

**Swedish development cooperation considers poverty to be multidimensional and describes poverty in terms of lack of resources, power and voice, opportunities and choice, and human security. According to Sida, a person living in multidimensional poverty is resource poor and poor in one or several other dimensions.**

Swedish International Development Cooperation Agency (Sida) has updated its definition of poverty in line with political guidance and Agenda 2030. The overall objective of Swedish development cooperation is *“to create preconditions for better living conditions for people living in poverty and under oppression.”* To benefit people living in poverty requires understanding of who is living in poverty, how poverty is experienced and what are the underlying causes that keep people in poverty.

Swedish development cooperation is characterized by poor people’s perspective on development and the rights-based approach that encompass all thematic areas and modes of cooperation. In addition to these two overarching perspectives, Sida applies three thematic perspectives – conflict, gender, and the environment and climate perspectives – as cross-cutting themes that form the basis for Sida’s understanding of poverty.

The 2030 Agenda for Sustainable Development sets ambitious goals for development. The first of the Sustainable Development Goals (SDGs) targets to *“End poverty in all its forms everywhere”* and thus acknowledges that poverty is multidimensional. The 2030 Agenda also pledges to *“leave no one behind”* and that *“we will endeavour to reach the furthest behind first.”* Sida’s approach to multidimensional poverty is a response to the 2030 Agenda as it applies to the Swedish development cooperation.

## WHO IS POOR AND IN WHAT WAY?

Sida’s framework for defining and analysing multidimensional poverty captured in Dimensions of Poverty (Sida 2017) (see figure) emphasizes that ‘who is poor’ should be at the center of the analysis. It means that the poor women, girls, men and boys are the starting point for our understanding of poverty in a given context. Asking who lacks resources, opportunities, or power; who is insecure; and capturing inequalities between groups opens for understanding how poverty impacts different groups in these dimensions.

## THE FOUR DIMENSIONS OF POVERTY

Poverty is complex. Knowledge about this complexity and how it is manifested for different groups is fundamental to defining effective policy measures and approaches to reduce poverty.

Sida’s model for multidimensional poverty analysis (MDPA) identifies four dimensions of poverty: (i) Resources, (ii) Opportunities and choice, (iii) Power and voice, and (iv) Human security.

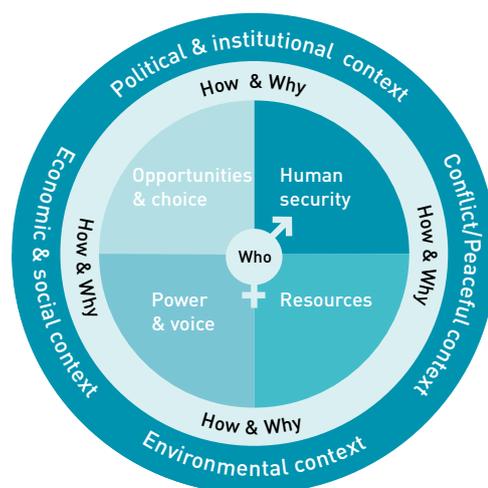


Figure: Sida’s framework for multidimensional poverty analysis (MDPA)

The four dimensions help to identify the main ways in which poverty manifests itself and how it is experienced by people living in poverty. Multiple causes interplay to push people into a situation of poverty – and, in many cases, to keep them there.

Being poor in terms of **resources** means not 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 having professional skills, being healthy, having agricultural tools or a cart to transport goods.

Being poor in terms of **opportunities and choice** refers to one's possibilities to develop and/or use the resources to move out of poverty. Access to productive employment, education, health clinics, infrastructure, energy, markets and information affect the choices available and opportunities to escape from poverty.

Being poor in **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 inside the household, in local communities and at the national level. Discrimination and violation of human rights are important aspects when analyzing this dimension. Power is a relational concept that allows us to better understand socio-cultural hierarchies and relations of which gender is one. Others include age, caste, class, religion, ethnicity and sexual identity. Reinforcing forms of discrimination based on socio-cultural relations may increase an individual's poverty in this sense.

Being poor in terms of **human security** means that physical, sexual, and/or psychological violence and insecurity are constraints to different groups' and individuals' possibilities to exercise their human rights and to find paths out of poverty.

According to Sida, a person living in poverty is resource poor and poor in one or several other dimensions.

## THE DEVELOPMENT CONTEXT

While the dimensions of poverty help to outline how poverty manifests itself, Sida analyses four development contexts that highlight the underlying causes and help identify pathways out of poverty. The four development contexts in Sida's model for multidimensional poverty analysis (MDPA) contain the main elements of a development analysis that explains opportunities and constraints for inclusive and sustainable development as well as ways for people living in poverty to change their situation. The context is often outside of the influence of an individual, but it frames the set of choices and opportunities available to individuals in a given context.

The **economic and social context** covers the size and growth rate of the economy, the key macroeconomic variables, fiscal policy, structure of the economy and exports, use and dependence on natural resources, education system, health system and demographic developments. The **political and institutional context** refers to the formal and informal political institutions, norms, rule of law and human rights. 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. The **environmental context** includes the need to understand the environmental situation, trends and consequences in the country of region – e.g. climate change, loss of biodiversity and ecosystems services, pollution, water quality – and the causes and drivers of degradation.

All the dimensions as well as the development context are interlinked. They cannot be analysed and understood in isolation from each other. However, how they are analysed and in what order will vary depending on the situation as the framework is aimed to be used flexibly as appropriate in different country contexts.

For further information, please visit:

<https://www.sida.se/English/partners/methods-materials/poverty-toolbox/>