivelse (2016/17:60) *Policyramverk för svenskt utvecklingsamarbete och humanitärt bistånd*, p.53.
  - 3 Regeringens skrivelse (2016/17:60) *Policyramverk för svenskt utvecklingsamarbete och humanitärt bistånd*, p.4.
  - 4 Sida (2002) *Perspectives on Poverty (PoP)*.
  - 5 Sida (2002) *Perspectives on Poverty (PoP)*, p.23.

Sida's definition of multidimensional poverty, described in this document, takes *PoP* as a starting point, and updates the understanding based on global developments since 2000.

Living in poverty or near poverty also affects one's exposure to risks and vulnerability for falling into poverty, falling deeper into poverty, or remaining in chronic poverty. Understanding risks and vulnerability is an important component in understanding the multidimensional nature of poverty for women, men, girls and boys and hence is further elaborated on in this document.

## 2 Points of departure

This section describes Swedish priorities and perspectives, global agreements and the main global developments since 2000.

### 2.1 THE FIVE PERSPECTIVES

Swedish development cooperation takes as its starting point and is characterized by poor people's perspectives on development and the rights perspective, as stated in the policy framework.<sup>6</sup> In addition to these two underlying perspectives, the policy framework adds three thematic perspectives: conflict, gender equality, and the environmental and climate perspectives. All five perspectives should be considered in the analysis, planning, implementation and follow-up of Swedish development cooperation. All of the five perspectives are reflected in Sida's definition of multidimensional poverty as described in section 3.

*Poor people's perspectives* implies that the situation, needs, preconditions, and priorities of poor women, girls, men and boys constitute the starting point for Sida's work on poverty reduction.

*“...the situation, needs, preconditions, and priorities of poor women, girls, men and boys constitute the starting point for Sida's work on poverty reduction.”*

Hence, knowledge is needed about the situation, needs, preconditions, and priorities of people living in poverty, which in turn emphasises the importance of collecting and analysing information about poverty in multiple dimensions. Many different methods, tools and sources can and should be used for the analysis, such as published research findings, evaluations, field visits as part of program management, reports and information from local organisations, participatory methods like “reality checks” and “stages of progress”, and other.

*The rights perspective* implies that human rights and democracy are seen as fundamental for development. It includes four principles based on the normative framework of human rights: non-discrimination, participation, transparency and accountability.

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6 Regeringens skrivelse (2016/17:60) *Policyramverk för svenskt utvecklingsamarbete och humanitärt bistånd*, p.14.

## 2.2 THE 2030 AGENDA FOR SUSTAINABLE DEVELOPMENT

The 2030 Agenda for Sustainable Development raises the bar for reducing poverty by setting “End poverty in all its forms everywhere” as one of the Sustainable Development Goals (SDGs) and emphasizing that poverty is multidimensional. The 2030 Agenda also states “leave no one behind” and pledges that “...we will endeavour to reach the furthest behind first.”

### *“End poverty in all its forms everywhere”*

Implementation of the 2030 Agenda necessitates further knowledge about how different groups of people are being affected by development, so that the effects on these groups are taken into account in development policies and development cooperation.

The 2030 Agenda entails a paradigm shift in that the Agenda is universal, which means both that the goals apply to all countries regardless of income level, and that there is an increased emphasis on the importance of working jointly across countries to achieve the goals. All countries are thus developing countries in light of the 2030 Agenda. The 2030 Agenda, though more comprehensive than the earlier Millennium Development Goals (MDGs), is not as ambitious as the Swedish policy framework regarding democracy, human rights and the rule of law. The Agenda takes a holistic view on development. Social, political, economic, and environmental perspectives need to be combined for an inclusive and sustainable development. The 2030 Agenda combines, among other things, economic growth<sup>7</sup>, environmental sustainability and the fight against climate change<sup>8</sup> with peaceful and inclusive societies and strong, accountable institutions<sup>9</sup>. It also brings different actors – governments, civil society, the private sector, and academia – together to jointly reach the objectives.

