



DEVELOPMENT CO-OPERATION TIPS TOOLS INSIGHTS PRACTICES

In practice

UNDERSTANDING THE MULTIDIMENSIONAL NATURE OF POVERTY

Key messages

Sweden has introduced multidimensional poverty analysis to improve the evidence base for its co-operation, assessing who is poor, how and why. Better understanding of country situations has enhanced preparedness for the COVID-19 response. Broad agreement, staff participation and country team leadership are critical to ensure the relevance and feasibility of the analysis.

Keywords

Policy and guidance | Poverty and inequality

Key partner

Sweden

Challenge

Achieving the objectives of Swedish development co-operation requires understanding of who is living in poverty, how that poverty is experienced and the underlying direct and indirect causes. The 2030 Agenda pledges to “leave no one behind” and recognises that poverty is multidimensional. However, the Swedish International Development Agency (Sida) lacked a framework and practical tools that focused on the poor, to better understand the main constraints they face and better direct policies and projects at all levels.

Approach

Sida has developed a framework for multidimensional poverty analysis (MDPA). Analysis is based on three entry points: Who is poor? How does poverty manifest itself? And why?

- **Who:** The key to MDPA is characterising the different groups of poor, where they live, their income-generating activities, gender and skills. MDPA assesses constraints in the development context for the country in general, but in particular for specific groups of poor people.
- **How:** Sida defines poverty through four dimensions: resources, opportunities and choice, power and voice, and human security. Multiple causes interact to keep people in poverty or push those who have escaped poverty back into it.

- **Why:** The framework analyses country-specific contexts, opportunities and constraints to inclusive, sustainable development and poverty reduction. It also includes indirect constraints, or constraints at the national or global level – how they affect the ability of people to move out of and stay out of poverty or affect the risk of falling into poverty in the first place.

Guidance (Sida’s Poverty Toolbox) has helped staff understand the concepts, run workshops, identify suitable data and complete the analysis. Formal guidance and instruction have been incorporated gradually in country strategy processes, along with clear goals for annual work plans.

Figure 1 The Sida Multidimensional Poverty Analysis model



Source: Sida (2017), [Sida's Conceptual Framework: Dimensions of Poverty](#)

Results

The framework has been rolled out in almost all of Sweden’s partner countries. It has been used to analyse context-specific constraints to reducing poverty, but also to assess links between the causes of poverty for a country or regional portfolio or a global programme. In 2021, Sida for the first time conducted an analysis of multidimensional poverty at a global level to identify causes of poverty in low and middle-income countries. This work has enabled Sida to utilise synergies between country and global thematic strategies.

The multidimensional poverty analysis has strengthened Sida’s poverty focus in its portfolio and in dialogue with partners. The framework itself has created a common understanding on points of departure for poverty reduction and its links to various thematic areas. It has also increased Sida’s preparedness for the response to the COVID-19 pandemic, helping staff better understand who might be affected by the crisis, and to engage in a dialogue with partners to see how programmes could be adjusted accordingly.

Sida will commission an external evaluation of its efforts to strengthen its poverty focus in 2022. This will include an assessment of the MDPA itself as a key tool for doing so.

Lessons learnt

Keys to the successful roll out of the new framework were:

- **Broad agreement on the concept.** Participatory development and interdisciplinary discussions have built staff understanding and ownership of the framework. A number of pilots ensured the tool is feasible and relevant in practice.
- **The country team should lead the analysis.** This helps stimulate discussion within teams (and beyond) to understand all dimensions of poverty and allow trade-offs and joint prioritising. Flexibility in the depth and scope of analysis and the format of deliverables allows teams to focus their resources.
- **Support from higher management.** Where country teams have had the full support of leadership there is a clear difference in the quality and usefulness of the results of MDPA.
- **Lack of quality data is a point for follow-up, not an obstacle.** Multidimensional poverty country analytics and multidimensional poverty indices complement and feed off each other.
- **Dialogue with key partners** has been crucial to the development of the concept, framework and toolbox.
- **Revisit and update the analysis** after major events or at least once a year ensure conclusions are up to date and to keep the ownership within the team.

Further information

Sida (2017), Dimensions of Poverty: Sida's Conceptual Framework, https://publikationer.sida.se/contentassets/f3e30b6727e8450887950edb891c05af/mdp_conceptual_framework.pdf.

Sida, explanatory video, <https://www.youtube.com/watch?v=ARsYRIXWb0U&feature=youtu.be>.

Sida, Poverty Toolbox, <https://www.sida.se/en/for-partners/methods-materials/poverty-toolbox>.

OECD resources

OECD (2018), *Development Co-operation Report 2018: Joining Forces to Leave No One Behind*, <https://doi.org/10.1787/dcr-2018-en>.

OECD (2018), *Case Studies on Leaving No One Behind: A companion volume to the Development Co-operation Report 2018*, <https://doi.org/10.1787/9789264309333-en>.

To learn more about Sweden's development co-operation see:

OECD (2019), *OECD Development Co-operation Peer Reviews: Sweden 2019*, OECD Development Co-operation Peer Reviews, OECD Publishing, Paris, <https://doi.org/10.1787/9f83244b-en>.

OECD (2021), "Sweden", in *Development Co-operation Profiles*, OECD Publishing, Paris, <https://doi.org/10.1787/7/8a6be3b3-en>.

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