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7 SDG 8

8 SDGs 6, 7, 11, 12, 13, 14 and 15

9 SDG 16



## 2.3 DEVELOPMENTS SINCE 2000

There have been a number of important global developments since *PoP* was written in 2002. The impressive reduction in income poverty has continued, and the number of people living in extreme income poverty (below USD 1.90 per day) halved from 1990 to 2012.<sup>10</sup> There has also been important progress in health and education, improving the situation for large groups of people, especially girls. However, there are still many challenges.

*Income inequality* is not a new phenomena or challenge, but it has gained increased attention since 2000 due on the one hand to new research showing its negative impact on economic growth and poverty reduction and on the other hand to new trends in inequality.

Research and experience has shown the costs of inequality, both direct financial costs and social and political costs, including the risk of instability and weak social cohesion. There is now a common understanding that reducing inequality is fundamental to reaching the objectives of economic development and poverty reduction.

With increasing GDP per capita in several countries, not least China and India, and the graduation of a number of countries from low-income to middle-income status, inequality between countries has declined.<sup>11</sup> However, at the same time inequalities within countries have increased on average.<sup>12</sup> With an economic development that is lacking inclusiveness, combined with increasing returns to capital compared to wages, we see increasing income inequalities within many countries. In low, middle, and high income countries, there are women, men, girls and boys who have been left behind by development and whose situation has not improved. For example, indigenous people, that make up 5 percent of the global population, but account for about 15 percent of the extreme poor.<sup>13</sup> There is also an increasing awareness of the many people who are trapped in *chronic poverty*, for whom poverty has become intergenerational.

The last decade has shown a trend of *shrinking democratic space*. For the tenth consecutive year, oppression increased in more countries than those where democratic progress was recorded. In addition, the number of countries recording negative democratic development – 72 countries in total – was the highest during the ten-year period.<sup>14</sup> In 2015, there were serious threats to civic freedoms (freedom of expression, assembly and association) in 96 countries, meaning that six out of seven humans live in countries where these

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10 From 37% or 1.95 billion in 1990 to 12.7% and 902 million in 2012. World Bank (2015) *Ending Extreme Poverty and Sharing Prosperity: Progress and Policies*, p.6.

11 World Bank (2016) *Taking on Inequality: Poverty and Shared Prosperity*, p. 10.

12 World Bank (2016) *Taking on Inequality: Poverty and Shared Prosperity*, p. 10.

13 World Bank (2016) *Indigenous Peoples Overview*.

14 Freedom House (2016) *Freedom in the World 2016*.

freedoms are under threat.<sup>15</sup> Freedom of expression is today at its lowest point in over ten years, and only one in seven people live in a country with a free press.<sup>16</sup> Human rights defenders at all areas of the society are particularly targeted and are in many societies living under the constant risk of imprisonment and violence – even death. For female human rights defenders, this often includes sexual violence, and goes beyond their public activities and into their private sphere.

Despite these negative trends, there is a slow but steady decrease in the number of discriminatory legal frameworks. However although a long term perspective shows that change is possible, gender equality remains an unfinished business with slow and uneven progress. While state and non-state actors have acknowledged the importance of *gender equality* and women's and girls' social, economic and political rights and empowerment, this has not been matched by concrete policy implementation and demonstrable changes on the ground. Significant and sometimes growing gender gaps, due to unequal power relations and discrimination, remain across virtually all sectors and regions. Among the continued challenges are women's and girls' lack of economic empowerment and political influence, gender-based violence, denial of sexual and reproductive rights, low quality of education, unproductive jobs and unpaid care work. Growing extremism, conservatism and polarization all over the world has a particularly negative impact on the situation for women and girls.

*Environmental degradation*, including not least climate change, is increasing, which results in people living in poverty increasingly losing opportunities and being more exposed and vulnerable to environmental and climate change-related risks. Despite significant promising technological and social innovations, we are at the global level already “in the yellow or red” on several dimensions related to planetary boundaries for life on earth, including biodiversity, climate change, and nutrient overload.

The last decade has also seen *an increase in conflicts and insecurity* in many parts of the world. It is particularly marked in the Middle East, North African and South Asia regions, but other regions have also experienced deterioration. Insecurity is linked to political and economic instability, increased levels of violent extremism, and climate change. An increasing share of the world's people living in poverty is found in conflict-affected areas. By 2030, over 60 percent of people living in extreme poverty are expected to live in fragile states and conflict-affected areas, according to OECD/DAC.<sup>17</sup> Insecurity is a concern even in peacetime. While sexual and gender-based violence is a key threat in conflict, there is a global recognition today that the most dangerous

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15 CIVICUS (2015) *State of Civil Society Report*.

16 Freedom House (2015) *Freedom of the Press 2015*.

17 OECD (2016) *States of Fragility Understanding Violence*, p.20.

place for a woman or a girl is the household. Every third woman has experienced violence from a partner. This constant exposure and threat has severe impact on individual women and on their families and society at large in terms of suffering, oppression and reduced opportunities.

Furthermore, *humanitarian needs* due to crises have increased in recent years. The number of people targeted for humanitarian assistance in the yearly humanitarian appeals has doubled since 2012.<sup>18</sup> Continued and intensified conflicts have brought the number of people displaced globally by violence and persecution to 65 million, nearly 1 percent of the world's population.<sup>19</sup> 60 percent of those forced to flee are internally displaced.<sup>20</sup> The average years of displacement has now reached 17.<sup>21</sup> In addition, disasters caused by natural hazards, such as drought, disrupt the lives and livelihoods of millions of people yearly. Poverty and vulnerability to crises are inextricably linked. People in humanitarian crises, which are affected by conflict and natural disasters, are particularly vulnerable. In 2012, 76 percent of people living in extreme poverty – below USD1.90 per day– were living in countries that were either politically fragile, environmentally vulnerable or both.<sup>22</sup>

The *technological developments* since 2000, through innovative interventions but also the spread of internet and mobile technology and services, have brought a range of opportunities to people living in poverty. Increasing digitalisation is connecting people with new markets, making previously risky financial transactions secure through digital financial solutions, encouraging innovative entrepreneurship, and creating opportunities for increased transparency, accountability and participation. However, there are also challenges, especially relating to privacy and safety. Digital media literacy may have direct implications for human rights and equality, both between and within communities and societies, not least due to gender differences.

Finally, *demographic developments*, such as the persistent high population growth rates in many developing countries and changing age distribution, have important implications. There is possibly a growing “age poverty” in certain countries in Europe, while in many other countries, particularly in Sub-Saharan Africa, we see increasing numbers of youths who live in poverty due to high population growth and unemployment or underemployment. In combination with economic growth that is not sufficient to absorb the

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18 Office for the Coordination of Humanitarian Affairs (2011) *Launch of Humanitarian Appeals 2011*. Office for the Coordination of Humanitarian Affairs (2016) *Global Humanitarian Overview 2017*.

19 United Nations High Commissioner for Refugees (2015) *Global trends forced displacement in 2015*, p.2.

20 United Nations High Commissioner for Refugees (2015) *Global trends forced displacement in 2015*, p.2.

21 United Nations High Commissioner for Refugees (2004) ‘*Protracted Refugee Situations*’, *Executive Committee of the High Commissioner’s Programme, Standing Committee, 30th Meeting*, p.2.

22 Development Initiatives (2016) *Global Humanitarian Assistance Report 2016*, p.6.

increasing work force and an agriculture sector that is underdeveloped in most countries, this leads to *urbanisation* and *migration*. The largest share of people living in poverty still lives in rural areas; however, *urban poverty* is increasing and brings with it different conditions.

In summary, with the exception of digitalisation, there are few completely new issues since 2000. However, the development described above has reasserted or further emphasised the importance of several issues in relation to poverty reduction, confirming the four dimensions of poverty defined in the policy framework:

1. Resources;
2. Opportunities and choice;
3. Power and voice;
4. Human security.

Compared to the definition of dimensions of poverty in *PoP*, human security is added as a fourth dimension of poverty, recognizing the impact of conflict and violence for people living in poverty. As is highlighted above, a majority of the people living in poverty are expected to live in fragile states and/or conflict contexts in the near future. There is a strong relationship between poverty and conflict.

Developments since 2000 also show that, to understand the complexities of poverty and reduction of poverty, we need to pay more attention to inequalities, the chronically poor, climate vulnerabilities, urbanisation and urban poverty, demographic developments and digitalisation. Furthermore, as humanitarian needs, conflicts, and vulnerability to climate and conflict changes increases, it is important to strengthen linkages between long-term development cooperation and humanitarian assistance in analysis, planning and implementation.

# 3 The dimensions of poverty, and vulnerability

This section describes the multidimensional poverty model, including the four dimensions of poverty and the relationship between poverty and vulnerability. The model is a conceptual framework to be referred to and used in Sida’s different processes. The model also provides a structure for multidimensional poverty analysis.<sup>23</sup>

## 3.1 WHO IS POOR AND IN WHAT WAY?

The model below illustrates the four dimensions of poverty.



According to this model and in line with the policy framework, poverty is not only about the lack of material resources but also other poverty dimensions such as the lack of power and voice. Hence, according to Sida’s definition, a person living in poverty is resource-poor and poor in one or several of the other dimensions.

The underlying understanding is that poverty is complex. Knowledge about this complexity and how it is manifested for different groups of people is fundamental to being able to define effective policy measures and approaches to reduce poverty. The four dimensions assist in identifying the main ways in which poverty manifests itself and how it is experienced by people living in poverty. The four dimensions also help identify groups of people living in poverty.

All the poverty dimensions are interlinked. In most cases, multiple deprivations interplay to push people into poverty – and to keep them there. For

23 Separate guidelines for multidimensional poverty analysis are being developed in 2017.

example, being poor in terms of resources often implies being poor in terms of opportunities, choice, power and voice, and vice versa. Being poor in terms of human security can mean poverty in terms of opportunities, that is, the possibility people have to develop and use their resources so as to move out of poverty. Being poor in one dimension can also aggravate poverty in another dimension. Conversely, improvements in one dimension can reduce poverty in another dimension.

The model emphasises that *who* is poor should be at the centre of analysis. It means that the situation, needs, preconditions, and priorities of poor women, men, girls and boys are the starting point, as implied by poor people's perspectives. In the model, the word *who* has the gender symbols to emphasise the importance of gender in the understanding of who is poor and in what way they are poor. Asking *who* lacks resources, *who* lacks opportunities, *who* is insecure and *who* lacks power, and capturing inequalities between groups in these different dimensions, opens up for understanding how poverty impacts different groups of people in the four dimensions. This model also supports that people living in poverty can be agents of change.

The answer to the question “who is poor in the different dimensions” will vary according to gender, age, sexual identity, ethnicity, religion, indigenoussness, disability and other social variables. Gender dimensions always matter, but gender intersects with other social variables and must therefore be analysed in relation to those variables. When several layers of discrimination and deprivation coincide, poverty normally deepens. It is also important to take into account geography, the urban/rural divide, migrants and forcibly displaced people and people affected by conflict and natural disasters.

### Examples of questions to ask:

- Who lacks sufficient *income*, access to land or credit? Who controls and benefits from these resources? Who does not?
- Who lacks *power and voice* at work, at home, in the community, in the society?
- Who lacks *power* over their own bodies?
- Who lacks the *opportunity* to express themselves freely and exercise the right to vote?
- Who lacks *control of the agenda for decision-making*? Where? In the household, in the community, in the parliament?
- Who lacks *opportunities and choices* to productive employment, to get an education, access health services, or access financial services?
- Who *lives in insecurity* or suffers from violence? Where? In the household, at work, on the street?

## 3.2 POVERTY AND VULNERABILITY

Living in or near poverty affects a person's vulnerability to different types of risks that can push them into poverty, deeper into poverty or permanently into poverty. The link between poverty and vulnerability is not linear but complex and dynamic. It depends on how people are poor in all its dimensions, their capacity, resources and opportunities and their ability to manage risks, and how these affect their exposure to risks. In this sense, understanding risks and vulnerability is an important component of understanding the multidimensional nature of poverty among women, men, girls and boys.

When people are poor in multiple dimensions, there is an increased likelihood that they will not have, or have access to, the resources and opportunities needed to manage risks and maintain their well-being when exposed to shocks. Furthermore, different risks may have a more or less severe impact on people living in poverty. For example, people living in poverty can be exposed to floods and droughts. When a flood hits, they might lose their belongings or have to make choices with detrimental long-term effects, such as withdrawing children from school, cutting down trees, selling off cattle or reducing health care expenditures. People living in poverty are in many cases also exposed to risks due to unpredictable income, poor access to health services, etc. However, people living in poverty may be less exposed to other types of risk. For instance, subsistence farmers may be less exposed to economic and market shocks since they are only distantly connected to larger markets.

This complex relationship between poverty and vulnerability means that we need to understand in what dimensions women, men, girls and boys are poor, their exposure to risks, and how their poverty affects their capacity to cope with risks.

## 3.3 THE FOUR DIMENSIONS OF POVERTY

### Resources

#### Resources

Being poor in terms of *resources* means not possessing and/or having access to or power over resources that can be used to sustain a decent living standard, meet basic needs and improve one's life. Resources can be both material and non-material: a decent income or physical and human capital, such as being educated or have professional skills, being healthy, having agricultural tools or a push cart to transport goods in towns. Resources can also be access to natural resources and ecosystem services, such as land, clean air and water, goods and services from forests, livestock and fish. It can also be having time and a social network, formal or informal. What resources a person needs and has access to or power over is context-specific and depends on variables like gender, age, etc. Resources are interlinked with the three other dimensions. For example, professional skills are linked to opportunity to find employment, access to capital and land could be linked to power and voice, and health can be related to interpersonal violence in the household.

### Opportunities and choice

#### Opportunities & choice

Being poor in terms of *opportunities and choice* concerns one's possibilities to develop and/or use resources to move out of poverty. The lack of opportunities and choice is both a consequence of poverty in the other three dimensions and a consequence of a disabling context, such as the lack of access to education, health clinics, infrastructure, energy, markets and information. Lacking resources, power and voice and living in insecurity negatively affect the choices available and opportunities to escape from poverty.

### Power and voice

#### Power & voice

Being poor through lacking *power and voice* relates to people's ability to articulate their concerns, needs and rights in an informed way and to take part in decision-making affecting these concerns. This applies to decision-making in the private sphere and participation in public life and engagement with public institutions. It is important to fully understand the channels that women and men, girls and boys have access to – and which channels they may be excluded from. Power is a relational concept that allows us to better understand socio-cultural hierarchies and relations of age, caste, class, religion, ethnicity, sexual identity, and not least gender. Reinforcing forms of discrimination based on such socio-cultural relations may increase an



individual's poverty in this sense. The lack of power and voice therefore deprives people of the freedom to take part in private and/or public decision-making that is of fundamental importance to them.

### Human security



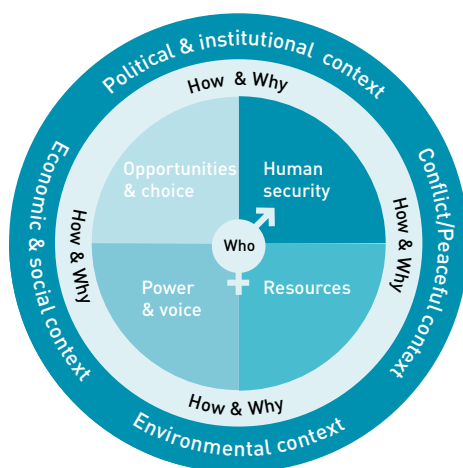
Being poor in terms of *human security* means that violence and insecurity are constraints to different individuals' and groups' possibilities to exercise their human rights and to find paths out of poverty. Conflict and insecurity are often volatile and rapidly changing, and a person's security can differ radically depending on gender, ethnicity, age, identity or in which region one lives. Generally people already experiencing poverty or deprivation in other dimensions are worst affected by conflict and insecurity. Besides the obvious harm and trauma that insecurity and violence cause, it also has other severe effects that deprive the lives of women, men, girls and boys. Living in insecurity can make parents stop sending their children to school; it can make farmers unable to harvest their crops or sell them in the market. Insecurity can cause people to die from curable diseases because the hospital is not safe or perceived as not safe. Violence and conflict makes people refugees, or they force people to stay home; for a girl or a woman, home can be the most dangerous place. Being poor in terms of security often contributes to increased poverty in other dimensions of poverty.

## 4 The development context

To understand the causes of poverty, the opportunities to move out of poverty, and the main risks that could aggravate poverty, it is important to understand the context in which a person lives.

Sida analyses the development context along four areas:

1. The economic and social context;
2. The political and institutional context;
3. Conflict/Peaceful context;
4. The environmental context;



In the model, the development context has been added as an outer circle. The outer circle has several functions. Firstly, it is the explanatory framework for the degree and dimensions of poverty (*why*). Secondly, it also contains the main elements of a development analysis that explains opportunities and constraints for inclusive and sustainable development, for resilience to risks as well as for people living in poverty to change their situation. Thirdly, it provides an understanding of poverty at a structural level.

A gender perspective permeates all these aspects. Different social divides, such as gender, age, sexual identity, disability, ethnicity and indigenoussness, go across all dimensions and need to be consistently taken into account to understand who is poor, how and why. It is also important to take into account

geography, urban/rural divides, forcibly displaced people, and people affected by conflict and natural disasters.

All the dimensions in the inner circle and the development aspects in the outer circle are interlinked. They cannot be analysed and understood in isolation from each other.

Risks need to be taken into account, and the analysis should include the vulnerability and resilience of society to economic shocks, climate changes and tensions and conflict, among other things.

*Economic and social context* includes the size and growth rate of the economy, the macroeconomy, fiscal policy, market development, labour market, structure of the economy – use and dependence on natural resources – education system, health system, and demographic developments – age distribution and divides, ethnic differences, gender gaps and dynamics. Economic incentive structures (taxes, fees, subsidies, payment for ecosystem services), allocation of financial flows, and accounting methods and reporting – all play a key role for determining whether or not the economy is socially inclusive and environmentally sustainable.

The large majority of Sweden's partner countries are small economies with low per capita incomes and large investment and social spending needs. The size of the economy, the growth rate, the structure of the economy as well as resource distribution and use directly affect women, men, girls and boys living in poverty in terms of employment opportunities, access to and quality of social services, and infrastructure. Macroeconomic instability directly and indirectly affects the conditions for economic development and the resources and opportunities of people living in poverty through e.g. inflation. Fiscal policy determines social spending on environmental investments and other spending directly affecting opportunities and choice. The structure and productivity of the economy and the functioning of the labour market affect opportunities for productive employment. School and health systems, and access to electricity and clean water are directly related to the resources, opportunities and choices of poor women, men, girls and boys.

The *political and institutional* context refers to formal and informal political institutions, norms, the rule of law, and human rights. The roots of poverty can often be traced to unequal power relations. The possibilities for poor women, men, girls and boys to participate in and influence the public debate are therefore important and depend on freedom of expression, association, and assembly. The rights perspective means that human rights and democracy are fundamental for development. Holding elites and public officials accountable for their decisions, priorities and policies as well as faults or omissions are important parts of empowerment and voice. Corruption – a manifestation of unequal power and an abuse of power, trust or position for improper gain – undermines the state's capability as service provider and duty

bearer and therefore affects all dimensions of development. Corruption further increases inequalities in power, voice, resources, opportunities, choice and human security. Politics in many ways influence and determine the choices available in the social and economic spheres of society, including access to and control over natural resources. Furthermore, socio-cultural norms construct the relation between different social groups, particularly the relationship between women and men as broad categories, defining their roles and position in society. These are also very clearly linked to dimensions of culture and religion, which as social systems are constantly changing and evolving, impacting and being impacted upon by the overall context.

*The peace and conflict context* refers to factors such as social cohesion, trust, conflict resolution mechanisms, justice, and arms control on the one hand and violence, tensions, grievances and conflicting interests on the other.

Furthermore, it is important to consider how the larger internal and external security picture affects poverty. People living in poverty are generally more vulnerable to conflict and violence. In addition, conflicts and insecurity can reduce access to education, health and markets as well as participation in societal decision-making and reduce the access to markets.

*Environmental context* includes, firstly, the need to understand the particular environmental situation, trends and consequences per se in the country or region – e.g. climate change, loss of biodiversity and ecosystem services, pollution, water quality – and the causes and drivers of degradation. This includes unpacking whether the root cause is local/national (e.g. a city's waste management), regional (e.g. overexploitation and degradation of joint water resources) and/or global (e.g. climate change) as well as understanding the linkages between the levels<sup>24</sup>. Secondly, it includes understanding the use of and dependency on natural resources and ecosystem services for livelihoods and economic growth, focusing on households living in poverty from household level to the macroeconomic level. Thirdly, it includes identifying risks and vulnerability, as people living in poverty tend to be vulnerable to environmental risks and degradation, such as droughts, floods, land degradation, overgrazing, health problems due to agro-chemical exposure, etc.

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24 For example, local wildlife poaching takes place locally but may be driven by international market demand; local fishermen and/or international fishing fleets may be overfishing etc.

## 5 Analysis of multidimensional poverty in the strategy process

The main operative purpose of multidimensional poverty analysis is to ensure the continued relevance of Sida's contribution portfolio given how poverty is manifested and experienced, who is poor, in what dimensions, the underlying causes of poverty, risks and vulnerability.

We recommend doing a comprehensive multidimensional poverty analysis at one point in the strategy process and then regularly revisiting this analysis.

There are two particularly strategic opportunities in the strategy process for a more comprehensive multidimensional poverty analysis:

- As part of the mid-term review and in-depth strategy report. The purpose is to make a more comprehensive assessment of the relevance of the portfolio than in the annual follow up, and to be forward looking and provide input for future strategies and support.
- At the end of the strategy and before the Ministry for Foreign Affairs gives instructions for the next strategy to Sida. The purpose is to provide input to the coming strategy.

Revisiting the analysis can be done in different ways. Two stages of the strategy process offer particular opportunities for revisiting:

- In the operationalization of the strategy. The purpose is to support the development of theories of change to ensure a portfolio of relevance to the strategy support areas and to reducing poverty in multiple dimensions.
- As part of the annual follow up of the strategy – possibly in relation to the strategy report. The purpose is to review the earlier analysis and theories of change, assessing the continued relevance of the portfolio for the results areas and given the changes in the poverty and development context.

Dimensions of Poverty  
Sida's Conceptual Framework

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